Cigniti

22nd May 2023

National Stock Exchange of India Ltd,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.
Fax No.26598237/26598238

BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400001.
Fax No.22722037/22723121

Name of Scrip: CIGNITITEC

Scrip code: 534758

Dear Sir / Madam,

Sub: Submission of Annual Report for the Financial year 2022-23

In compliance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we are herewith submitting the Annual Report of the Company for the FY 2022-23.

This is for the information and records of the Exchange, please.

Thanking you.

Yours Faithfully,
For Cigniti Technologies Limited

ADIRAJU NAGAVASUDHA
Digitally signed by ADIRAJU NAGAVASUDHA
Date: 2023.05.22 19:29:20 +05'30'

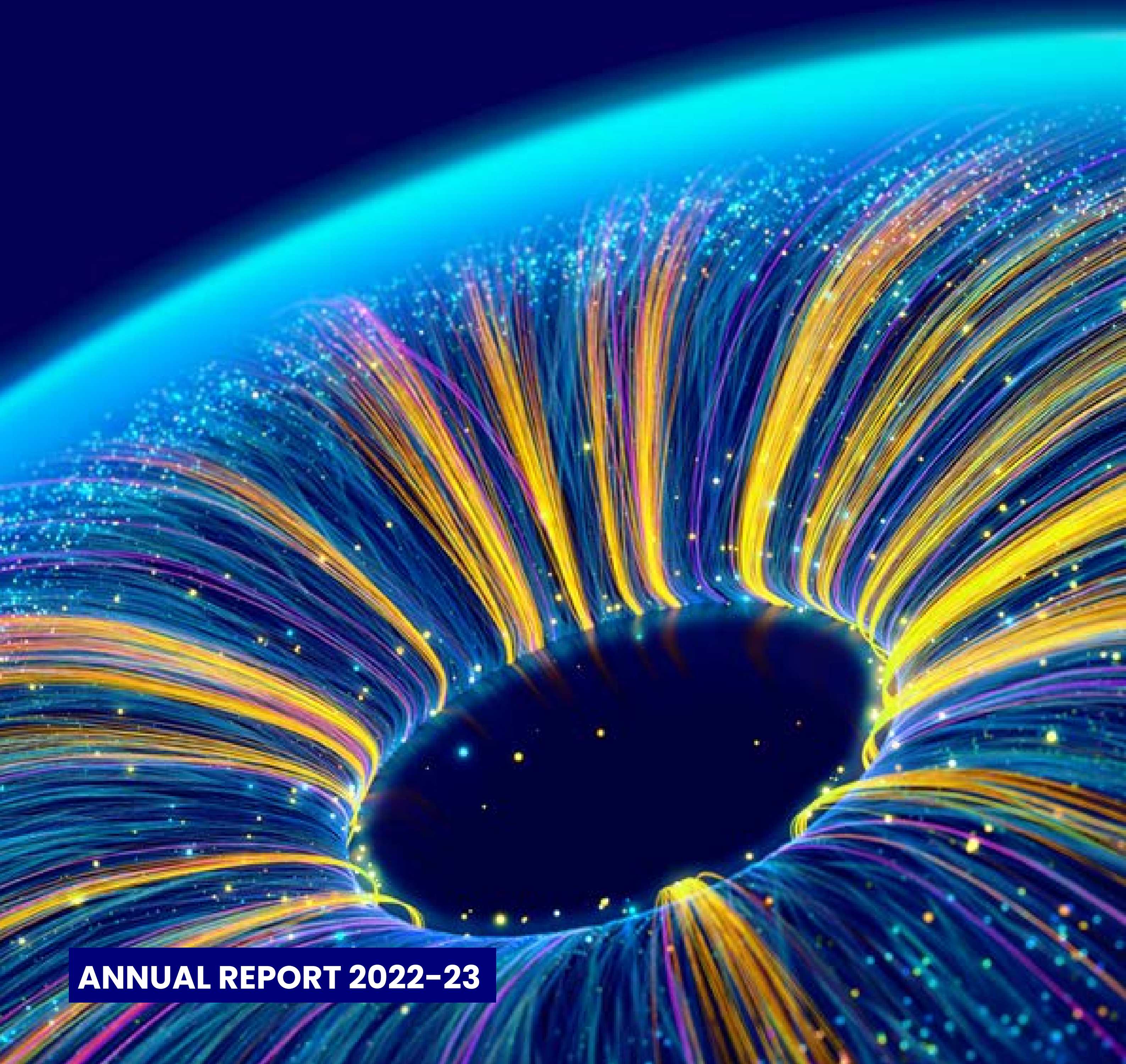
Naga Vasudha
Company Secretary

Encl: as above

Cigniti

Win the Digital Landscape

#leadtheleague



ANNUAL REPORT 2022-23

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Cautionary Statement Regarding Forward-Looking Statements
Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate',' estimate', 'expect', 'project', 'intend', 'plan', 'believe', and other words of similar substance, in connection with any discussions regarding future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe that we have been prudent while making the assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties, materialize, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or even otherwise.

Win the Digital Landscape

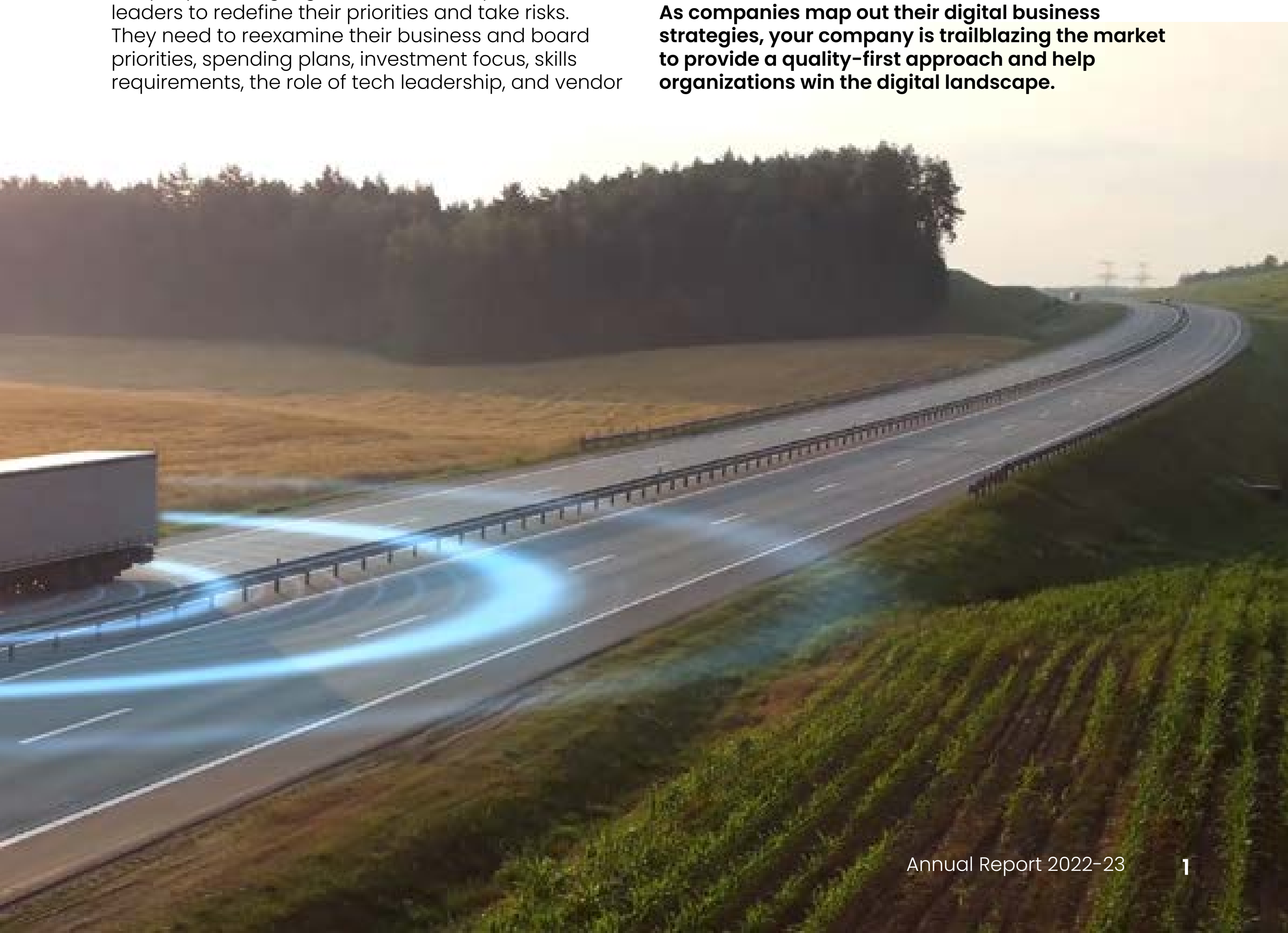
A recent McKinsey report notes, "Every company is a software company." Every company needs to build a specific software go-to-market capability to win at the software ecosystem game – and eventually the digital landscape. **As organizations commit to a software culture of leadership, communication, and investment, 90% of worldwide organizations will prioritize investments in digital tools to augment physical spaces and assets with digital experiences by 2023.**

Today, digital trust is critical, and fostering digital trust gives a big boost for business. For driving engineering excellence and achieving seamless omnichannel delivery through autonomous teams and flexible architecture, companies need to accelerate adoption of digital products. **95% of CEOs are pursuing a digital-first strategy**.[1] Are you?

A rapidly evolving digital-first world requires business leaders to redefine their priorities and take risks. They need to reexamine their business and board priorities, spending plans, investment focus, skills requirements, the role of tech leadership, and vendor selection through a digital-first lens to win the digital landscape. The objective is to implement a quality-first approach across digital products, services, and experiences. However, not all CEOs are equipped to handle the transformation required, with nearly half needing assistance in developing strategies to go beyond digital and provide a frictionless user experience.

In the digital-first world, technology is the differentiator for the CEO. Therefore, the right business plan, budget, strategy, and technology partner must be in place. As CEOs develop new mandates, skills, and teams, their technology vendor relationships will be affected. They will need to complement the CIO's skills and seek guidance, resources, and experience from external sources to scale in the digital-first world, creating a chance for vendors to act as trusted advisors.

As companies map out their digital business strategies, your company is trailblazing the market to provide a quality-first approach and help organizations win the digital landscape.



What Does it Mean to Win the Digital Landscape?

Winning the digital landscape means being able to propel ones' digital transformation journey by utilizing digital assurance and digital engineering services. To win over the digital landscape, you require a strategic and holistic approach that encompasses various aspects of your organization, including culture, processes, technology, and people. Here are some strategies that can help you achieve this dream.

Define a clear vision: Start by establishing a clear vision of what digital transformation means for your organization. Identify the desired outcomes, goals, & objectives of the digital transformation initiative, & communicate them across the organization.

Align digital strategy with business strategy: Ensure that your digital strategy is aligned with your overall business strategy. Identify the areas where digital technologies can create value and drive innovation in your organization, and prioritize them accordingly.

Embrace emerging technologies: Stay informed about the latest digital technologies and trends, and identify the ones that are most relevant to your organization. Examples may include artificial intelligence (AI), data analytics, cloud computing, internet of things (IoT), and blockchain. Adopt and integrate these technologies into your operations to enable new ways of doing business.

Emphasize cybersecurity: Digital transformation comes with increased reliance on digital technologies, which also raises the risk of cybersecurity threats. Implement robust cybersecurity measures to protect your organization's data, systems, and networks. Stay vigilant and continuously update your cybersecurity protocols to mitigate emerging threats.

Foster collaboration and innovation: Encourage collaboration and cross-functional teamwork within your organization to foster innovation. Create channels for idea sharing, experimentation, and prototyping. Foster a culture that encourages taking calculated risks and learning from failures.

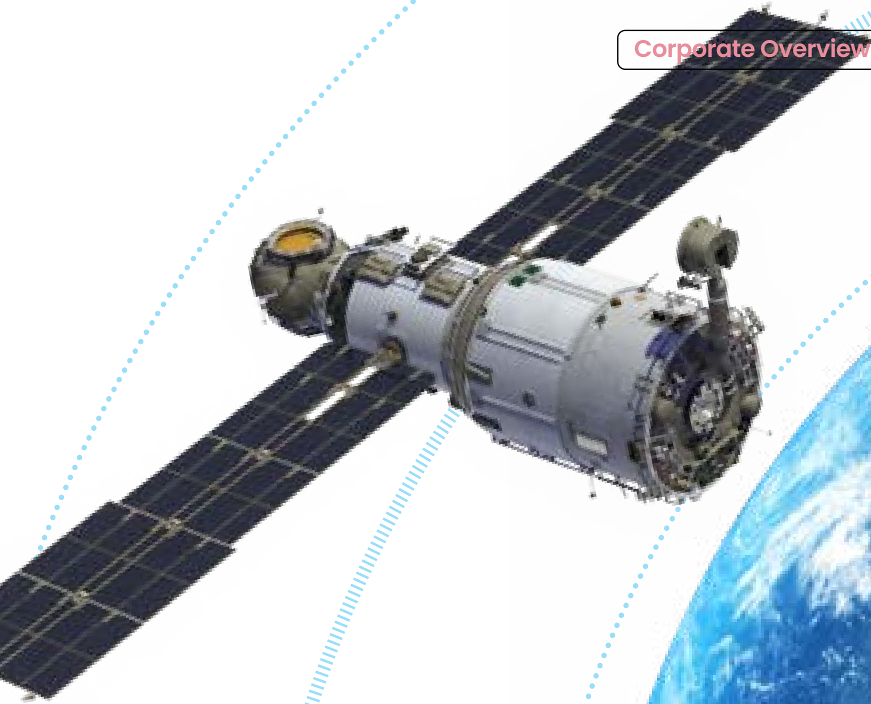
Foster a digital culture: Build a culture that embraces change, innovation, and continuous learning. Encourage employees to think digitally and embrace new technologies, and provide them with the necessary training & resources to develop digital skills.

Update business processes: Review and update your existing business processes to make them more efficient, agile, and customer-centric. Streamline workflows, automate manual tasks, and leverage digital tools and technologies to optimize operations and improve customer experiences.

Enhance customer experiences: Use digital channels & technologies to enhance your interactions with customers. Develop a customer-centric approach that focuses on delivering personalized and seamless experiences across multiple touchpoints, including websites, mobile apps, social media, & other digital platforms.

Ensure data-driven decision making: Leverage data and analytics to inform decision making. Implement robust data governance practices to ensure data accuracy, integrity, and security. Use data insights to gain a deep understanding of customer behavior, market trends, and internal operations, and use this knowledge to drive strategic decision making.

Foster partnerships: Collaborate with external partners, such as technology vendors, startups, academia, and industry experts, to gain access to expertise, resources, and new ideas. Form strategic alliances and partnerships to accelerate your digital transformation journey.



Remember that digital transformation is an ongoing process that requires continuous effort, adaptability, and leadership commitment. It's important to regularly review and adjust your digital strategy based on changing business and technological landscapes and iterate as needed to achieve your organization's digital transformation goals.

With a well-planned and holistic approach, you can successfully win over the digital landscape and unlock new opportunities for growth, innovation, and competitive advantage. So, it's essential to take a proactive approach and embrace digital transformation as a strategic imperative for your organization's future success. Keep learning, evolving, and adapting to the ever-changing digital landscape. Achieve the state where you can say "Ours is an organization where we have 'Digital, Done Right.'"

Digital Done Right Requires Transforming People and Practices

Digital done right means using digital technologies strategically and effectively to achieve business goals. It means understanding your target audience and tailoring your digital presence to meet their needs. It means creating a seamless user experience across all digital touchpoints, and leveraging data and analytics to make informed decisions about your digital strategy. And, perhaps most importantly, it means staying up-to-date with the latest trends and technologies.

At the heart of digital done right is a focus on the user. By creating a seamless, personalized user experience across all digital touchpoints, businesses can build strong relationships with their customers and foster brand loyalty.

Ultimately, digital done right is about using technology to connect with your customers in a meaningful way, and to drive real business results. By staying on top of the latest trends and best practices, and by putting the user at the center of everything you do, you can create a digital presence that truly stands out from the crowd.

In a Gartner Software Engineering Leaders Survey, respondents cited their top four challenges as hiring, developing, and retaining talent, ensuring the security of the software solutions, managing critical requests that constantly disrupt delivery, and lastly, reducing time-to-market without sacrificing quality.

So how can software companies overcome these obstacles to rapidly and securely deliver high-quality digital products at scale?

According to **Gartner's** latest report, **Strategic Roadmap for Becoming a World-Class Software Engineering Organization,** here are the key takeaways that should be followed meticulously by software engineering leaders to build a truly world-class software engineering organization.

Building high-performing "rock band" teams

For the majority of organizations, finding "rock star" engineering talent will continue to be difficult, but it's not about the particular stars. Instead, top-tier software engineering companies will create effective "rock band" teams with great principles to sustain in the long run.

> ***"If we want to build great products, we need great people. If we want to attract and keep great people, we need great principals,"***
>
> Jim Highsmith rightly said in his famous book – Agile Project Management: Creating Innovative Products.

Software engineers with broad experience in IT, business, and the software development life cycle (SDLC) will be a hallmark of world-class software engineering organizations. Software engineering leaders will encourage team members to become versatilists in order to create multidisciplinary teams. A versatilist embraces agility, including the ability to switch between products and across the product life cycle, while also building a solid foundation in new disciplines when the needs of the business change.

Implement platform engineering as a service

Software engineering leaders must empower teams by offering a self-service, curated set of tools, capabilities, and procedures that are in line with the corporate architecture. As a result, they will be able to enhance the developer experience and quicken value delivery. Platform engineering is the discipline of building and running internal self-service developer platforms for software delivery and life cycle management. Platform engineering is required to relieve software engineering teams of the responsibilities involved with platform development and maintenance.

By eliminating the tedious tasks of configuring and maintaining developer tools, platform engineering as a service enhances the developer experience. It allows developers to concentrate on development work that benefits the company's customers and its business. Software engineering leaders may rely on platform engineering to give teams a standard set of tools to offer security and controls.

Platform engineering will further empower teams and speed up their capacity to generate value, much like how agile, DevOps, and value streams have altered working methods.

Lead the organization through product roadmaps

To ensure that stakeholders understand the effects of shifting priorities, software engineering leaders should be open about product cost and delivery time forecasts in product roadmaps. Business leaders frequently view roadmaps as commitments. The forecast is, however, affected by a variety of internal and external circumstances, which may call for changes to the product roadmap. This can result in new or reordered features.

Software engineering leaders must make sure that their teams regularly deliver and that lessons learned from delivery are widely shared and put to use if they want to gain the trust of business leaders. Using product roadmaps that are based on the strategic plan, objectives, and anticipated key results of the organization can help the corporate planning process get funding.

Software engineering leaders must also actively assist their teams in setting priorities that are consistent with business strategy. While they should delegate the daily prioritization to product managers and their key stakeholders, they should also adopt prioritization frameworks that allow stakeholders to complete the organization's top priorities as soon as possible while staying within the fixed budgetary and personnel constraints.

How to win the Digital Engineering Game?

To win the game, software engineering leaders must motivate their teams, nurture talent, and change their cultures and methods of delivery to maximize value and improve customer experiences. By doing this, they can position their companies to withstand disruptions like COVID-19 or more recent recovery-driven shortages and supply chain pressures.

Organizations that are winning this game are the ones that are using a wider range of products, architectural techniques, and services than the others. A scalable and secure digital platform allows you to design and switch building blocks as teams assemble or disassemble business processes or customer experiences in order to adapt to today's constantly shifting business demands.

Digital Assurance and Digital Engineering: The Bedrock of Digital Transformation

Digital engineering and assurance are the missing links in enterprise transformation for both digital and physical industries.

For the digital segment, it is digital or software product engineering, which is the backbone of all software platform development and digital plumbing. According to Gartner, digital engineering and assurance is a $300 billion market.

As global enterprises race to achieve market leadership through re-imagining their digital-centric business models, assuring frictionless digital experiences as a key enabler becomes paramount.

Digital assurance is extremely important for any digital transformation program's success. The bedrock of becoming digital-first in modern-day business is ensuring impeccable digital experiences, and customers today are looking to leverage this expertise further. The market is aligning to ensure companies with impeccable Digital Assurance and Digital Engineering expertise are chosen as the preferred strategic partners of choice.

Every function of a software organization needs Digital Assurance to achieve its stated digital outcomes and acceleration via digital engineering to ensure they are digitally transformed.

We Help Businesses Win the Digital Landscape

We are moving forward on the solid foundation we have established as a committed step toward our digital play and deeper ambitions to be a global leader. We truly believe that Digital Assurance and Digital Engineering are the bedrock of Digital Transformation.

Clients around the world use Cigniti's proprietary platform-led approach, and its demonstrated capacity to deliver transformative digital experiences.

Cigniti also helps businesses unlock opportunities with intelligent ML-driven solutions. We have a well-defined framework for use case ideation, architecture definition, and MVP creation to help customers identify automation possibilities using ML interventions.

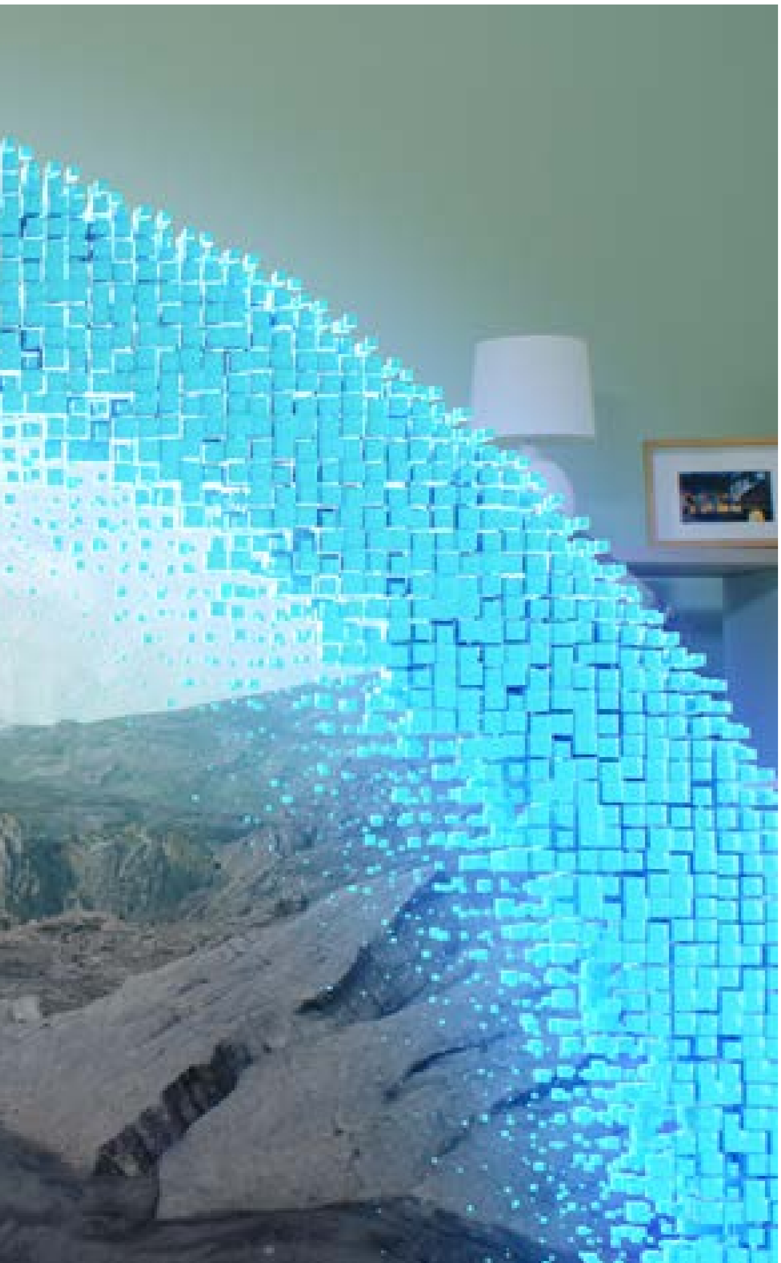
For us, adopting intelligent automation by leveraging AI &ML is more than a catchphrase. We believe that the software platforms that drive tomorrow's enterprises will be intelligent at their core. As more applications gain the ability to "validate" and make "intelligent" judgments at the point of action, we also think that intelligence is moving towards the edge. We are prepared to support you as you embark on this transformative adventure.

We help companies continually experiment, use lean and agile principles to measure outcomes, learn from these experiments to identify new value propositions for customers, and implement end-to-end solutions to deliver Digital Outcomes using Programmatic Innovation.

The Pathway to Winning the Digital Landscape: Programmatic Innovation

"The ability to comprehend complex and rapidly changing future scenarios accurately, harness the impact of advancing technologies while keeping the short- and long-term goal in mind will separate the best organizations from the rest."

Cigniti's full spectrum of digital assurance and digital engineering services supports companies seeking this clarity and resilience in executing successfully for these future scenarios.



Our service offerings highlighted below are aligned along this pathway of programmatic innovation that begins with developing a better understanding of the realities faced, generating winning ideas within multiple such realities to leveraging experimentation enabled by advancing digital technologies and methodologies for successful execution.

Data and Insights - Ensure the availability of the right data at the right time to generate both descriptive and predictive insights, that are required to frame problem statements and build a hypothesis that challenges past assumptions.

Experience - Utilize our deep expertise in agile software engineering and human-centric design to deliver the experience that users demand. The mature practice ensures a rapid evolution from ideation to prototyping to MVP and Deployment.

Platform and Connectivity - Ensure the continuous flow of information and resilience in deployment within the design, development, and operations of products and services.

Quality & Testing – Leverage proactive quality engineering to assure the integrity of business outcomes and ensure the building of trust with customers.

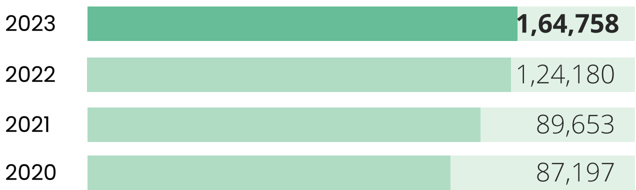
This culture must be supported by a systematic practice that fosters innovation from the bottom up. Programmatic Innovation in essence cultivates the ability for organizations to learn continuously from doing deliberately in this manner.

Our focus on programmatic innovation, proactive QE, software product and platform engineering, digital engineering, data engineering, intelligent automation, cloud engineering, IoT and device engineering, and digital assurance and quality engineering has enabled us to develop cutting-edge digital solutions that have helped our clients increase customer satisfaction and gain a competitive advantage over their competitors in the digital space. **In the year gone by, we have continued working towards achieving and providing what matters most for our clients: Assurance, Automation, Acceleration, and Customer Experience.**

Key Performance Indicators

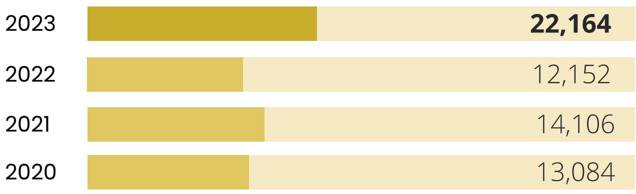
All values in Rupees Lakhs

Revenue from Operations

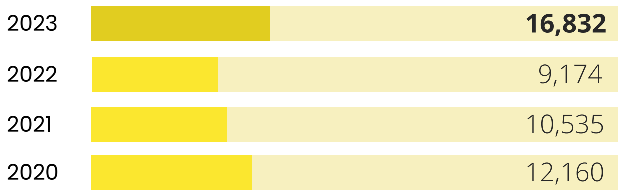


Total Expenses

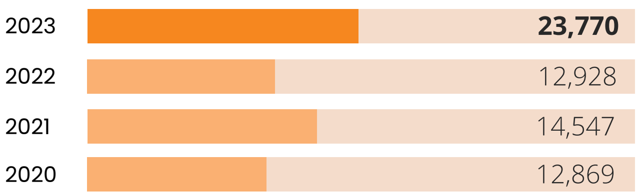
Profit Before Tax



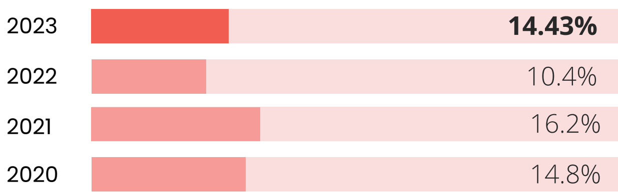
Profit After Tax



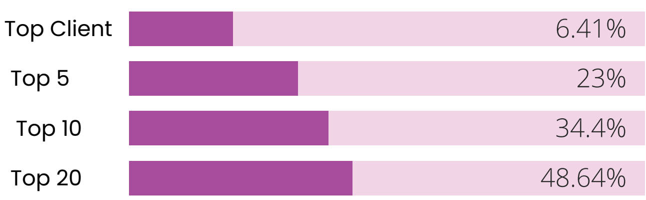
EBITDA



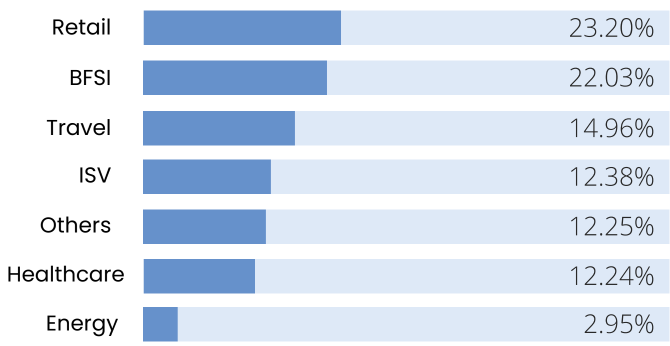
EBITDA Margin



Revenue Concentration FY2023



Revenue by Verticals FY2023



Chairman's Message

> We are on a mission to become a $1B company by 2028.

Dear Shareholders,

Trust you and your loved ones are doing good.

At the outset, I want to congratulate each of you for being part of a stupendous financial year 2023. It was a year of several milestones and transformations as your company:

- Crossed the revenue milestone of $200 million (at Rs. 1,647.58 crores)
- Forayed into the Digital Engineering services space in pursuit of becoming an AI & IP-led digital engineering and digital assurance services provider with the acquisition of Apaara Digital (RoundSqr) last year.
- Renewed our vision of 'Together, we build a better future through technology-led transformation' and set a mission to become a $1B company by 2028.
- Unveiled a new brand identity reflecting its renewed vision to be a trusted digital transformation partner for its clients including Fortune 500 and Global 2000 companies.

I take this opportunity to sincerely thank our employees for their support, the board of directors for their guidance, and all our clients and shareholders for their continued trust in us.

To remain nimble and succeed in this environment, your company has expanded into emerging Digital Engineering services, like AI/ML, Blockchain, Intelligent Automation, Product Engineering, Data Engineering, and more with the acquisition of Aparaa Digital (RoundSqr).

In 2020, when we redrew our strategy to focus on other growing verticals like Med-tech, Healthcare, Retail, and BFSI that have been paying the returns for us. Travel & Hospitality has bounced back and now we are witnessing great revenues from all the above verticals. We have built capabilities in Energy & Utilities and are serving global enterprises in the USA and the UK. The sector is expected to grow by 12% in 2023 as per Nasscom. Additionally, in FY2023, we won 43 new logos including Fortune 500 companies.

Our focused approach to upsell and cross-sell in existing key accounts helped us grow 40% to 60% in a few accounts. We converted 4 clients into $10 Mn+ accounts, contributing to the 32.7% overall growth in revenue this year.

Our renewed analyst relations strategy with a focus on digital assurance, digital engineering services, IP, and industry verticals garnered great recognition and strengthened our position as the company laying a long-term roadmap to fuel growth. A few of the mentions by leading analysts are:

- Global analyst firm recognized Cigniti in the Execution Zone for Intelligent Automation Services and RPA Mid-Tier Service Providers, Intelligent Automation Services: BFS, Retail, and Manufacturing categories in Intelligent automation for H1 2023.

- ISG recognized Cigniti as Contender in Client Development, Manufacturing Supply Chain Digital Transformation, MedTech Digital Transformation, and Pharmacovigilance and Regulatory Affairs quadrants for the ISG Provider Lens™ for Life Sciences Digital Services**.**

- ISG recognized Cigniti as a Leader in Continuous Testing in the ISG Provider Lens™ report for Next-Gen Application Development & Maintenance Services, the US 2022.

- Gartner recognized Cigniti as a Sample Vendor for API Testing Services in the 2022 Gartner® Hype Cycle™ for Managed IT Services, 2022, and for API Testing Services in the 2022 Gartner® Hype Cycle™ for APIs, 2022.

We continued to invest in our IP by augmenting BlueSwan™ (Cigniti's next-gen Digital Assurance platform) with the launch of iNSta™, an AI-powered low-code/no-code test automation platform. Cigniti's Zastra™, an active learning-enabled Computer Vision-based annotation platform, enables AI-led digital outcomes of credible, measurable impact for clients.

Awards & Recognitions

Throughout 2022-23, your company has received several prestigious awards, including the Prestigious Brands of India 2022 Award for IT Services by BARC Asia, recognized as Dallas Business Journal's 50 Fastest-growing Middle Market Companies in North Texas for 2022, won 'Company of the Year' in the IT services category for Digital Assurance & Digital Engineering services at Outlook Business Spotlight's Business Icon Awards 2022. Cigniti has also won the "Best IoT Healthcare Platform" in the 2023 MedTech Breakthrough Awards Program. These accolades showcase the dedication of over 4200 Cignitians globally and your unwavering commitment to delivering exceptional service to clients.

DE&I

Your company is committed to creating an equitable and gender-neutral workplace and has implemented several initiatives to promote diversity and inclusion such as the DE&I council, which fosters a welcoming environment for all employees and customers, as well as the Women in Tech roundtable and herDIGITALstory™, both of which aim to promote gender diversity and inclusion. The Economic Times recognized Cigniti as the Best Organization for Women. These efforts reflect your company's values and vision.

Financial updates

During FY2023, your company delivered good results by reporting record revenues of Rs. 1,647.58 crores with an EBITDA of 14.4%. The revenue growth stood at 32.7%, backed by the strong demand for Digital Assurance and Digital Engineering services, while the rising need for Digital Transformation enhanced the momentum of our business. We have a strong balance including cash and cash equivalents to support liquidity and business growth along with rewarding shareholders for their continued support. Your company's performance in the past fiscal enabled the Board to recommend a dividend of Rs. 3 and an additional special dividend of Rs. 2.50 on the company's successful completion of 25 years.

CSR

We continued to focus on Education, Healthcare, and Sustainability. In the year FY2023, we improved access, inclusion, and infrastructure in 9 schools, provided digital platforms for science and technology education, supported 100 young women from rural backgrounds through upskilling and job placement programs, supported medical equipment for a gynecology unit at MNJ cancer hospital in Hyderabad, and promoted green initiatives through 200+ saplings plantation. Cigniti employees actively participated in teaching and mentoring programs, continuing our commitment to giving back to society.

Outlook

Despite macroeconomic turbulence, Gartner predicts a 5.5% increase in global IT spending to $4.6 trillion in 2023 and it's expected to be driven by 9.1% growth in software and IT services segments. Many reports suggest the IT sector is driven by smaller ($5Mn to $20Mn) deal wins that work in our favor as we are best positioned for such deals due to our offerings, size, agility, and high customer intimacy.

We are reinventing ourselves and have expanded our horizons into Digital Engineering services with more capabilities to help clients achieve market leadership in the digital world. In FY2024, we are emphasizing proactive Quality Engineering, Data Engineering, Data & Insights, and Digital Engineering Services. We remain committed to delivering exceptional value to our stakeholders and strive to be the partner of choice for digital transformation initiatives. The recent strategic appointment of Dr. Srinivas Kandula, ex-Chairman and CEO of Capgemini India as its Executive Director on the Board will help Cigniti accelerate its journey towards becoming a $1 billion quality-first software and Digital Engineering services company. His appointment brings a wealth of experience that will help to propel the company further into the digital orbit.

Finally, I express my gratitude to the committed 4200+ Cignitians globally for advancing our values. On behalf of Cigniti's Board of Directors, I extend sincere appreciation to our clients, technology partners, shareholders, governmental organizations, and regulatory bodies for their unwavering support and guidance.

Yours Truly,
C V Subramanyam,
Chairman & Managing Director

CEO's Message

> Our unique approach of being a quality-first digital engineering services company helps us offer a highly differentiated digital services stack to our customers, helping them win the digital landscape. We call it "Digital. Done. Right."

Dear Shareholders,

It gives me great pleasure to present the annual report of Cigniti Technologies for the fiscal year 2023 and share that your company has achieved an impressive revenue growth of 32.7%. Our revenue growth is a testament to our values - character, competence, and unwavering commitment to providing our clients with top-notch services and solutions, helping our customers become digital-first.

This remarkable feat was made possible by the trust and confidence clients have placed in your company and the hard work and dedication of Cignitians, and I thank all for the same. I want to extend my heartfelt congratulations to all the Cignitians for their outstanding contributions to the company's success.

Your company understands that navigating and winning the digital landscape requires accelerating the digital transformation journey by leveraging digital assurance and digital engineering services. However, a strategic and holistic approach is necessary to achieve this goal, encompassing various aspects of the organization. Your company is dedicated to helping organizations achieve their digital transformation goals by providing innovative solutions that address their unique challenges and needs.

The economic outlook for the IT industry in 2023 is optimistic despite the ongoing global economic turbulence. The latest forecast by Gartner projects that worldwide IT spending is projected to increase by 5.5% to reach $4.6 trillion in 2023. Software and IT services segments, expected to see a 9.1% growth rate, will drive the growth.

Despite the bright outlook, the tight labor market poses challenges for IT services spending. As skilled IT workers migrate away from enterprise CIOs, businesses must invest more in digital initiatives to meet specific business drivers. Cigniti understands the importance of digital technologies in this ever-changing economic landscape. As the demand for digital technologies continues to grow, your company is well-positioned to help businesses achieve their digital transformation goals and stay ahead of the competition.

Your company has made significant strides in meeting client expectations and delivering on our promises. Our proven capabilities in enabling digital outcomes have helped us win 43 new logos, including Fortune 500 companies across industries and regions, such as the largest Retail Bank in the UK, a US leader in financial services under Fortune 500, World's foremost luxury and art business company, the leading optical fiber and cable company in Europe, and more.

We maintain a quality-first mindset across all operations while increasing our revenue share in Digital Engineering services. The acquisition of RoundSqr has deepened our Digital Engineering capabilities, reflecting our ambitions to tap into the fast-growing $600+ billion market segment of Digital Engineering services. This shift has opened new opportunities for potential multi-year client engagements, yielding positive results in the next year as we cross-sell services and move up the value chain for more customer engagement and rate improvement.

At Cigniti, we remain committed to expanding our capabilities and investing in innovative solutions that enable our clients to stay ahead of the curve. In FY23-24, our focus areas include Product & Platform Engineering, Agile & DevOps Transformation, Data Engineering & Insights, Programmatic Innovation, User Experience Engineering, Business Intelligence/Visualization, AI & ML, FinOps, Blockchain, Intelligent Automation (RPA), and Cloud Engineering. This has enabled us to partner with the newer Global 2000, platform, and digital-native companies. Your company has invested highly in innovation and added new capabilities to its services and product portfolio.

We are proud to have launched our iNSta™ platform. iNSta™ is a self-healing, AI-powered scriptless test automation solution that enables testers and business users to automate test cases without writing code. Our clients have received this platform well. In addition, our Zastra™, an active learning-enabled Computer Vision-based annotation platform, enables AI-led digital outcomes of credible, measurable impact for clients. We are also thrilled to have been recognized with several awards, including the Bronze level American Business Award in the "Low Code / No Code" category and the "Best IoT Healthcare Platform" award in the 2023 MedTech Breakthrough Awards program. These accolades testify to our dedication to delivering innovative solutions that provide real value to our clients.

Your company is also equipping itself to tackle the disruption caused by the advent of Generative AI.

We at Cigniti Technologies have started using Generative AI and ChatGPT as a unit test case generation tool. We have created a combination of prompts that lets our developers & testers leverage GPT to generate automated test case scenarios, test cases to test the code, and also in the areas of system testing and security testing. On the Digital Engineering services side, we are working to leverage ChatGPT / equivalents which are available through GitHub Copilot, OpenAI Codex, AWS CodeWhisperer etc. We are evaluating GitHub Copilot and will also evaluate the others to see what benefits can come. In our opinion overall this will help us significantly deliver productivity benefits to our customers both from our digital assurance and digital engineering services perspective.

Your company recognizes that employees are the backbone of an organization, and our Human Resources department plays a crucial role in supporting them. Over the past year, our HR team has focused on implementing continuous process improvement, automation, and innovative employee engagement strategies to enhance our employee experience, bringing down our attrition rates to 20%. We understand that fostering a culture of diversity, equity, and inclusion (DEI) is essential to attracting and retaining top talent. That's why we've made significant strides in promoting DEI across our organization, including implementing policies that celebrate and support diversity in all forms. Our commitment to women's empowerment remains a core focus, and we support and help advance women in the workplace by launching initiatives such as herDIGITALstoryTM and Women in Tech roundtable. We are proud of our progress and will continue to invest in our employees' professional development to ensure their growth within the organization.

Your company is committed to achieving multi-fold growth. We have recently appointed Dr Srinivas Kandula, ex-Chairman and CEO of Capgemini India, as its Executive Director on the Board to navigate the company's ongoing digital transformation. With a shift towards Digital Engineering services and a focus on existing accounts and strategic partnerships, Cigniti aims to maintain its competitive edge and deliver exceptional value to its clients. Your company is investing in upskilling its workforce, expanding its global footprint, and strengthening its capabilities in emerging technologies. Cigniti remains committed to being the partner of choice for digital transformation initiatives, helping them win the digital landscape.

We will continue investing in our people, processes, and technology to ensure we remain at the forefront of digital assurance and digital engineering services.

I take this opportunity to thank our employees, clients, and shareholders for their unwavering support and trust in us. We are confident that with your continued support, we will achieve even greater success in the years ahead.

Yours Truly,
Srikanth Chakkilam,
Chief Executive Officer

World of Cigniti

Cigniti is the world's leading AI & IP-led Digital Assurance and Digital Engineering services company. We help global businesses, Fortune 500, and Global 2000 enterprises across industries spanning 24 countries overcome digital adoption challenges and accelerate their digital transformation journey. Lead the league by leveraging our AI and platform-led innovation services.

We offer domain-centric services that deliver measurable and strategic outcomes.

4200+
Professionals globally

32%
Women professionals

230+
Active Clients

60+
Fortune 500 Clients

80+
Global 2000 Companies

Our Global Presence

Cigniti's global presence is magnified by our workforce of 4200+ highly skilled professionals dispersed across 24 countries.

Building a Greater Cigniti as we Propel Further Into the Digital Orbit

Cigniti unveiled a new brand identity in FY 2023 that reflects its renewed vision and values. A strategic two-day workshop with thought-provoking discussions and activities was held to define the new vision, values, and mission. The outcome of this workshop was that the new vision of "Together, we build a better future through technology-led transformation" drives every Cignitian to outperform themselves daily. Every strategic step we took in the past year was a step toward realizing our vision.

Vision

Together, we build a better future through technology-led transformation.

Our redefined values of Character, Competence, and Commitment align better with our renewed vision.

A Bold New Look: Cigniti Unveils its New Brand Identity

The new logo aspires to uphold a contemporary attitude, produce a powerful visual depiction of a shift toward digitalization, and at the same time, imbibe the company's software quality-first mindset. Additionally, it aims to exemplify the intense commitment and forward-thinking transformation embracing the business through innovation, automation, and artificial intelligence.

The company's digital thinking and avatar reflect its ability to engineer, assure, and technologically transform and accelerate outcomes for global companies, helping them achieve market leadership in their chosen lines of business.

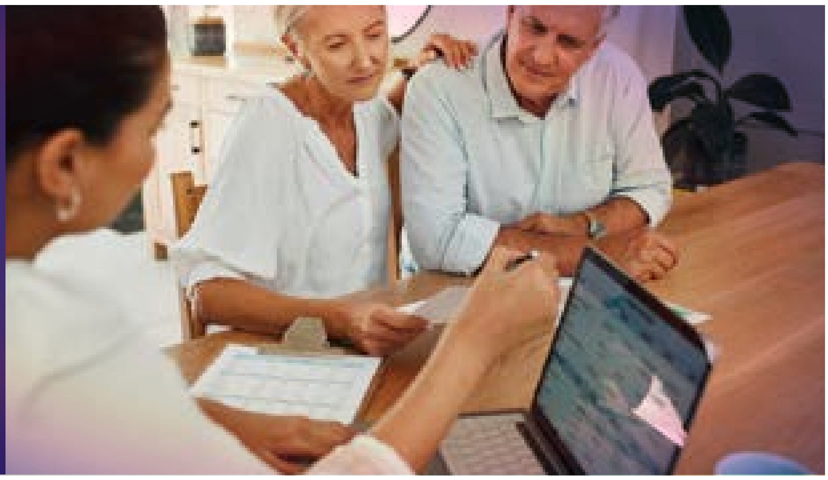
Key Clients Won in FY 2022-23

Cigniti won 43 new logos including Fortune 500 companies across industries and regions owing to its proven capabilities in enabling digital outcomes.

Global leader in consumer electronics & technology

Leading retail bank in the UK

Fortune 1000 financial services provider



World's foremost luxury and art business company

Leading European optical fiber and cable company

Global specialist in clinical research

Leading Middle Eastern telecommunications service provider

Leader in electric vehicle (EV) charging management solutions

Biopharmaceutical leader in cancer immunotherapy for over a century

The 4th largest insurer in the United States

A top 10 university in Australia

UAE's largest investment firm

Global Analyst and Advisory Recognitions

With the acquisition of Apaara Digital (RoundSqr) in FY2023, Cigniti focuses on being recognized in Digital Engineering services by global analysts. At the same time, it continues to strengthen its AI and IP-led Digital Assurance service expertise.

Cigniti is also recognized for its industry expertise in Retail, Medtech, BFS, Manufacturing, Supply Chain, and Energy and Utilities.

Digital Assurance Services

ISG

For the second time, the ISG Provider Lens™ report on Next-Gen Application Development & Maintenance Services, US 2022, recognized Cigniti as a 'Leader.' The Report for UK 2022 recognized Cigniti as a 'Rising Star' in Continuous Testing, focusing on delivering automated services to assure quality with the speed of agile development. ISG recognized our critical strengths in Continuous Testing, domain competencies, next-gen testing platform (BlueSwan™), cohesive partner strategy, and offshore/nearshore capabilities.

Gartner

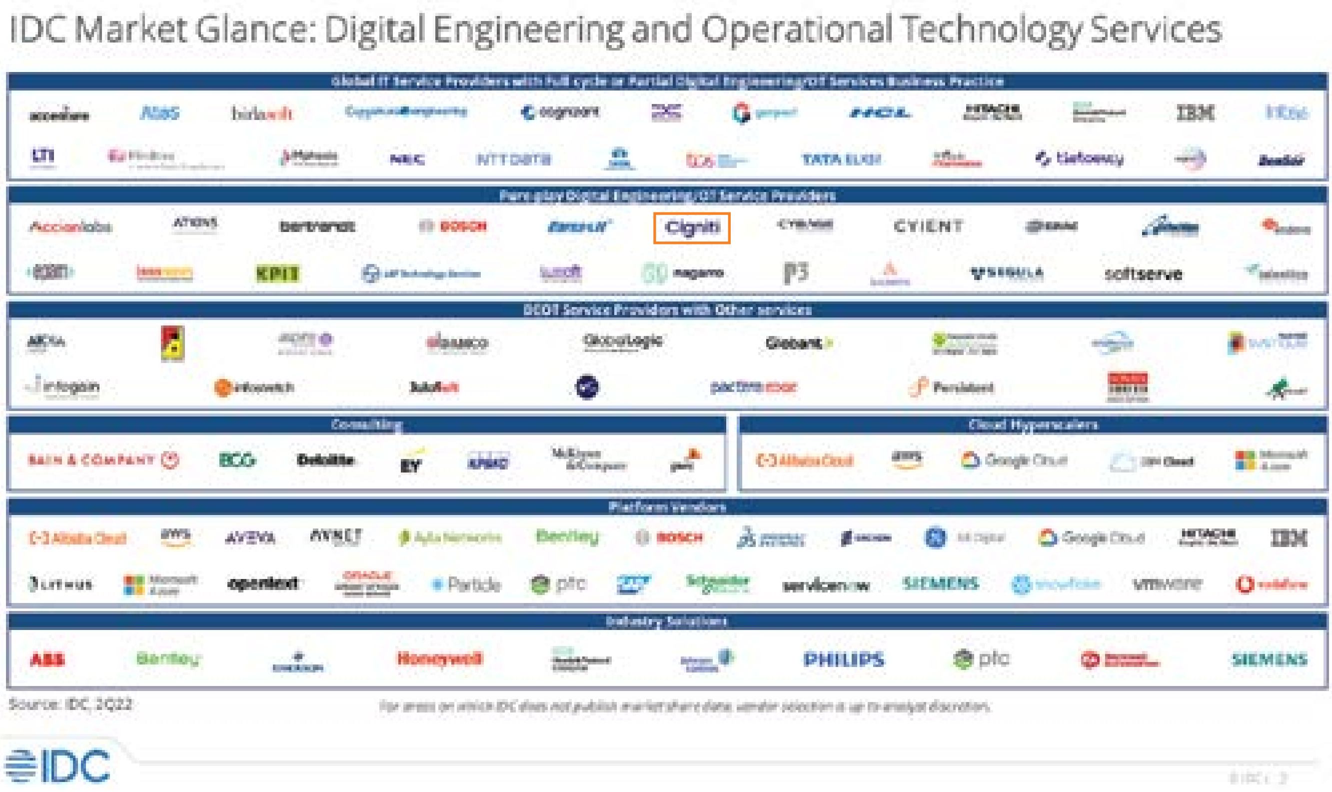
The Gartner Market Guide for Application Testing Services 2022 mentions Cigniti as a **"Pure Play Testing Vendor."** This mention is significant because it demonstrates Cigniti's deep expertise and experience in testing, which is essential for delivering high-quality testing services to clients.

Cigniti has also been mentioned as an **API Testing Services Vendor** in the Gartner Hype Cycle for Managed IT Services, 2022. The report highlights Cigniti's ability to provide end-to-end testing services across various industries and technologies, focusing on delivering high-quality results and reducing time-to-market for clients. As an API Testing Vendor, Cigniti demonstrates expertise in testing APIs for functionality, performance, and security, helping clients ensure their applications' reliability and scalability.

Digital Engineering Services

IDC

For the 1st time, Cigniti has been mentioned as **a Pure Play Digital Engineering/OT Service Provider** in the IDC Market Analysis Perspective Worldwide Digital Engineering and Operational Technology Services 2022 report. The report highlights Cigniti's capabilities in providing digital engineering services across various industries.



Leading Analyst Firm

Cigniti has been positioned in the Execution Zone for Intelligent Automation Services Mid-Tier Service Providers, Robotic Process Automation (RPA) Mid-Tier Service Providers, Intelligent Automation Services: BFS, Intelligent Automation Services: Retail, and Intelligent Automation Services: Manufacturing, as well as in the Breakout Zone for Intelligent Automation Services: Insurance and Intelligent Automation Services: Healthcare, Intelligent Automation Services, H1 2023. This recognition highlights Cigniti's expertise in providing intelligent automation services, including RPA, to various industries, including BFSI, retail, healthcare, manufacturing, etc.

Banking

Financial Services

Retail

Healthcare

Manufacturing

NelsonHal Lauds iNSta™, Cigniti's Self-healing, AI-powered Scriptless Automation Platform

Dominique Raviart, Practice Director at NelsonHall, with global responsibility for the IT Services research program at NelsoHall, has written a blog on Cigniti's IP iNSta™, a Self-Healing, AI-powered Scriptless Automation platform.

The blog titled "Cigniti Develops iNSta on Automated Script Creation & Maintenance with High Potential" discusses the capabilities that iNSta™ can offer and how test script maintenance will become easier.

Recognitions Received for Services Offered in Industry Verticals

Power and Utilities

Cigniti is positioned as a **Contender** in ISG's Provider Lens™ for Power & Utilities Next-Gen IT Services, 2022 vendor assessment report.

Retail

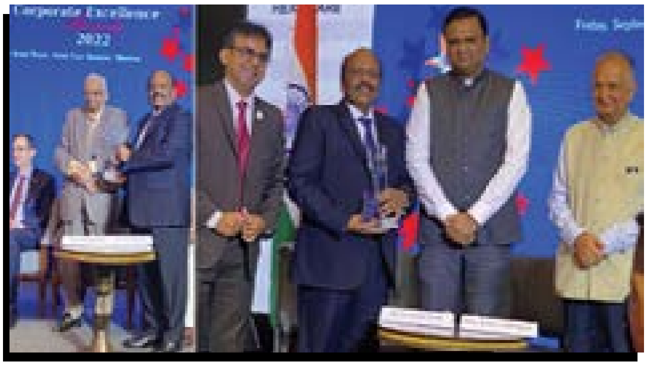
Cigniti is positioned as a **Contender** in ISG's Provider Lens™ for Retail Managed Services 2022 report. Cigniti's expertise in providing end-to-end testing services across various retail applications has also been recognized in the report.

Life Sciences

Cigniti has been recognized as a **Contender** in the four quadrants of the ISG Provider Lens™ for Life Sciences Digital Services Study 2022 which includes Client Development, Manufacturing Supply Chain Digital Transformation, MedTech Digital Transformation, and Pharmacovigilance and Regulatory Affairs. Cigniti's inclusion as a Contender in these quadrants signifies its ability to deliver high-quality digital services to its life sciences clients.

Awards & Recognitions

Cigniti Technologies Wins 'Company of the Year' at Outlook Business Spotlight's Business Icon Awards 2022



Cigniti Chairman & MD Mr. C V Subramanyam, Honored With 'Outstanding Contributor to the Indo-US Corridor' Award

Received 'Prestigious Brands of India 2022' Award for IT Services by BARC Asia

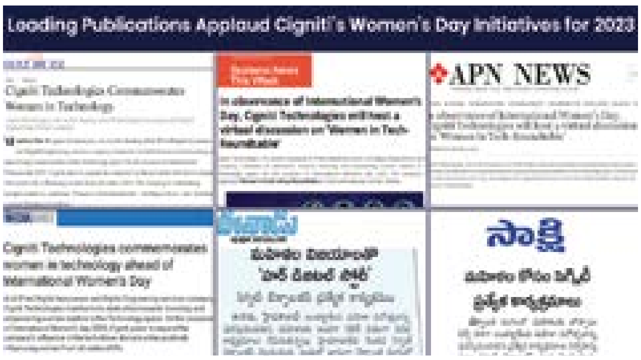
Atom Bank in Partnership with Cigniti won the Testing Team of the Year Award at The European Software Testing Awards

Felicitated by Economic Times as a Best Organization for Women

Wins the CecureUS Safe Workplace Award 2023

Global News Coverage

Leading publications worldwide have lauded Cigniti's significant steps toward becoming the global leader in the digital arena. They are evidenced by their recognition through strategic partnerships, unveiling a new brand identity, and the inspiring digital transformation journey. Additionally, the coverage of Cigniti's wide range of initiatives celebrating women in tech further cemented its position as a company that values DE&I.



Thought Leadership and Events

We hosted and sponsored physical and virtual events that brought together recognized thought leaders to share valuable and current insights on Digital and QA/QE with global decision-makers.

We organized and sponsored physical and virtual events globally that brought together recognized thought leaders to share insights from the Digital space with senior IT leaders.

Knowledge Partner of NASSCOM - NASTech

Platinum Sponsor of QAI's Software Testing Conference 2022

Celebrating Digital Innovation:
The DallasCIO of the Year ORBIE Award 2023

Techniche: The annual Techno-Management Festival IIT Guwahati

The National Software Testing Conference

Cignithon – Global Hackathon on Digital Assurance, Quality Engineering & Software Testing.

Global IT Leaders who Spoke at our Events & Digital Dialogues

We hosted and sponsored physical and virtual events that brought together recognized thought leaders to share valuable and current insights on Digital and QA/QE with global decision-makers.

Alisha Mittal
Vice President,
Everest Group

Dominique Raviart
IT Services Practice Director,
NelsonHall

Michele Rodgers
CIO,
Exeter Finance

Shamim Ahmed
CTO for DevOps,
Broadcom

Lee Le
Chief Technology Officer,
Rent-A-Center

Thanuja Karunamoorthy
VP, Digital Banking,
Technology, EQ Bank

Melissa Tondi
Director of
Quality Engineering,
Guild Education

Diego Lo Giudice
VP & Principal Analyst,
Forrester Research

Alice Dungey
Director-Technology QMO,
Southwest Airlines

Wanda Blankenship
VP-Software QA,
RegEd

Janet Lin
VP-Lending And
Payment Technology,
Equitable Bank

Blake Hill
QA, DevOps &
Agile Transformation,
Healthcare enterprise

Spotlight Initiative

Transforming Digital, Enabling Diversity - Cigniti Celebrates Women in Tech

Cigniti has amplified its outreach program this International Women's Day, aiming to make a positive impact on women from diverse backgrounds. The initiatives are designed to benefit women professionals in Tech/D&I, those aspiring to become professionals, and women from underprivileged backgrounds who require essential healthcare facilities. Here's a summary of the initiatives.

Women Roundtable Conference

The roundtable brought together women IT leaders to discuss the critical importance of reducing the gap in access to technology based on gender. The speakers shared their experiences and delved into themes such as the impact of digital skills and technology on gender equality, why gender inequality still exists in the IT industry, and ways to improve access to technology for women.

Cigniti Technologies continues to recognize and celebrate the women championing the advancement of transformative technology and digital education.

Launch of herDIGITALstory™

herDIGITALstory™ (hDS) was launched to celebrate Women in Engineering and their disruptive work in emerging trends and technologies. The first edition focused on Large Language Models and received a positive response. The event was inaugurated by Rama Devi Lanka - Director of Emerging Technologies, Government of Telangana, and featured presentations by Abhilasha Sinha - Solution Architect, Walking Tree, and Dr. Neha Baranwal, AI Research Scientist, Montpellier University. The speakers provided insights on how to structure and train AI models to be transparent, trustworthy, unbiased, secure, and compliant with algorithms. The initiative aims to build a strong community of practice and empower women across organizations to ideate, learn, and share stories on innovation.tion.

Inauguration of upskilling for young women

Cigniti took another critical step towards community development through its CSR initiative, Project Cignificance, by inaugurating an upskilling center to support 100 young women from underprivileged backgrounds. The project aims to bridge the digital divide and provide these young women with various options for complete integration into the mainstream industry and market through specialized training programs leading to gainful employment. This is the first skill center under the "Project Udaan: A Skill Development and Employability Initiative" program to support tribal girls from rural areas in partnership with HYSEA and Nirmaan as our Knowledge and Impact Partners.

Enablement of healthcare facilities at the Gynae ward in a cancer hospital

Cigniti supported a gynecology unit at a government cancer hospital in Hyderabad, India, providing crucial healthcare and essential medical equipment for women cancer patients from marginalized communities. The project collaborates with Nirmaan to reduce the stress on the existing public healthcare system and create a better and healthier world for all. The facility will serve approximately 1,000 marginalized patients annually.

Our People, Our Strength

Enhanced Leadership Connect

Open communication is critical to a prosperous and healthy work environment. We have strengthened our communication platforms to ensure employees can share their opinions and concerns. We organized leadership connects to bring everyone onto a common platform and facilitate better problem-solving. Throughout the employment journey, from hiring to retirement, our associates have multiple opportunities to exchange insights with the leadership and have their voices heard. As evidence of our commitment to this practice, we have conducted 747 Skip level, One on One connects, and 28 Leadership Connects over four quarters.

Revamp of Rewards & Recognition

One of the significant ways of motivating and showing appreciation for valuable talent is through Rewards and Recognition. In line with this, this year, a remodeled Global Rewards and Recognition program has been introduced.

The new R&R initiative provides an opportunity to recognize and celebrate technical and behavioral excellence from individuals and teams at every stage of their employment, from new hires to senior-level professionals. The program includes five quarterly award categories: Innovation, Performance, Culture, Community Outreach, and Extra Mile Awards. The Cigniti Excellence Award is the sixth category, presented annually.

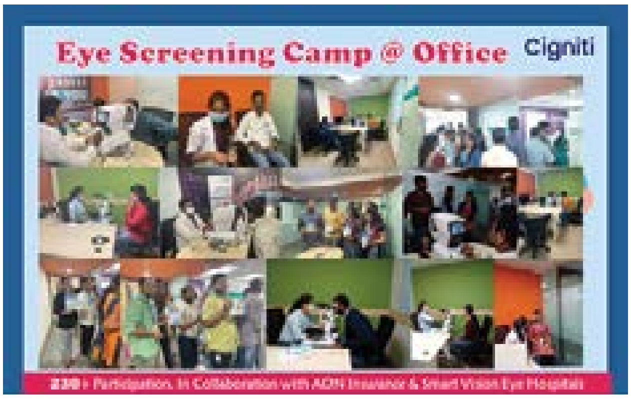
Besides the R&R program, Cigniti recognizes the significance of tenured talent within the organization and has launched service milestone awards.

Employee Helpdesk

Enhancing employee experience has been our primary focus. We achieve this by conducting regular Helpdesks on various topics, such as Medical Insurance, Salary Bank Accounts, Food Coupons, NPS, and others. These Helpdesks are held in collaboration with our vendor partners, and they have proven to be very helpful for employees in resolving their concerns with ease.

Health and Wellness Initiatives

Cigniti believes that fostering a culture of wellness and promoting healthy habits can enhance employees' physical, emotional, and mental health. To emphasize the company's commitment to the well-being of its staff, Cigniti has organized numerous wellness initiatives, including Wednesday Wellness weekly mailers, health camps, webinars on health and fitness, and yoga sessions.



Cigniti Passion Club - CIL

Cigniti's "Passion Clubs" initiative has been introduced to promote a positive office culture and increase employee engagement. The "Cigniti Indoor League" was launched as part of this program, providing a platform for employees to participate in their favorite sports while fostering a sense of community among colleagues.

Gracias

Cigniti celebrated a three-day event named 'Gracias' to promote the 'Attitude of Gratitude.' Throughout the event, Gratitude Walls were placed on every floor, where employees wrote notes expressing their appreciation towards their colleagues, leaders, and the organization. Each day of the event had a specific theme, such as 'Thank You, Buddy,' 'Boss You Inspire,' 'Client Shout-outs,' and 'Hand-in-hand with Enablers,' which received a great response from the

Diversity and Inclusion

International Women's Day – A week-long celebration #Embrace Equity

At Cigniti, Diversity and Inclusion allow us to be more inclusive of different ideas, cultures, and lifestyles, leading to improved culture. It also puts us in the position to hire the best employees from a diverse and often untapped candidate pool while increasing customer satisfaction with their services.

This International Women's Day, Cigniti hosted a week-long series of events to celebrate International Women's Day to acknowledge the contributions of women at all levels of the company's growth. The company hosted events that included exciting and fun activities like fireless cooking, musical chairs, singing, dancing, yoga, and many more.

The event began with an inspiring speech from our Chairman & MD, C V Subramanyam, who shared his vision for creating a more diverse and inclusive workplace. As a special guest, Dr. Ashwin Giridhar, a Urooncologist from Care Hospital, shared valuable tips on women's health. The event also featured a thought-provoking session on "Rewire Your Brain" by Dr. Jayanthi Reddy and a fireside chat with some of Cigniti's women leaders for its employees.

POSH Committee Revamp

At Cigniti, the Prevention of Sexual Harassment (POSH) committee plays a crucial role in creating a safe and inclusive work environment for all employees. We keep a keen eye on any POSH violations, and any such occurrences attract stringent measures and consequences. This fiscal year, we have relooked at our policy and revamped the Internal Complaints Committee (ICC) with a well-balanced representation of leaders across organizational functions and an external member.

Fun at work

Workplace celebrations and fun are in our DNA. These engagement activities strengthen our multicultural spirit and allow us to embrace every moment of celebration as one Cigniti family. Throughout the year, Cignitians participate in engagement activities like music, art, sports, and many more, packed with the excitement and spirit of one Cigniti.

Learning at Cigniti

The Learning and development function has strategically aligned itself to Cigniti's goal to go Digital First focusing on investments that make learning accessible and relevant for all.

Leadership Development Program

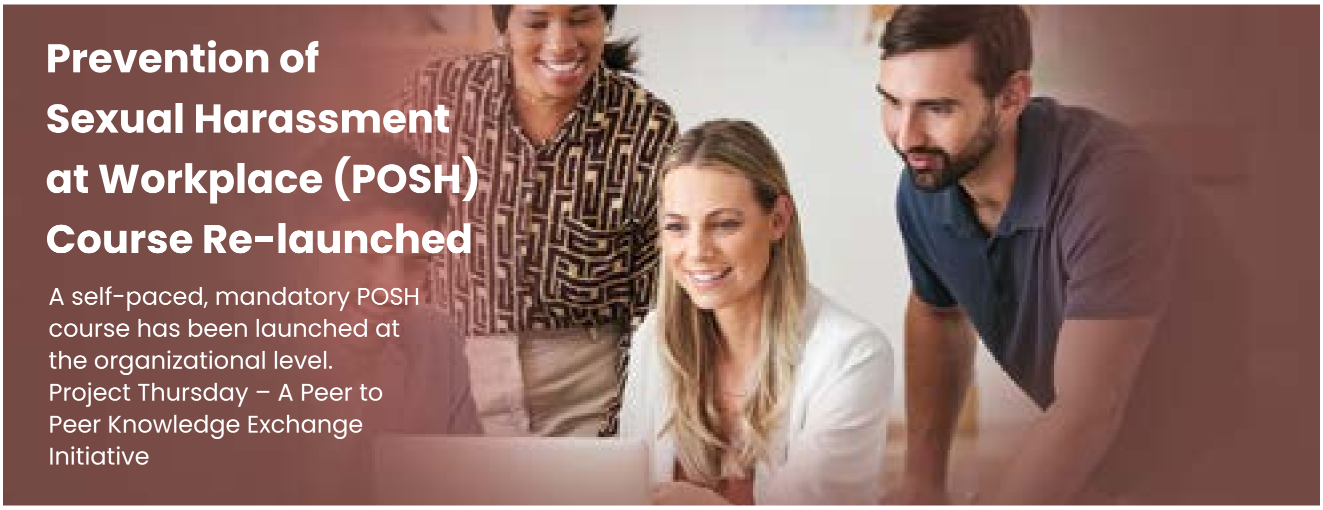
Launched Senior Leadership Program & Executive Leadership Program for the leadership team, covering multiple aspects like Strategy, Operational Excellence, Customer Centricity, and Drive for Results.

Graduate Training Academy

- A platform to support the professional development of the campus recruits with the necessary Technical and Behavioral skills to excel in their careers.
- 41 graduates successfully deployed.

The Global Pool Program

- An initiative to help employees upskill, cross skill, and refresh their existing knowledge.
- 68% resources were deployed into new projects



Project Thursday – A Peer to Peer Knowledge Exchange Initiative

At Cigniti, we're always looking for new ways to foster collaboration and knowledge sharing across our high-perfomring teams. That's why we launched "Project Thursday" – a bi-weekly session where members of our Digital Engineering team showcase their innovative projects, including insights on the business goals, technical approach, challenges, and value delivered. Through these sessions, our employees have the opportunity to learn from their peers and gain a deeper understanding of the exciting work being done at Cigniti. We believe that this is an excellent way to help our delivery and business supporting teams develop into T-shaped individuals, with a broad range of emerging skills and knowledge that can benefit our global clients.

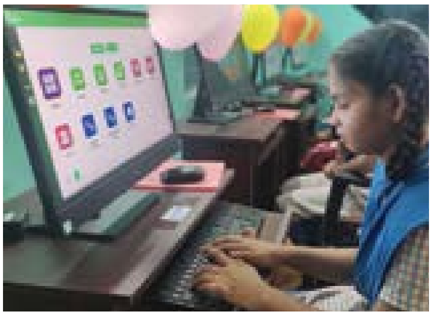
Since launching "Project Thursday," we've covered a wide range of topics, including customer micro-segmentation, track and trace using computer vision, e-health applications, building a SaaS platform with DevOps, accelerating ML projects with Zastra™, transforming patient care with predictive analytics, digitizing the food manufacturing ecosystem, unleashing the power of Web 3.0, and helping our favorite restaurants stay healthy.

Creating a Larger Societal Impact: Project Cignificance

At Cigniti, we prioritize social stewardship and embrace our responsibility to positively impact the communities in which we work and live. In addition to Education, we have broadened our Corporate Social Responsibility (CSR) charter to Healthcare and Sustainability. Through our initiatives, we have touched the lives of approx. 100,000 beneficiaries.

Education

Cigniti's CSR Project Cignificance **"Towards Educational Excellence"** intends to enhance the quality of education in the targeted govt. schools through various interventions related to infrastructure, pedagogy, tech-based education, and volunteered teaching sessions. The project operates in Hyderabad and reaches nine schools covering around 3000 children.



Upskilling training program for young women

Transforming the lives of 100+ girls by providing them with professional and vocational skills to secure livelihood opportunities.

Health

MNJ Institute of Oncology Regional Cancer Hospital, Hyderabad

Supported a gynecology facility, annually offering essential medical equipment and services to 1,000 marginalized women. The facility will provide a green walk-in channel for women to reduce waiting times and gynecology referrals to other private or tertiary hospitals.

Mother and Child Healthcare Centre, Nalgonda, Hyderabad

Inaugurated Neonatal Intensive Care Unit (NICU) and Special Newborn Care Unit (SNCU) and supported with medical equipment to treat about 1,000 critically ill or prematurely born infants per year.

Sustainability

Under our green mission initiative Cignitree, Cignitians planted 200+ saplings in Hyderabad to accelerate toward a carbon-zero future. With each healthy sapling planted, we intend to create a repository for a rich, ecologically diverse planet. Further, we aim to bring a sustainability culture into the organization by participating in green initiatives as part of our CSR program.

Global Initiatives

The Cigniti Dallas-based team, including the senior leaders, and some clients volunteered in a food drive initiative – Lunch Bag Assembly – to support the local community in the Dallas-Fort Worth area. The team hosted the initiative in association with ANEW Charity and distributed 450 bags of food to the homeless in downtown Dallas and the other half to the kids in the Little Elm school district.

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 the 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.
He is a member of the Board Committees of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, CSR Committee, and Business Responsibility 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 alumnus 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.
He is a member of the Board Committees of Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, and Business Responsibility Committee

R K Agarwal
Independent Director

Mr. Ram Krishna 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.
He is a member of the Board committees (Chairman) of Audit Committee, Stakeholders Relationship Committee, Risk Management Committee, Nomination & Remuneration Committee, and Business Responsibility 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.
He is a member of the Board Committees of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee (Chairman), and Business Responsibility Committee

Srinath Batni
Independent Director

Mr. Srinath Batni is a global IT veteran. He is a Co-Founder of Axilor Ventures Private Limited. At Infosys Limited, he served as Group Co-Head of Worldwide Customer Delivery, Head of Delivery (GCARE), Head of Strategic Groups & Co-Customer Delivery and Whole-Time Director of Infosys Limited from May 2000 to July 2014. He serves as Director of Infosys Technologies China (Shanghai) and Infosys Technologies Australia Pty Limited, subsidiaries of Infosys Technologies Ltd. He has a B.E. in Mechanical Engineering from Mysore University and an M.E. in Mechanical Engineering from the Indian Institute of Science, Bangalore.
He is a member of the Board Committees of Audit Committee, Nomination & Remuneration Committee (Chairman), CSR Committee, and Business Responsibility 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.
She is a member of the Board Committees of Nomination & Remuneration Committee, Stakeholders Relationship Committee (Chairperson), and 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 entrepreneurial experience in real estate and logistics. He is a successful entrepreneur who cofounded one of South India's largest transport and logistics organization which continues to grow stronger since inception. He is on Board of Cigniti since 2003 and contributing his honorary services for the growth of the Company.

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-Executive Director
(DIN: 06441390)

CHIEF FINANCIAL OFFICER:
Mr. Krishnan Venkatachary

COMPANY SECRETARY & COMPLIANCE OFFICER:
Mrs. Naga Vasudha

REGISTERED OFFICE:
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Website: www.cigniti.com
Email: info@cigniti.com

CORPORATE IDENTITY NUMBER:
L72200TG1998PLC030081

STATUTORY AUDITORS :
S.R. Batliboi & Associates LLP

AUDIT COMMITTEE:
Mr. Ram Krishna Agarwal - Chairman of the Committee
Mr. Phaneesh Murthy - Member
Mr. Srinath Batni - Member
Mr. C. V. Subramanyam - Member

NOMINATION & REMUNERATION COMMITTEE:
Mr. Srinath Batni - Chairman of the Committee
Mr. Phaneesh Murthy - Member
Ms. Nooraine Fazal - Member
Mr. C. Srikanth - Member
Mr. C. V. Subramanyam - Member
Mr. Ram Krishna Agarwal - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:
Ms. Nooraine Fazal - Chairperson
Mr. Ram Krishna Agarwal - Member
Mr. C.Srikanth -Member

RISK MANAGEMENT COMMITTEE:
Mr. Phaneesh Murthy - Chairman
Mr. Ram Krishna Agarwal -Member
Mr.C.V.Subramanyam -Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Ms. Nooraine Fazal - Chairperson of the Committee
Mr. Srinath Batni - Member
Mr. C. Srikanth - Member
Mr. C.V. Subramanyam – Member

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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

BANKERS:
Federal Bank Ltd
Secunderabad Branch

Axis Bank Ltd
Madhapur Branch, Hyderabad.

HDFC Bank Ltd
Lakidikapool, Branch, Hyderabad

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of M/s. Cigniti Technologies Limited will be held on Friday, 16th day of June, 2023 at 10.00 A.M. at Deccan Stateroom, ITC Kohenur, A Luxury Collection Hotel, Madhapur, Hitech City, Hyderabad, Telangana- 500081 to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of financial statements

To receive, consider and adopt the Audited Balance Sheet (including the consolidated financial statements) as at March 31' 2023, 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.

Item No. 2 – Declaration of dividend

To declare a final dividend of Rs. 5.50/- per equity share, (including special dividend of Rs. 2.50 per equity share) for the year ended March 31, 2023.

Item No. 3 – To Appoint Mr. K.Ch.Subba Rao (DIN: 01685123) as director, liable to retire by rotation who being eligible offers himself for re-appointment.

To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. K.Ch.Subba Rao (DIN: 01685123), who retires by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESS:

Item No.4 – Appointment of Mr. Srinivasa Rao Kandula (DIN: 07412426) as Whole Time Director of the Company:

To consider and if thought fit to pass with or without modification(s), the following Resolution as an ordinary Resolution:

"RESOLVED THAT subject to provisions of Sec. 152 and other applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, including any statutory modifications or re-enactment thereof, for the time being in force and the applicable provisions of Articles of Association of the Company, Mr. Srinivasa Rao Kandula (DIN: 07412426) appointed as an Additional Director, designated as Whole Time Director by the Board of Directors, at its Meeting held on 31st March, 2023, based on the recommendation of the Nomination & Remuneration Committee and who holds office as such, up to the date of ensuing Annual General Meeting and in respect of whom, the Company has received a Notice in writing under Sec. 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as Whole Time Director of the Company and the period of his office shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and subject to such other approval, as may be necessary, consent of the Members of the Company, be and is hereby accorded to the appointment of Mr. Srinivasa Rao Kandula (DIN: 07412426) as Whole Time Director for a period of 5 years with effect from 5th June, 2023 on such terms and conditions and at a remuneration fixed by the Board of Directors from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in the financial year, the Company will pay remuneration by way of Salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 or in accordance with any statutory modification(s) thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

Item No.5 – Re-Appointment of Mr. C.V.Subramanyam (DIN- 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 Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and based on the recommendation of Nomination & Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. C. V. Subramanyam as Chairman & Managing Director of the Company for a period of 5 Years with effect from 1st July 2023 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 remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment including doubling the limits as prescribed under Schedule V of the Companies Act, 2013 amended from time to time including any Statutory modifications(s) in force) with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. C.V.Subramanyam.

"RESOLVED FURTHER THAT during the tenure of 5 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 period of 3 years from the date of his appointment 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 take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

For and on behalf of the Board
Cigniti Technologies Limited

C.V. Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 02.05.2023

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. Corporate Members are requested to send to the Company's Registrar & Share Transfer Agent (RTA), a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 10.06.2023 to 16.06.2023 (both days inclusive).
5. Shareholders holding shares in physical form may write to the company/company's RTA 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.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. 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).

8. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

9. 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. 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., RTA of the Company for doing the needful.

10. SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1 April 2019. The shareholders who continue to hold shares in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.

11. 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.

12. In respect to 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.

13. 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.

14. Electronic copy of the Annual Report for 2022-2023 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2022-2023 is being sent in the permitted mode.

15. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2022-2023 will also be available on the Company's website www.cigniti.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: company.secretary@cigniti.com

16. 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.

17. Members may note that the Board of Directors, in its meeting held on May 2, 2023 has recommended a final dividend of Rs. 5.50/- per share (including a special dividend of Rs. 2.50/- per equity share) for fiscal year 2022-23. The record date for the purpose of final dividend will be June 9, 2023. The final dividend, once approved by the members in the ensuing AGM will be paid within 30 days from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses through post. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the pay-out date.

18. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate email will be sent at the registered email ID of the members describing about the detailed process to submit the documents/ declarations along with the formats

in respect of deduction of tax at source on the dividend pay-out. Sufficient time will be provided for submitting the documents/declarations by the members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company-www.cigniti.com. 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.

19. Voting through electronic means:

A. THE INTRUCTIONS FOR SHAREHOLDRES 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 Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(ii) The remote e-voting period commences on Tuesday, June 13, 2023 (9:00 a.m. IST) and ends on Thursday, June 15, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, June 9, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. 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) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

	3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) **Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.**

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

2) Click on "Shareholders" module.

3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders 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.

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

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

(x) 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.

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

(xii) 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.

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

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

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

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required mandatory 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 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. 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.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

20. Mr. S. Chidambaram, Practicing Company Secretary, bearing C.P. Number 2286 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.
21. 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.
22. The route map for the 25th AGM is annexed to this Annual Report 2022-23.

For and on behalf of the Board
Cigniti Technologies Limited

C.V. Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 02.05.2023

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LODR) REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS:

Sl	Particulars	Srinivasa Rao Kandula	C.V.Subramanyam	K.Ch.Subba Rao
1.	Directors Identification Number (DIN)	07412426	00071378	01685123
2.	Nationality	Indian	Indian	Indian
3.	Date of birth/Age	01/07/1963	14/06/1955	01/02/1956
4.	Qualification	Doctorate from XLRI in Strategic HRD and Post Graduate in Management	Bachelor's Degree in Commerce along with Law and Post Graduate Diploma in Business Management.	Master of Science
5.	A brief resume of the director	Dr. Srinivas Kandula is an Indian business executive, entrepreneur, and former Chairman & CEO of Capgemini India operations. He was also a former Member of the Executive Council and head of HR at IGATE Corporation, having led their HR, Quality, Marketing, and Business Strategy functions globally. Kandula is a Doctoral Fellow from XLRI, Jamshedpur. He has published over 60 papers and 8 books on Management in international publications and multiple languages. He has been associated with various industry and professional bodies such as NASSCOM, Confederation of Indian Industry (CII), and Indo-American Chamber of Commerce for several years now.	C V Subramanyam is the Chairman & MD of the supervisory board of Cigniti Technologies Limited and focuses on the corporate governance and 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. Subramanyam is a successful entrepreneur who co-founded one of South India's largest transport and logistics organization that has continued to operate successfully for more than 25 years since inception. In 1998, he founded Chakkilam Infotech as an IT services company providing IT solutions and built HIPAA compliance products for the US healthcare industry. He successfully took the company public in 2004 and listed it on the Bombay Stock Exchange. In 2008, C V Subramanyam 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 Jan 2012 and became Cigniti Technologies Ltd. Further to this, in 2013, the company acquired Gallop Solutions and became the world's 3rd largest Independent Software Testing services company. In 2017 company achieved $100 Mn in revenue and emerged as world's leading independent software testing services & quality engineering company. In 2022, Cigniti was recognized as the world's leading AI-led digital assurance services company. Now, he now wants to build a $1bn quality-first digital engineering services company, and that's his dream and aspiration.	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.

Sl	Particulars	Srinivasa Rao Kandula	C.V.Subramanyam	K.Ch.Subba Rao
		Dr. Kandula brings with him a wealth of experience from his previous role where he was responsible for leading the company's operations across India and as Head of HR at IGATE. This appointment supports the company's ambitions to equip itself to achieve tremendous scale and multi-fold growth that it aims to achieve in the near foreseeable future.	Subramanyam is also passionate about giving back to the society through Cigniti's CSR program - Project Cignificance which works in the areas of education, healthcare and sustainability. Subramanyam is a pragmatic, people focused person who holds a diverse group of people together with his practical approach to life. He holds a Bachelor's Degree in Commerce along with Law and Post Graduate Diploma in Business Management.	
6.	Nature of expertise in specific functional areas;	Innovation, Technology, Entrepreneurship & General Business Management	Leadership, Entrepreneurship & General Business Management	Business & General Administration
7.	Disclosure of relationships between directors inter-se;	There is no inter-se relationship among the directors	Father of Mr. C. Srikanth, Director	There is no inter-se relationship among the directors
8.	1. Names of listed entities in which the person holds the directorship; 2. Names of listed entities in which the person holds the membership of Committees of the board; 3. Names of listed entities from which the person has resigned/ retired in the past three years;	No Directorships in listed Companies	No Directorships in listed Companies	No Directorships in listed Companies
9.	In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Not Applicable	Not Applicable

EXPLANATORY STATEMENT

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

Item No. 4: Appointment of Mr. Srinivasa Rao Kandula (DIN: 07412426) as Whole Time Director of the Company:

The Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on 31st March 2023 approved the appointment of Mr. Srinivasa Rao Kandula (DIN: 07412426) as Additional Director designated as Whole Time Director and KMP of the Company for a period of 5 years, with effect from 5th June 2023, subject to approval of shareholders at the forthcoming Annual General Meeting. Pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, (the Act) the Companies (Appointment and Qualification of Directors), Rules, 2014, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Mr. Srinivasa Rao Kandula requires approval of the Members by way of ordinary resolution.

The Company has received from Mr. Srinivasa Rao Kandula (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a member, proposing the candidature of Mr. Srinivasa Rao Kandula for appointment.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his qualifications, experience and other attributes, that his induction on the Board would be of immense benefit to the Company and it is desirable to avail his services as a Director to strengthen the management of the Company.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No. 4 of the Notice above by way of ordinary resolution.

Except Mr. Srinivasa Rao Kandula, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No. 5: Re-appointment of Mr. C.V. Subramanyam (Din no. 00071378) as Chairman & Managing Director of the company:

The special resolution as mentioned under item 5 proposes to re-appoint Shri. 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 3rd August 2020, for a period of 3 years with effect from June 30, 2020 at a remuneration in accordance with provisions of Sections 197, 198 and 203 read with schedule V of the Companies Act, 2013. Since the present term of the Managing Director is due to expire on June 30, 2023 the Board in its meeting held on May 2, 2023 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 of the Company.

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 period of 3 years from the date of his appointment 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 of the Companies Act, 2013.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V of the Companies Act, 2013, the proposed appointment and the remuneration payable to Mr. C.V.Subramanyam require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution as proposed in item no. 5.

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

Place: Hyderabad
Date: 02.05.2023

C.V. Subramanyam
Chairman & Managing Director
DIN: 00071378

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, 2023.

FINANCIAL HIGHLIGHTS:

The performance during the period ended 31st March 2023 has been as under:

(Rs. In Lakhs)

Particulars	2022-2023		2021-2022	
	Consolidated	**Standalone**	**Consolidated**	**Standalone**
Revenue from Operations	1,64,758.08	69,664.29	1,24,180.00	45,551.89
Other Income	1,471.76	1,335.15	1,344.01	1,394.44
Profit/loss before Depreciation, Finance Costs and Tax Expense	25,242.09	15,862.22	14,272.07	7,044.57
Less: Depreciation/ Amortisation/ Impairment	2,638.35	1,941.71	1,615.55	1,338.92
Profit /loss before Finance Costs and Tax Expense	22,603.74	13,920.51	12,656.52	5,705.65
Less: Finance Costs	439.69	207.79	504.60	308.20
Profit /loss before Tax Expense	22,164.05	13,712.72	12,151.92	5,397.45
Less: Tax Expense (Current & Deferred)	5,331.99	3,540.36	2,977.51	1,471.17
Profit /loss for the year (1)	16,832.06	10,172.36	9,174.41	3,926.28
Total Comprehensive Income/(loss)(2)	1,096.14	153.68	176.18	(56.76)
Total (1+2)	17,928.20	10,326.04	9,350.59	3,869.52
Balance of profit /(loss) for earlier years	14,665.54	6,019.13	6,225.17	2,826.89
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	687.70	687.70	700.50	700.50
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	30,021.96	14,708.22	14,665.54	6,019.13

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 area 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. 1,64,758.08 lakhs as against Rs. 1,24,180.00 lakhs for the previous financial year. The company recorded a net profit of Rs. 16,832.06 lakhs for the financial year 2022-23 as against the net profit of Rs. 9,174.41 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2022-23 was Rs. 69,664.29 lakhs as against Rs. 45,551.89 lakhs for the previous financial year. The net profit for the financial year 2022-23 is Rs. 10,172.36 lakhs as against the net profit of Rs. 3,926.28 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

Cigniti Technologies is committed to achieving its ambitions of scaling up and achieving multi-fold growth. In pursuit of this, we have recently made a strategic appointment to our leadership team. Dr. Srinivas Kandula, the ex-Chairman, and CEO of Capgemini India has joined Cigniti as its Executive Director on the Board. Dr. Kandula's appointment brings a wealth of experience and expertise that will help us navigate our ongoing transformational journey into the digital orbit, which is at the core of any business today. We are confident that Dr. Kandula's experience will help further accelerate our growth and strengthen our already formidable trajectory.

Last year, with a strategic and complimentary capability-led acquisition of Roundsqr, we were able to deepen our digital engineering capabilities. This shift in our focus towards digital engineering services has opened new opportunities for potentially multi-year engagement with our clients. In the upcoming year, we are placing a significant emphasis on proactive Quality Engineering (QE), Data Engineering, Data & Insights, and Digital Engineering Services (DES). Our objective is to focus on existing accounts and promote up-selling and cross-selling opportunities. We firmly believe that strengthening our strategic partnerships will play a pivotal role in achieving our growth objectives. With our partners, we plan to co-innovate to leverage untapped potential and drive revenue growth.

While we are cautious about Retail and Hi-tech sectors, we continue to focus on other sectors like HCLS, travel, hospitality, energy & utilities and other industries. Our revenue is growing at a steady pace, and we are targeting a 25% increase in revenue from Digital Engineering Services in the coming year. We aim to maintain our competitive edge by investing in training and development programs for our employees and implementing cutting-edge technologies in our service offerings. By doing so, we are confident that we will continue to deliver exceptional value to our clients and maintain our position as a leader in digital assurance and engineering services.

Additionally, we are investing in upskilling our workforce to stay ahead of the rapidly evolving technology landscape and be better equipped to deliver cutting-edge solutions to our clients. We have also introduced new training programs to foster a culture of innovation and collaboration within the organization.

Moreover, we have expanded our global footprint and established new delivery centers in strategic locations, enabling us to provide our clients with cost-effective solutions while maintaining our high quality.

In the coming year, we plan to strengthen our capabilities in emerging technologies such as AI, Machine Learning, and Blockchain and continue to build long-term partnerships with our clients. We remain committed to delivering exceptional value to our stakeholders and strive to be the partner of choice for digital transformation initiatives.

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:

Your Directors recommend payment of final dividend of Rs. 5.50/- per equity share of Rs.10/- each (including a special dividend of Rs. 2.50/- per equity share) for the year ended 31st March 2023. The dividend will be paid after approval of members at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if approved by the members at the AGM scheduled on 16th June 2023, will result in cash outflow of Rs. 11,653.82 lakhs.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's website viz. https://www.cigniti.com/policies/Dividend-Distribution-Policy.pdf.

REVISION OF FINANCIAL STATEMENTS

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

BUY BACK OF EQUITY SHARES

During the financial year 2022-23, your company has completed buy-back of 8,33,050 Equity Shares at an average price of Rs. 456.13/- per Equity Share for an aggregate consideration of Rs. 3800 Lakhs. The offer size of the Buyback was 9.94% of the aggregate paid up equity share capital and free reserves of the Company and represented 2.97% of the total issued and paid up equity share capital of the Company. The buyback process was completed on 29th June 2022 and the shares were extinguished on 4th July 2022.

SHARE CAPITAL

During the year, your Company has allotted 37,500 equity shares of Rs.10/- each to employees under Cigniti ESOP scheme. Further the Company has bought back 8,33,050 Equity Shares of the Company. The paid up Equity Share Capital of the Company as on 31st March 2023 is Rs.27,25,69,590/- divided into 2,72,56,959 equity shares of Rs.10/- each.

EMPLOYEE STOCK OPTION SCHEME

During the year, the company has granted options under Cigniti ESOP scheme 2014-I and Cigniti ESOP scheme 2015. Details of the options up to 31st March 2023 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:

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, declared dividends which remained unpaid or unclaimed for a period of seven years has to be transferred by the company to the IEPF, which has been established by the Central Government. The above-referred rules also mandate transfer of shares on which dividend has been unpaid or unclaimed for a period of seven consecutive years to the IEPF. During the Financial year 2022-23, the Company was not required to transfer Un-paid or Unclaimed Dividend amount of Rs. 770394/- to IEPF as it pertains to dividend declared in previous financial year 2021-22 and the specified time frame of seven years has not expired.

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Due date to claim the Dividend
2020-21	Rs. 2.50/- per share	04.06.2021	09.07.2028
2021-22	Rs. 2.50/- per share	23.06.2022	28.06.2029

Members, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent M/s. Aarthi Consultants Private Limited, at email id:info@aarthiconsultants.com by providing folio no and other necessary details for the unclaimed dividend as mentioned in the above table. Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company www.cigniti.com, as also on the website of the Ministry of Corporate Affairs.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. The Directors possess requisite qualifications and experience in general corporate management, strategy, finance, administration and other allied fields, which enable them to contribute effectively to the Company in their capacity as Directors of the Company. 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

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the key Managerial Personnel (KMP) of the Company are Mr.C.V.Subramanyam, Chairman & Managing Director, Mr. C. Srikanth, Director & CEO of Cigniti Technologies Inc; USA, Mr. Krishnan Venkatachary, CFO and Mrs. Naga Vasudha, Company Secretary. There have been no changes in the key managerial personnel during the year.

CHANGES IN DIRECTORS

Mr. Srinivasa Rao Kandula (DIN: 07412426) is being proposed to be appointed as Whole-time Director for a period of 5 years at this Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. K.Ch.Subba Rao (DIN: 01685123), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Further Mr.C.V.Subramanyam who was appointed as Chairman & Managing Director for a period of 3 years with effect from June 30, 2020 and his present term is due to expire on June 30, 2023 the Board in its meeting held on May 2, 2023 considered and approved the re-appointment of Mr. C. V. Subramanyam (DIN No. 00071378) as Chairman & Managing director of the Company subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

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

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 he/ she meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and 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).

The Directors possess integrity, expertise and experience in their respective fields.

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors have 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 2022-23 are also disclosed on the Company's website at https://www.cigniti.com/investors/familiarisation programme

BOARD MEETINGS

During the year, nine (9) 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 - 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 of all the directors, Committees, Chairman of Board and Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation parameters and the process have been explained in the Corporate Governance Report.

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 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 2022-23, 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, 2023 which forms part of the Annual Report.

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

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

Cigniti Technologies Inc., USA, (Foreign WOS)

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

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

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

Cigniti Technologies (SG) PTE. Limited (Foreign WOS)

Cigniti Technologies (CZ) Limited s.r.o. (Foreign WOS)

Cigniti Technologies CR LIMITADA (Foreign WOS)

Gallop Solutions Private Limited (Indian WOS)

Aparaa Digital 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, 2023 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, 2023, there are no instances of 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 2022-23, 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 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- II** 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-VIII** 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. 71214.29 Lakhs

Foreign Exchange Outgo: Rs. 1168.68 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 23rd June, 2022 have appointed M/s. S R Batiliboi & Associates, LLP, as statutory auditors of the Company to hold office until the conclusion of 29th Annual General meeting of the Company. The Auditors' Report for FY 2022-2023 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, 2023 from the statutory auditors of the Company.

Directors Explanation to Statutory Auditor observation

The Holding Company and its subsidiaries, incorporated in India maintains its books of account on the cloud,which is managed by a global service provider based in USA. The service provider has confirmed that they ensure that a daily backup is taken of such data as required under law, which is stored on a separate server in USA but not in India. The Company is currently in discussions with the service provider to establish a mechanism to ensure that a copy of such backup is taken in India as well on a daily basis and such activity is expected to be completed in the next year, given the complex nature.

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 2022-23.

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. Chidambaram , Practicing Company Secretary (CP No. 2286) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

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

Directors Explanation to Secretarial Auditor observation

In the earlier years, the Company had made foreign investments in Cigniti Technologies Inc., USA and Cigniti Technologies (Canada) Inc., Canada without obtaining ODI/UIN from Reserve Bank of India (RBI). The Company is in the process of obtaining the UIN from Reserve Bank of India regarding the said Investments. Once the same is obtained the company shall file Annual Performance Reports.

ANNUAL RETURN

In accordance with the Companies Act, 2013, a copy of the annual return in the prescribed format is available on the Company's website at https://www.cigniti.com/investors/Annual Return

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Pursuant to Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Business Responsibility Report for 2022-23 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at **Annexure-VI** 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- V** 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

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 to the report on Corporate Governance as Annexure.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors have adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time. 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 under 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-IX.**

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 of: 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.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

In terms of sub rule 5(vii) of Rule 8 of Companies (Accounts) Rules, 2014, there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable mandatory Secretarial Standards

ACKNOWLEDGEMENTS:

The Board thanks all the customers, vendors, shareholders and bankers for their continued support during the year. It places on record its appreciation for the contribution made by employees of the company at all levels. The Board also wishes to record its appreciation for business constituents like SEBI, BSE, NSE, NSDL, CDSL etc. for their continued support for the growth of the Company. 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 look forward to their continued support in the future.

For and on behalf of the Board
Cigniti Technologies Limited

C.V. Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 02.05.2023

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	Cigniti Technologies (SG) Pte. Ltd	Cigniti Technologies (CZ) Limited s.r.o	Gallop Solutions Private Limited	Aparaa Digital Pvt Limited
Financial period ended	**31st March 2023**	**31st March 2023**	**31st March 2023**	**31st March 2023**	**31st March 2023**	**31st March 2023**	**31st March 2023**	**31st March 2023**
Exchange Rate	82.18	101.64	55.04	60.69	61.82	3.80	1	1
Share Capital	33,123,727	86,906,149	47,610,139	61	62	19,007	100,000	442,480
Reserves & Surplus	1,600,281,845	6,358,604	(119,401,114)	98,284,290	(12,360,122)	(46,654,460)	5,734,916	9,435,643
Total Assets	3,269,843,004	406,587,756	141,150,964	282,656,947	58,792	3,667,362	5,934,916	102,383,249
Total Liabilities	1,636,437,432	313,323,003	212,941,938	184,372,620	12,418,852	50,302,815	100,000	92,505,126
Investments	16,436,562	-	-	-	-	-	-	-
Turnover	13,051,646,866	1,202,792,591	402,612,019	984,122,909	-	3,359,907	-	157,535,315
Profit/(Loss) before Tax	784,967,580	59,284,483	20,627,783	49,341,883	(2,849,653)	(26,970,536)	(18,835)	1,843,690
Provision for Taxation	175,844,821	-	**-**	13,570,689	-	**-**	-	**91,168**
Profit/(Loss) After Tax	609,122,759	59,284,483	20,627,783	35,771,193	(2,849,653)	(26,970,536)	(18,835)	1,752,522
oposed Dividend	-	-	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%

Note:

1. Turnover includes Other income and Other operating revenue. Profit/(Loss) figures do not include Other Comprehensive Income.
2. The Company has incorporated subsidiary i.e Cigniti Technologies CR Limitida in Costa Rica, USA on February 16, 2023 and no business was started during the year. Hence not mentioned in above table.

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 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, 2023, are as follows:

   (i) Contracts with Wholly owned Subsidiary Companies

Name of related party	Nature of relationship	Duration of Contract	Salient terms (1)	Amount (Rs in ` Lakhs)
Cigniti Technologies Inc; USA	Wholly Owned Subsidiary	Running contract	All type of support services by the holding Company are at cost plus 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	54,013.15
Cigniti Technologies (UK) Limited	Wholly Owned Subsidiary	Running contract		5,311.35
Cigniti Technologies (Australia) Pty Limited	Wholly Owned Subsidiary	Running contract		479.32
Cigniti Technologies (Canada) Inc	Wholly Owned Subsidiary	Running contract		2,395.39

   (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 04.05.2022.

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	79.89 (Rs. 907225 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. C.V.Subramanyam	(252.72%)
		Mr. C. Srikanth*	-
		Mr. Krishnan Venkatachary	23.72%
		Mrs. Naga Vasudha	32.80%

*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 2022-23 – 31.15%

iv. Number of permanent employees on the rolls of the company as on March 31, 2023: 3891

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. 2.72 lakhs. Increase in the managerial remuneration for the year was Rs. 438.01 lakhs. Based on his contribution made for the last year in increasing PBT of Rs.8315.27 Lakhs and also in line with median managerial remuneration currently in the market, your Company has fixed the managerial remuneration. Further managerial remuneration was revised in April 2020 hence revision is made in commensurate with performance.

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.	CV Subramanyam	Chairman & MD	Age: 67 Exp:24	01-08-1998	724.80	NA since founder of Cigniti
2.	Nanda Padmaraju	Senior Vice President, Sales	Age:47 Exp:23	02-05-2014	269.19	App Labs, AVP
3.	Krishnan Venkatachary	Chief Financial Officer	Age:57 Exp:35	08-06-2015	174.70	Yashoda Hospitals,CFO
4.	Jaya Raghuram K	Executive VP, Delivery	Age:47 Exp:23	20-08-2014	155.58	Accenture, Senior Manager
5.	Sairamprabhu Vedam	Chief Marketing officer	Age:45 Exp:23	27-01-2022	122.48	Innominds, Chief Marketing officer
6.	R. Jagdish Kumar	Senior Vice President, ICT	Age:55 Exp:25	05-02-2015	120.95	JDA, Vice President
7.	Rajesh Pawar	Senior Vice President	Age:49 Exp:24	04-06-2021	107.45	DMI India, Vice President
8.	Rajesh Sarangapani	Senior Vice President	Age:48 Exp:24	20-08-2014	98.97	Accenture, Senior Manager
9.	Venkateswara Rao Kovvuri	Senior Vice President, Global Delivery	Age:45 Exp:10	14-11-2013	96.87	DXC-Lead Manager
10.	Veera Reddy Patlolla	Vice President & Global Head, Human Resources	Age:40 Exp:17	16-12-2019	95.31	VP, Genpact

(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 Rs.1.02 crores per anum employed during the year 2022-23 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	724.80
2.	Nanda Padmaraju	Senior Vice President, Sales	269.19
3.	Krishnan Venkatachary	Chief Financial Officer	174.70
4.	Jaya Raghuram K	Executive VP, Delivery	155.58
5..	Sairamprabhu Vedam	Chief Marketing officer	122.48
6.	R. Jagdish Kumar	Senior Vice President, ICT	120.95
7.	Rajesh Pawar	Senior Vice President	107.45

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,2023 under company's Employee Stock Option Schemes are as under:

Sr. No.	Description	Esop Scheme 2014(I)	ESOP Scheme 2015
1	No of options outstanding at the beginning of the period	50,000	2,55,000
2	Options granted during the year	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	-	87500
5	Options exercised during the year	-	37500
6	Total number of shares arising as a result of exercise of options	-	37500
7	Options lapsed during the year	-	2,500
8	Options forfeited during the year	-	-
9	Variation in terms of options	N.A.	N.A.
10	Money realized by exercise of options during the year	-	RS. 90,00,000
11	Total number of options outstanding at the end of the period	50,000	255,000
12	Total no. of options exercisable at the end of the Period	-	50000
13	Employee wise details of options granted during the year :		
(i)	Senior managerial personnel	Mr. Vinay Rawat Chief revenue officer of Cigniti Technologies Inc; USA a wholly owned subsidiary Company	Mr. Vinay Rawat Chief revenue officer of Cigniti Technologies Inc; USA a wholly owned subsidiary Company
(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
(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
14	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. 36.99	Rs. 36.99
15	Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair value of the stock options.	
16	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

Sr. No.	Description	Esop Scheme 2014(I)	ESOP Scheme 2015
	The Impact of this difference on profits and on EPS of the Company	Not Applicable	Not Applicable
17	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. 462.73/-	The weighted Average exercise price is Rs. 394/- whereas the weighted average fair value is Rs. 190.99/-
18	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.	
19	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:	Not Applicable as there are no options granted during the year.	
	Risk free interest rate (%)		
	Expected life of options from the date(s) of grant		
	Expected volatility (%)		
	Dividend yield (%)		

Annexure-V

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Cigniti Technologies Limited is the world's leading AI & IP-led Digital Assurance and Digital Engineering Services Company. Our 4200+ employees across 24 countries help Fortune 500 & Global 2000 enterprises accelerate their digital transformation journey, providing transformation services leveraging IP & Platform-led innovation. We provide expertise across multiple verticals and domains and assure automation, acceleration, and engineering excellence.

Our unique approach of being a Quality-First digital engineering services company helps us offer our customers a unique and highly differentiated digital services stack, helping them win the Digital landscape. We call it Digital Done Right.

Our flagship services have helped organizations achieve measurable outcomes, significant ROI, and frictionless experiences for our global customers. Our digital assurance services include Artificial Intelligence Testing, Big Data & Analytics Testing, Blockchain Testing, Security Assurance, IoT Testing, Robotic Process Automation (RPA), and full cycle software quality engineering and assurance services, including DevOps, Test Automation, Omnichannel Functional, Performance, and Security testing, and business assurance. Our AI-led digital engineering services cover data engineering, software platforms, cloud, and digital product engineering, AI/ML engineering, intelligent automation, big data analytics, and blockchain development services.

Our IP, next-gen quality engineering platform, BlueSwan™, accelerates the quality engineering initiatives of global companies. In contrast, Zastra™, an active learning-enabled Computer Vision-based annotation platform, enables AI-led digital outcomes of credible, measurable impact for clients. iNSta™, a low Code/No Code test automation with a self-healing, AI-powered Scriptless test automation platform, helps clients achieve results faster and reduces the time-to-market.

Cigniti's deeper investments into labs across Mobile, IoT, Performance, Energy & Utilities, and Computer Vision and AI have delivered significant breakthrough innovation and disruptive outcomes to our clients.

We consider industry verticals as our go-to-market business segments. The key vertical clusters we cater to are Banking, Financial Services & Insurance (BFSI), Retail and E-commerce, Travel, Transportation, and Hospitality (TT&H), Life Sciences, Healthcare, and others.

We are headquartered in Hyderabad, India, with our global offices spread across the USA, the UK, UAE, Australia, South Africa, the Czech Republic, and Singapore.

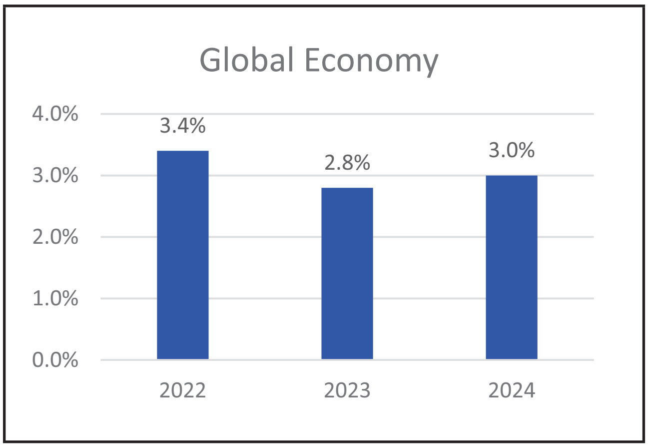
Quick Facts:

- 4200+ experienced professionals
- 60+ Fortune 500 companies trust Cigniti, as well as 80+ Global 2000 enterprises
- In the FY'23, Cigniti won large multi-million-dollar deals across BFSI, Retail & E-commerce, HCLS, and ISVs
- Industry-leading revenue growth of 32.7% in FY23.

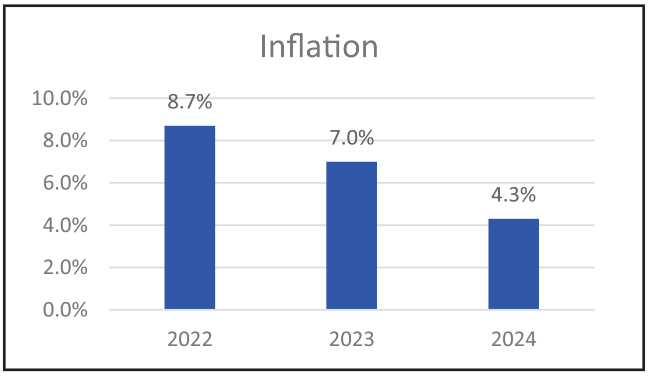
Global Economic Outlook: Low Growth and Peaking Inflation

IMF projects that the world economic outlook is uncertain due to several factors, including the ongoing effects of COVID-19, financial sector turmoil, high inflation, and the invasion of Ukraine. Advanced economies are expected to experience a more significant growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023, compared to emerging markets. While inflation may decline from 8.7 percent in 2022 to 7.0 percent in 2023, underlying inflation will likely decline more slowly. The return of inflation to the target is unlikely before 2025.

GDP Global Output: IMF World Economic Outlook, April



Source: Global Economy, IMF, WEO update April 2023



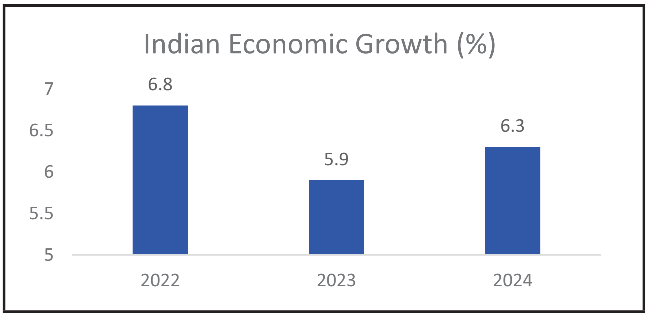
Source: Inflation, IMF, WEO update April 2023

The IMF's projections indicate that the global economy may experience low growth and peak inflation soon, with several potential factors that could impact this outlook.

The baseline forecast assumes that recent financial sector stresses are contained for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023 before rising slowly and settling at 3.0 percent in five years.

The Indian Economy Outlook:

The Indian economy has shown strong resilience in the face of the COVID-19 pandemic, with GDP growth projected to be the second-fastest among major economies in the current fiscal year (FY 2022-23). However, the growth momentum has slowed in recent months due to multiple factors as erratic rainfall, falling purchasing power, and rising food and energy prices. Despite improving labor market conditions, stay remains a concern, with the CPI expected to remain above the central bank's target of 6 percent until early 2023.



Source: IMF World Economic Outlook, April 2023

The Indian economy has shown resilience despite external headwinds, with strong domestic demand. However, the International Monetary Fund's World Economic Outlook projects a slight decline in growth from 6.8 percent in FY2022 to 5.9 percent.

Global IT Industry Outlook:

According to the latest forecast by Gartner, worldwide IT spending is projected to increase by 5.5% to reach $4.6 trillion in 2023, despite ongoing global economic turbulence. This growth is expected to be driven by the software and IT services segments with a 9.1% growth rate.

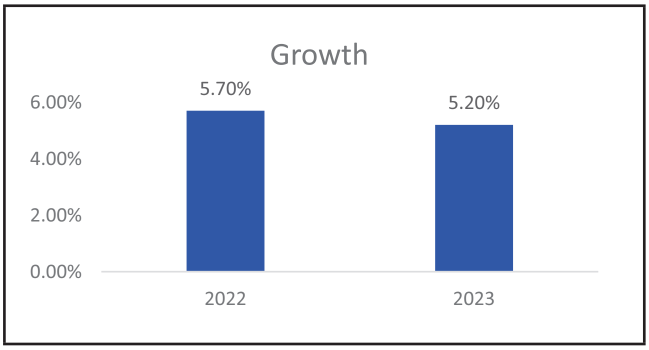
The demand for digital technologies is anticipated to continue growing in 2023, and the industry is expected to focus on cloud-based initiatives for cost rationalization and business agility. AI initiatives will also likely gain prominence especially in pricing optimization, new customer targeting, and promotional effectiveness. In addition, automation themes are anticipated to streamline operations across various industries.

However, the tight labor market is expected to challenge IT services spending as high competition for skilled IT staff drives up wage requirements. While skilled IT workers continue to migrate away from enterprise CIOs, businesses are expected to invest more in digital business initiatives to meet specific business drivers.

	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	216,095	13.7	224,123	3.7	237,790	6.1
Devices	717,048	-10.7	684,342	-4.6	759,331	11.0
Software	7933,839	8.8	891,386	12.3	1,007,769	13.1
IT Services	1,250,224	3.5	1,364,106	9.1	1,502,759	10.2
Communica-tions Services	1,424,603	-1.8	1,479,671	3.9	1,536,156	3.8
Overall IT	**4,401,809**	**0.5**	**4,643,628**	**5.5**	**5,043,805**	**8.6**

As macroeconomic headwinds persist, prioritization is expected to be critical in optimizing IT spending while using digital technology to transform a company's value proposition, revenue, and client interactions. CIOs face a balancing act as they maintain existing on-premises data centers while shifting new spending to cloud options. While the IT services segment is projected to continue its growth trajectory, cloud services are expected to be a key driver for increased spending, largely due to the infrastructure-as-a-service market.

IDC predicts that global revenue for IT and business services will see a steady growth rate of 5.7% in 2022 and 5.2% in 2023, with digital technology spending by companies increasing at 8 times the economy in 2023. This rise in digital technology adoption lays the foundation for operational excellence, competitive differentiation, and long-term growth. While service provider spending has decreased from the previous year due to slower post-COVID growth, investments by cloud and hyperscale providers have remained steady. Cloud services continue to experience strong demand and drive growth despite inflationary pressures, while non-cloud spending is expected to decline.



Source: IDC

Indian IT Industry Outlook:

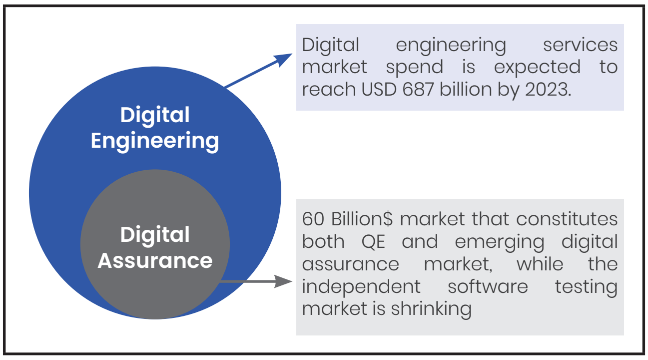
According to NASSCOM, In FY2023, India's technology industry revenue is estimated to reach $245 Bn, representing a YoY growth of 8.4%. The increasing demand for technology adoption and digital acceleration is driving this growth, which has become a critical component of business innovation and transformation. The growth areas of technology segments are expected to focus on digital CX, digitization, cloudification, building SaaS-enabled products, cybersecurity, and phantomization. The industry is also expected to witness a continued focus on building quality talent in niche and pure tech areas like cloud, AI/ML/NLP through reskilling/upskilling. India to position as the "Digital Talent Nation" for the world.

Indian companies are shifting from a wholly owned IT model to project-based outsourced models, leading to a growth in tech outsourcing and hardware maintenance. Software spending growth is expected to dip slightly in 2023, while spending growth in tech consulting and systems integration will remain high but decrease due to SaaS adoption and outsourcing.

Anticipate an economic deceleration in the upcoming 18 months, coupled with short-term disruptions like labor imbalances, supply chain challenges, and record-breaking inflation. It is projected that discretionary spending will decrease by approximately 15%.

Digital Assurance and Digital Engineering – An integrated Quality-First approach

Digital Engineering is a full cycle play that encompasses Digital assurance and hence paves the path for Cigniti to a meaningful journey towards becoming a quality-first digital engineering service company. Our solid background and foundation in Digital Assurance, Digital Test Ops, and Quality Engineering, coupled with the AI, ML, and Data led Digital engineering portfolio leads us to a unique Quality-First approach to Digital Engineering. This helps us be a Quality-First Digital Engineering services company and a preferred partner of choice for global enterprises and software product companies, and businesses across verticals. In line with our aspirations to be a Quality-First Digital Engineering services company, we have significantly increased our total addressable and total serviceable market, thus paving the path for sustainable growth in the years to come.



As a leader in digital assurance, Cigniti is well-positioned to capture a significant share of wallet from our existing enterprise customers by offering a comprehensive range of digital transformation services through technology-led solutions. We are expanding our services by introducing Digital Engineering offerings aimed at helping our customers become Digital-First while continuing to focus on providing top-quality Digital Assurance services.

Technology Trends on Rise, 2023:

AI/ML:

Artificial Intelligence (AI) has made significant strides in recent years, with breakthroughs in natural language processing and computer vision. In 2023, AI will continue its explosive growth, and businesses that fail to adopt it risk falling behind. AI is best used to augment human abilities, automate repetitive tasks, provide personalized recommendations, and make data-driven decisions with speed and accuracy. AI-led testing increases the scope and market opportunity for Digital Assurance Players, leveraging AI-powered test automation, intelligent test case generation, predictive analytics for defect detection, AI-powered exploratory testing, and AI-powered test environment management. By 2024, 70% of enterprises are expected to use cloud and cloud-based AI infrastructure to operationalize AI, according to Gartner. Apart from the fact that AI and ML form the core of every digital enterprise of the future, and AI-led digital engineering is here to stay.

DevOps:

DevOps has become a crucial methodology for businesses to streamline their software development and delivery process. With machine learning algorithms, DevOps can optimize resource consumption in the cloud for cloud cost management or detect and avoid issues in the software development process. Low-code platforms can also extend the advantages of agile and DevOps to create and deliver apps quickly. By 2023, 70% of organizations are expected to use value stream management to improve flow in the DevOps pipeline, leading to faster delivery of customer value, according to Gartner.

Cloud:

Cloud computing has become a crucial platform for digital transformation and driving business innovation. With the widespread adoption of the cloud, there has been a democratization of other emerging technologies like artificial intelligence, augmented reality, blockchain, and more. Gartner says, by 2024, cloud adoption is expected to raise the CFO's influence over the CDO's decisions due to the explicit linkage of workloads to cost, disrupting the CDO role. According to industry experts, the cloud is a "one to watch" technology for its high potential for accessibility, usability, and efficiency.

Data and Analytics:

Data has emerged as a key enabler for current business challenges and future opportunities. Organizations benefit from automation to create efficiencies and reliable, repeatable processes. Data-driven organizations understand that data requires governance, collaboration, and sharing, which the right scalable architecture can enable. By leveraging AI and machine learning, businesses can analyze vast amounts of data to extract insights and drive decision-making. By 2024, 75% of organizations are expected to establish a centralized data and analytics data center of excellence to support federated Data &Analytics initiatives and prevent enterprise failure, according to Gartner.

Low-code, no-code

According to Gartner, by 2025, 70% of new applications enterprises develop will use low-code or no-code technologies. The rise of business technologists and a growing number of hyper-automation and composable business initiatives are expected to drive the adoption of low-code technologies through 2026.

The availability of low-code tools for IT developers and non-IT personnel enables organizations to achieve the level of digital competency and speed required for modern agile environments. Gartner predicts that by 2026, at least 80% of the user base for low-code development tools will be developers outside of formal IT departments.

We at Cigniti recognize the importance of emerging trends like AI while maintaining our core value of being a Quality-First company as we focus on Digital Assurance and increasing our Digital Engineering services revenue share.

Test Automation:

Continuous testing has become increasingly important in software development as businesses need the benefits of faster releases and improved quality. To address this need, many companies are turning to test automation tools. For instance, Cigniti launched iNSta™, a low-code/no-code test automation platform that leverages AI to provide self-healing capabilities. This platform helps clients achieve faster results and reduces the time and effort required for test script development. With the rising demand for scriptless test automation, more companies need to adopt this approach in the future. By leveraging these advanced tools, businesses can quickly respond to customer expectations, improve quality, and achieve faster time-to-market. The latest trend in test automation is codeless automation, which provides a powerful interface for developing automation suites. By leveraging this revolutionary approach, companies can improve their testing capabilities, increase speed, and reduce costs.

Security and Digital immunity:

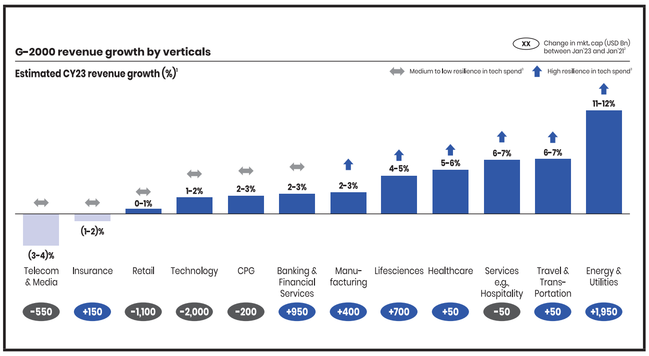
In the age of digital transformation, applications and data have become essential assets for businesses. However, the focus on securing these assets falls short of their perceived value, leaving organizations vulnerable to security risks. As Gartner predicts, 60% of organizations will embrace Zero Trust as a starting point for security by 2025. Implementing DevSecOps practices proves extremely beneficial in improving both security and organizational efficiency. However, the most challenging part of DevSecOps adoption is to make security complement existing business processes, culture, and people, in addition to the complexities in the cloud. Cigniti's holistic enterprise Security Assurance program helps address security risks for critical applications and data by implementing practices such as Security Requirements Engineering & Risk-Driven Design, Secure Code Implementation, Risk-Driven Testing, Secure Deployments, and Operations that support security assurance and compliance requirements. Digital Immunity and Digital acceleration lead to Digital resilience.

Generative AI

We at Cigniti Technologies have started using Generative AI and ChatGPT as unit test case generation tools. We have created a combination of prompts that lets our developers & testers leverage GPT to generate automated test case scenarios, test cases to test the code and also system testing and security testing. On the Digital engineering services side, we are working to leverage ChatGPT / equivalents that are available through GitHub Copilot, OpenAI Codex, AWS CodeWhisperer etc. We are evaluating GitHub Copilot and others to see what benefits can come. Overall, this will help us significantly deliver productivity benefits to our customers both from our digital assurance and digital engineering services perspective.

Navigating the Vertical Landscape:

According to the latest Nasscom Future of Tech Services report, the growth of G-2000 is stagnating, and only a few verticals may remain attractive. However, there will be a high resilience in tech spending in verticals such as manufacturing (2-3%), life sciences (4-5%), healthcare (5-6%), travel and transportation (6-7%), and energy utilities (11-12%). On the other hand, the report predicts a medium to low resilience in tech spending in verticals such as insurance (1-2%) and banking and financial services (2-3%).



Source: NASSCOM

Verticals on the Rise:

MedTech:

The medical technology industry is experiencing a rise in demand due to advancements in digital healthcare solutions, which include artificial intelligence, the Internet of Things (IoT), and other connected devices. Additionally, the COVID-19 pandemic has accelerated the adoption of digital health technologies to improve patient outcomes. Supported by Nasscom's latest report, the Life Sciences vertical is expected to grow by 4-5% in tech spending, indicating a positive outlook for the industry.

Cigniti's Medical Devices Testing CoE experts help verify and validate software for medical devices in Diagnostics, Surgical, and Cardiology, thus providing a competitive advantage in this space Cigniti has also been selected as a winner in the 2023 MedTech Breakthrough Awards program, taking home the "Best IoT Healthcare Platform" award, adding significant value to our MedTech expertise.

Power and Utilities:

With the growth in renewable energy sources and smart-grid systems, the Power and Utilities industry is experiencing a rise in demand for software testing and validation services. Cigniti's Energy & Utilities Center of Excellence (CoE) and SmartMeter Labs provide deep testing for smart-grid systems, meter data management, and other related areas. As per Nasscom's latest report, the industry will show resilience in tech spending by 11-12%, indicating a positive outlook.

Healthcare and Life Sciences:

The healthcare and life sciences industry is experiencing a rise in demand due to advancements in digital healthcare solutions, including electronic health records, telemedicine, and other connected devices. As a result, there is a growing need for software testing and validation services in the healthcare industry. Cigniti's Healthcare & Life Sciences Software Testing CoE, Hospital Clinical System Testing Expertise, EHR Experience, Cerner Testing Experience, and Epic Application Experience provide a competitive advantage. As per Nasscom's latest report, the industry is expected to grow by 5-6% in tech spending, indicating a positive outlook.

Travel and Hospitality:

The travel and hospitality industry is under tremendous pressure to improve customer experience, operational efficiency, and personalized digital experiences. Digital touchpoints are meeting traveler expectations, with contactless check-in and check-out becoming an industry must-have. IDC analysts say that by 2025, 75% of hospitality and travel organizations will offer multiple payment options, including contactless, QR code, or alternative payment, improving customer satisfaction by 15%. Furthermore, by 2024, 50% of interactions with hospitality/travel brands will be AI-enabled for recognition and automation, lifting profits by 15% and improving customer satisfaction by 30%.

As per Nasscom's latest report, the industry is expected to show resilience in tech spending by 6-7%, indicating a positive outlook. Traditionally, Cigniti is very strong in the Travel & Hospitality segment. It has worked with leading global airlines, airports, and four large hotel chains. Growth in this segment is an added advantage.

The Plight of Verticals: Navigating the Downturn

Retail & E-commerce:

The retail and e-commerce industry has been struggling due to the post-pandemic inflation effect. The shift in consumer behavior towards online shopping has accelerated during the pandemic, and companies that failed to adapt quickly have suffered. The rise in inflation has further impacted the industry as retailers struggle with higher costs and lower sales volumes. Real-world retailers are turning to automation to reduce labor costs, but this comes at an increased initial investment. Despite the growth in online sales, the industry faces tough competition, and growth rates are slowing down. The Nasscom report predicts a medium to low resilience in tech spending for this vertical, which means that IT spending in this industry will likely remain stagnant or decline.

High tech:

The pandemic has impacted the high-tech industry. The global shortage of semiconductor chips has disrupted the supply chains of many high-tech companies, leading to production delays and higher costs. Additionally, the industry faces increased competition and regulatory pressures, which may impact growth in the coming years. The Nasscom report predicts a medium resilience in tech spending for this vertical, meaning IT spending in this industry may not grow significantly soon.

Telecom:

The telecom industry faces challenges due to increased competition and changing consumer preferences. The rise of over-the-top (OTT) services like Netflix and Amazon Prime Video has led to a decline in traditional telecom services like cable TV. Additionally, the pandemic has led to a shift towards remote work and online communication, which has impacted the demand for traditional telecom services. The industry is also facing regulatory pressures and the need to invest in infrastructure to keep up with technological advancements like 5G. The Nasscom report predicts a low resilience in tech spending for this vertical, meaning that IT spending in this industry will likely remain flat or decline.

Adapting to Change: Responding to Market Downturns in Verticals:

In light of these challenges, Cigniti is leveraging the possibilities in industries that are expected to grow, such as manufacturing, life sciences, healthcare, travel and transportation, and energy utilities. We are investing in the capabilities and expertise needed to serve these industries and meet their evolving IT needs. While we recognize the challenges facing industries like retail, high tech, and telecom, we remain committed to serving our clients in these industries and helping them navigate the changing landscape. Our exposure to Hi-tech and telecom is limited, and we might not see a major impact here.

Steady State: A Look at the Balanced Verticals

BFSI:

According to Nasscom's Future of Tech Services report, the banking, financial services, and insurance (BFSI) industry is expected to see a medium to low resilience in tech spend. The industry faces challenges due to increased competition, low-interest rates, and regulatory pressures. However, the industry has been able to adapt to the changing business environment by adopting new technologies like blockchain, artificial intelligence, and machine learning. These technologies have improved efficiency, better customer experience, and enhanced security measures. Therefore, while the BFSI industry may not see a significant increase in tech spending, it is likely to continue to leverage technology to stay competitive in the market.

The banking industry has undergone significant transformation over the years due to the introduction of digital technologies. With the rise of digital banking, customers can now access banking services anywhere and anytime, making the industry more efficient and convenient. Digital banking is on track to become the industry standard, and banks that are slow to adopt mobile banking risk losing customers as mobile banking services become more popular.

Advantage Cigniti:

Cigniti Technologies is well-positioned to take advantage of the current IT spending trends. Despite a downtrend in IT spending overall, non-essential spending is declining while essential spending is increasing rapidly. This shift in spending priorities is in our favor as it indicates a growing demand for our services. The essential side of the budget is projected to grow from 3.5% in 2022 to 9.1% in 2023. According to Gartner, 59% of CFOs prioritize digital initiatives with short payback periods (12-24) months which presents a promising opportunity for us to grow our business.

In addition, according to Gartner, 78% of CFOs are planning to increase or maintain their enterprise digital investments through 2023, despite the persistence of inflation.

While maintaining the core value of being a Quality-First company, which will always be upheld in all areas of our operations. As we continue focusing on Digital Assurance, we also strive to increase our revenue share in Digital Engineering services. With our strategic and complimentary capability-led acquisition of Roundsqr, we were able to deepen our digital engineering capabilities. This new identity reflects our ambitions to tap into the fast-growing $600+ billion market segment of digital assurance and the digital engineering services market. This strategic move has enabled us to upsell and cross-sell within our top 60 accounts, and our target is to generate 25% of total revenue from Digital Engineering Services in FY24. This shift in our focus towards digital engineering services has opened new opportunities for potentially multi-year client engagements. We are currently witnessing noteworthy traction for cross-selling these services and moving up the value chain for more customer engagement and rate improvement, which should yield positive results in the next year. We are currently witnessing noteworthy traction for cross-selling these services and moving up the value chain for more customer engagement and rate improvement.

Many reports suggest mega deals ($100 Mn and above) are hitting historic lows and the IT sector is driven by smaller deal wins. This works in our favor because the number of deal sizes between $5 million to $20 million in ACV will be increasingly more in the market. As an AI & IP-led Digital Assurance and Digital Engineering services company, we are best positioned to leverage the same with our offerings, size, agility, and the level of customer intimacy that we can provide.

Companies across the globe are certainly cautious about the economic outlook, but Digital has become the core of any business. Hence, we might see a reduction in discretionary spending. However, the work of mid-size companies like Cigniti is derived from the essential budgets of the clients.

The evolving business landscape for Cigniti is centered around its Digital Assurance and Digital Engineering services. The adoption of new-age technologies such as AI, ML, RPA, IoT, Blockchain, etc., has been instrumental in redefining digital experiences. We are helping our global customers become digital-first and enhancing their capabilities in DevOps, Cloud Migration Assurance, RPA, etc. to create better customer experiences while automating processes in the system.

According to IDC, by 2026, enterprises that successfully generate digital innovation will derive over 25% of revenue from digital products, services, and/or experiences. This is a clear validation that digital is the way ahead. Cigniti is well-aligned with this trend as it has developed an ecosystem of skill development, digital reskilling, and matching to the latest technologies. The company's L&D team is investing in upskilling individuals with the latest technology skills and providing them with career paths that match their aspirations by acquiring the best talent available in each industry it operates.

Cigniti's focus areas for FY23-24 include product engineering, agile transformation, data engineering & insights, business intelligence/visualization, AI/ML, blockchain, DevOps transformation, and intelligent automation – RPA. The company has been investing in innovation and has added new capabilities to its services and product portfolio.

Cigniti has launched iNSta™, a low Code/No Code test automation with a self-healing, AI-powered Scriptless test automation platform. Scriptless Test Automation enables testers and business users to automate test cases without worrying about coding. It helps achieve faster results and reduces the time to understand and develop the code, leading to faster TTM, higher ROI, and increased coverage with low maintenance.

Cigniti's Zastra™, an active learning-enabled Computer Vision-based annotation platform, enables AI-led digital outcomes of credible, measurable impact for clients.

Human Resources

Human resources play a critical role in our organization, ensuring our employees are empowered to achieve our business objectives. Our policies, processes, and practices attract, engage, empower, and retain the most talented individuals in the industry. Over the past year, our HR department has been focused on continuous process improvement, automation, and implementing innovative employee engagement strategies. We have also placed an increased emphasis on diversity, equity, and inclusion initiatives, recognizing the importance of creating a workplace culture that values and celebrates differences. We remain committed to investing in our employees' professional development, providing training opportunities and career advancement programs to support their growth within the organization. Detailed insights into our HR activities can be found on pages 30-35 (update the page numbers) of this year's report.

Our HR policies, processes, and practices continue to evolve to attract and retain the best and brightest talent. In addition to focusing on process reengineering, automation, and innovative employee engagement strategies, we have also made significant strides in promoting diversity, equity, and inclusion (DEI) across the organization.

We are proud to have recently added DEI policies to our HR framework, which celebrate and promote diversity in all forms. Our commitment to women's empowerment continues to be a core focus, with ongoing efforts to support and advance women in the workplace. For a detailed overview of our HR activities over the past year, please refer to pages 30-35. (Update the page numbers)

Corporate Social Responsibility:

Project Significance, Cigniti's Corporate Social Responsibility program, is deeply ingrained in our business strategy, and we work towards creating a positive impact in the communities in which we live and work. In addition to Education and Healthcare, we have included the new charter – Sustainability.

Some of the significant achievements in the year 2022 include:

- 80% increase in the pass percentage from last year, with approximately 85% of students passing the exams in the Standard X board exam
- 51% increase in girls' participation and back-to-school rate due to various curricular activities and counseling sessions with parents

- A considerable 12% decline in the dropout rate, indicating a better retention rate among the students
- 60% of students were able to develop the basics of computer fundamentals and usage of technology to continue their studies
- Around 1000 critical infants were treated from marginalized communities through NICU healthcare support
- Over 1000 women cancer patients from marginalized communities will be treated annually through gynecology facility support
- Over 200 saplings were planted as part of the sustainability "Cignitree" green initiative

Outlook

Cigniti Technologies is committed to achieving its ambitions of scaling up and achieving multi-fold growth. In pursuit of this vision, we have recently made a strategic appointment to our leadership team. Dr. Srinivas Kandula, the ex-Chairman, and CEO of Capgemini India, has joined Cigniti as its Executive Director on the Board. Dr. Kandula's appointment brings a wealth of experience and expertise that will help us navigate our ongoing transformational journey into the digital orbit, which is at the core of any business today. We are confident that Dr. Kandula's experience will help further accelerate our growth and strengthen our already formidable trajectory.

Last year, with a strategic and complimentary capability-led acquisition of Roundsqr, we were able to deepen our digital engineering capabilities. This shift in our focus towards digital engineering services has opened new opportunities for potentially multi-year engagement with our clients.

In the upcoming year, we are placing a significant emphasis on proactive Quality Engineering (QE), Data Engineering, Data & Insights, and Digital Engineering Services (DES). Our objective is to focus on existing accounts and promote up-selling and cross-selling opportunities. We firmly believe that strengthening our strategic partnerships will play a pivotal role in achieving our growth objectives. With our partners, we plan to co-innovate to leverage untapped potential and drive revenue growth.

While the global outlook for BFSI and Retail sectors is somewhat uncertain, we continue to focus on other sectors and anticipate growth in the travel and hospitality industry. Our revenue is growing at a steady pace, and we are targeting a 25% increase in revenue from Digital Engineering Services in the coming year. We aim to maintain our competitive edge by investing in training and development programs for our employees and implementing cutting-edge technologies in our service offerings. By doing so, we are confident that we will continue to deliver exceptional value to our clients and maintain our position as a leader in digital assurance and engineering services.

Additionally, we are investing in upskilling our workforce to stay ahead of the rapidly evolving technology landscape and be better equipped to deliver cutting-edge solutions to our clients. We have also introduced new training programs to foster a culture of innovation and collaboration within the organization.

Moreover, we have expanded our global footprint and established new delivery centers in strategic locations, enabling us to provide our clients with cost-effective solutions while maintaining our high quality.

In the coming year, we plan to strengthen our capabilities in emerging technologies such as AI, Machine Learning, and Blockchain and continue to build long-term partnerships with our clients. We remain committed to delivering exceptional value to our stakeholders and strive to be the partner of choice for digital transformation initiatives.

Risks and Concerns

The ongoing economic recession has led to uncertainties across markets, while the U.S. continues to contribute a major share of Cigniti's revenue. Cigniti is focusing on steadily expanding across geographies such as Europe & Asia Pacific and implementing strategies to enhance revenues from existing geographies. In addition to the U.S., Cigniti has offices in the UK, UAE, the Czech Republic, Singapore, South Africa, and Australia, which can help us diversify our revenue sources and weather potential market downturns. However, given the current economic climate, we need to remain vigilant and adaptive in our approach to continue adding new logos and deepening our client relationships across all geographies.

Internal Controls

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

Opportunities & Threats

As mentioned in the Chairman's message, CEO's Review, and in further discussions made in the Management Discussion and Analysis section (MD&A), there is a huge growth potential and opportunity for the company in the Digital Assurance and Digital Engineering business market. The company looks forward to technologically advanced innovations for mitigating its business threats. The company consistently invests in future technologies along with getting accredited by the leading industry technology analysts.

Review of Financial Performance

Revenue

Revenue for the current year was at Rs. 69,664 lakhs as against Rs. 45,552 lakhs in the previous year, increased by 53%.

EBITDA

The EBITDA for the year stood at Rs. 14,527 lakhs as against Rs. 5,650 lakhs in the previous year, increased by 157%.

Earnings Per Share

The EPS (Basic) of the Company stood at Rs. 37.06 for the current year as against Rs. 14 in the previous year, increased by 165%.

Profit After Tax

The Company has reported Profit After Tax (PAT) of RS. 10,172 lakhs for the current year as against Rs. 3,926 lakhs in the previous year, increased by 159%.

Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current assets	Current liabilities	3.72	4.35	-14%	
Debt- Equity Ratio	Total debt*	Shareholder's equity	0.11	0.14	-17%	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest & Lease Payments + Principal repayments	11.76	6.79	73%	Note (a)
Return on equity ratio	Net profits after taxes	Average shareholder's equity	25%	11%	132%	Note (a)
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	7.46	5.24	42%	Note (b)
Trade payable turnover ratio	Other expenses + Employee benefit expense + Hired contract cost	Average trade payables	34.12	34.61	-1%	
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.30	1.64	40%	Note (c)
Net profit ratio	Net profit after taxes	Net sales = Total sales - sales return	15%	9%	69%	Note (a)
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total debt	29%	13%	119%	Note (a)
Return on investment#	Finance income	Time weighted average investment	4%	7%	-42%	Note (d)

*Debt includes lease liabilities.

Mutual funds, ETFs, bonds and debentures are considered for the purpose of computing return on investments.

Explanations given where the change in the ratio is more than 25% as compared to the preceding year.

Notes:

a) Change in ratio is due to increase in net profit on account of increase in revenue compared to previous year.

b) Change in ratio is due to revenue growth and improvement in collections from customers.

c) Change in ratio is due to revenue growth along with higher efficiency on working capital improvements.

d) Change in ratio is due to decrease in return on investments.

Annexure-VI

BUSINESS RESPONSIBILITY REPORT

Message from the CMD

I am pleased to present the Business Responsibility and Sustainability Report for the FY 2022-23. I have always felt that sustainability and the welfare of our stakeholders are critical for our success. I also believe that ESG (Environment, Social & Governance) performance is directly linked to financial performance and is necessary for creating lasting value for our customers and shareholders. That's why we continued to integrate sustainability into all aspects of our business.

As we continue to advance our mission of delivering cutting-edge solutions to our clients, we remain committed to leveraging the latest digital technologies and solutions to help our clients go digital-first. Our dedicated team of professionals has worked tirelessly to develop and enhance our offerings, ensuring that we stay ahead of the curve in the digital space. We have also expanded our portfolio of products and services to meet the evolving needs of our customers while maintaining a strong focus on digital customer delight and client-centricity. At Cigniti, we take pride in our pedigree and craft and are dedicated to helping global companies accelerate their digital transformation programs through our expertise in digital assurance and engineering services.

Cigniti also unveiled a new brand identity reflecting its renewed vision and values. We strongly believe that our new vision of "Together, we build a better future through technology-led transformation" is what will drive every Cignitian as a collective group to outperform themselves every day. To better align our organization with the renewed vision, we also updated the values of Character, Competence, and Commitment across all our relationships with clients, stakeholders, and associates.

As much as we are passionate about solving clients' problems, we are also equally passionate about giving back to society. Corporate Social Responsibility has been a way of life of Cigniti's business strategy, and we embrace this responsibility to create a positive impact in the communities in which we work and live. Our key programs are driven by the valuable CSR agenda we've built over the years under the name 'Project Cignificance'. In addition to Education, we have broadened our CSR charter to Healthcare and Sustainability through its focused implementing programs, ensuring that our support reaches out to the neediest communities for their well-being. Collaboration with government agencies think tanks, educational institutions, and various community-based organizations has shaped our Corporate Social Responsibility projects to imbibe critical aspects like transparency, accountability, and reliability.

The year 2022 was significant as the adopted schools strengthened their second phase under the program. We focused on access, inclusion, and infrastructural support in 9 government schools, reaching out to approximately 3000+ students under the ambit of the program. Under our healthcare initiative, to strengthen tertiary healthcare we provided immediate responsive care to marginalized communities by enabling government hospitals with critical medical equipment support. As part of our sustainability green initiative "Cignitree," we planted over 200 saplings. Our employees remain committed to giving back to society through our teaching and mentoring programs, reflecting Cigniti's core values.

At Cigniti, we have taken steps to promote diversity and inclusion in the workplace and strive for a gender-neutral environment. Currently, our female-to-male ratio stands at 32%, and while we continue to work towards increasing diversity, our focus is now on achieving better representation of diversity in leadership positions of level 5 and above. We are pleased to see a positive impact on our retention policies and employee satisfaction, as indicated by the decline in voluntary attrition over the past year. Our efforts include employee-friendly policies, wellness workshops, rewards and recognition, and enhancing the overall employee experience.

Looking ahead, we are excited about the opportunities and challenges that lie ahead. The industry is constantly evolving, and we are committed to staying ahead of the curve by investing in new technologies, enhancing our existing products, and pursuing strategic partnerships. Finally, I would like to express my gratitude to our shareholders, customers, and employees for their continued support and dedication towards responsible business conduct and we look forward to continuing to work together to achieve our shared goals.

Best Regards
C.V. Subramanyam
Chairman & Managing Director

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L72200TG1998PLC030081
2.	Name of the Listed Entity	Cigniti Technologies Limited
3.	Year of Incorporation	1998
4.	Registered Office Address	Suit No.106 & 107, 6-3-456/C, MGR Estates Dwarakapuri Colony, Panjagutta, Hyderabad - 500082. Telangana State
5.	Corporate Address	6th Floor, ORION Block, "The V" (Ascendas), Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081.
6.	E-mail id	company.secretary@cigniti.com
7.	Telephone	+91 (040) 40382255
8.	Website	www.cigniti.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid up Capital (INR)	INR 2725.70 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name	Mr. Midhun Pingili
	Designation	Senior Director, Marketing
	Telephone number	8886093093
	E-mail id	midhun.pingili@cigniti.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report have been made on a standalone basis unless specified in a particular disclosure.

II. Products / Services

14. Details of business activities (accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Digital IT Services	We offer end-to-end Digital Assurance and Digital Engineering services to global enterprises across verticals	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed
1.	Technical Testing and Analysis	71200	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	2	2
International	0	12	12*

*Cigniti Technology Limited has 12 international offices including overseas subsidiaries.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	5
International (No. of Countries)	24

b. b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute 96% of the total turnover of the entity on a standalone basis.

c. A brief on types of customers

Cigniti is the world's leading AI & IP-led Digital Assurance and Digital Engineering services company. Headquartered in Hyderabad, India, Cigniti's 4200+ employees help Fortune 500 and Global 2000 enterprises across 24 countries accelerate their digital transformation journey across various stages of digital adoption and help them achieve market leadership by providing transformation services leveraging IP and platform-led innovation with expertise across multiple verticals and domains.

IV. Employees

18. Details as of the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	3584	2451	68%	1133	32%
2.	Other than Permanent (E)	365	240	66%	125	34%
3.	Total employees (D + E)	3949	2691	68%	1258	32%
			WORKERS*			
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total employees (F + G)	-	-	-	-	-

*The organization is in services sector and not a manufacturing company, Hence there are no workers in our organization.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
			EMPLOYEES			
1.	Permanent (D)	1	1	100%	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	**Total employees (D + E)**	1	1	100%	0	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	4	1	25%

20. The turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.90%	26.10%	28.70%	33.22%	36.63%	34.31%	36.11%	34.35%	35.55%

V. Holding, Subsidiary, and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Cigniti Technologies Inc., USA	Subsidiary	100%	No
2.	Cigniti Technologies (UK) Limited.	Subsidiary	100%	No
3.	Cigniti Technologies (Australia) Pty Ltd.	Subsidiary	100%	No
4.	Cigniti Technologies Canada Inc.	Subsidiary	100%	No
5.	Gallop Solutions Private Limited.	Subsidiary	100%	No
6	Cigniti Technologies (SG) PTE. LTD	Subsidiary	100%	No
7	Cigniti Technologies (CZ) Limited S.R.O.	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) YES**

(ii) Turnover (in Rs.) 69664.29 Lakhs

(iii) Net worth (in Rs.) 43674.35 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y*	-	-	-	-	-	-
Investors (other than shareholder)	Y**	-	-	-	-	-	-
Shareholders	Y**	-	-	-	-	-	-
Employees and workers	Y***	2	-	Resolved during the year	-	-	-
Customers	Y****	-	-	-	-	-	-
Value Chain Partners	Y*	-	-	-	-	-	-

*No complaints have been received from communities and value chain partners during FY 2021-22 and FY 2022-23. Complaints / Grievances from Value Chain Partners are addressed by relevant Departments on a case-to-case basis. Policies & grievance redressal mechanism are accessible on https://www.cigniti.com/policies/

**The Company has appointed Registrar and Share Transfer Agent (RTA) to look into the grievances/complaints of the shareholders. In addition to it, the Company has designated email ID company.secretary@cigniti.com, where the shareholders can send their grievances/complaints.

***The details of the grievance redressal mechanism for employees and workers are provided in Principle 3, point No. 6

**** The mechanism for customers grievance redressal is provided in Principle 9, point No. 1

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Training & Skill Development of employees	Opportunity	Our Learning & Development Team organizes several technical and personality development training for employees to upskill and make them ready for any challenge they face. We also collaborate with our external partners to train our employees on the latest tools and technology.	Not Applicable	NA
2.	Environmental Sustainability	Risk	With Global Warming happening environmental sustainability has become very important for all businesses.	We comply with applicable legal requirements which relate to our environmental aspects. The company prevents pollution, reduces waste and minimizes the consumption of resources. We educate, train and motivate employees to carry out tasks in an environmentally responsible manner and encourage environmental protection among suppliers.	NA

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles and Core Elements.

We have implemented the following policies toward adopting National Guidelines on Responsible Business Conduct (NGRBC):

Principle P1: Transparency & Accountability
Code of Business Conduct and Ethics
Code of Conduct for Senior Management
Vigil Mechanism
Code of Conduct for Prevention of Insider Trading & Fair Disclosure

Principle P2: Product Responsibility
Environment Policy

Principle P3: Employee Development
Code of Business Conduct & Ethics Policy
Health & Safety Policy

Principle P4: Stakeholder Engagement
Corporate Social Responsibility Policy

Principle P5: Human Rights
Code of Business Conduct & Ethics Policy
Sexual Harassment Policy
Modern Slavery Statement

Principle P6: Environment Principle
Environment Policy
Carbon Reduction Plan

Principle P7: Policy Advocacy
Code of Business Conduct & Ethics Policy

Principle P8: Inclusive Growth
Corporate Social Responsibility Policy

Principle P9: Customer Value
Code of Business Conduct & Ethics Policy
Data Privacy policy

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link* of the Policies, if available	https://www.cigniti.com/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Policies have been formulated and implemented by National Guidelines on Responsible Business Conduct, requirements of the Companies Act, 2013, and SEBI regulations. aligned with internationally renowned quality standards and models like ISO 9001:2015, ISO 27000:2013, AS9100D, ISO 13485:2003, ISO 22163:2017(IRIS), TL9000R 5.5, ISO 14001:2015, and CMMI-DEV Version1.3 Level 5.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	• Employee Attrition Rate to be 28% YTD for the FY 23-24 • Female to Male Ratio – 40% by the year 2025 • CSAT score to be 3.8 in the FY 23-24								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	• The attrition percentage is showing signs of good retention policies implemented and employee satisfaction. For the last year, Cigniti has seen a significant dip in voluntary attrition which indicates the impact of various employee-friendly policies, wellness workshops, rewards, and recognition, employee experience enhancement, etc. (@24.7% FY'23) • Currently, we are at 33% of Female to Male ratio in Cigniti. While we are making efforts to increase diversity at Cigniti, Chairman's vision is to improve the diversity ratio to 40% in the next two years and accordingly have representation from diverse groups in all prominent roles across the organization								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) **- CMD Message is at the beginning of the report**									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. C. V. Subramanyam, (Chairman & Managing Director)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Implementation and oversight of the Business Responsibility Policies and the decision-making on sustainability-related issues are the responsibility of the Business Responsibility and Sustainability Committee of the Board of Directors, which comprises of following members as on March 31, 2023: Mr. C. V. Subramanyam –Chairman Mr. Phaneesh Murthy-Member Mr. Ram Krishna Agarwal-Member Mr. Srinath Batni - Member Mr. C. Srikanth - Member								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, The Business Responsibility and Sustainability Committee of the Board / CMD has reviewed the performance against the above policies.									The frequency of review is annual.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	Compliance with statutory requirements of relevance to the principles has been carried out by the relevant committees of the Board.									The frequency of review is quarterly.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

    Yes, the evaluation of the working of its policies has been done internally.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	-----------Not Applicable, as all Principles are covered by one or more policies--------								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leading indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	All Principles	100%
Key Managerial Personnel	1	All Principles	100%
Employees other than BoD and KMPs	Multiple Training Programs	Employees have been given training on Principle 1 and other Principle as applicable to their respective functional area	92%
Workers			

The employees of the company undergo various training programs on various topics. Board and KMPs are apprised about the changing requirements from time to time in the Board meeting and Management meetings. A structured training program on the nine principles of Responsible Business conduct will be done during FY 2023-24.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	No fines / penalties /punishment/ award/ compounding fees/ settlement amount has been paid by the entity or by the directors / KMPs.				
Settlement					
Compounding fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	No Non-Monetary imprisonment or punishment has been imposed on the entity or on the directors / KMPs.			

No such fines/penalties/punishment/ award/ compounding fees/ settlement amounts are paid in proceedings either by the entity or by directors / KMPs.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable as no fine, penalties etc. has been paid by the company	

Not applicable as no fines/penalties/punishment/ award/ compounding fees/ settlement amount has been paid by the company.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Cigniti's Code of Business Conduct and Ethics policy provides 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. Policies are accessible at https://www.cigniti.com/policies/.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY22-23	FY21-22
Directors	No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors / KMPs/ Employees.	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No complaint was received about conflict of interest of the Directors, KMPs, or any other employee.			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not applicable as no fines/penalties/punishment/ award/ compounding fees/ settlement amount has been paid by the company.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R & D	Not Applicable		
Capex			

   The company provides technical services and is not in the business of producing any product with environmental impact. However, 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 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.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   b. If yes, what percentage of inputs were sourced sustainably?

   Not applicable considering that the sourcing of materials is not a significant part of the company's operations.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Not applicable given the nature of the business of the company

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Extended Producer Responsibility (EPR) does not apply to the entity's activities.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,451	2451	100%	2451	100%	NA	NA	2451	100%	-	-
Female	1,133	1133	100%	1133	100%	1133	100%	NA	NA	-	-
Total	3,584	3,584	100%	3,584	100%	1133	100%	2451	100%	-	-
Other than Permanent employees											
Male	240	-	-	-	-	-	-	-	-	-	-
Female	125	-	-	-	-	-	-	-	-	-	-
Total	365	-	-	-	-	-	-	-	-	-	-

The following initiatives are driven across the organization for all types of employees:

- At Cigniti, 45+ weekly mailers under the banner Wednesday Wellness focus on the holistic well-being of an employee spanning physical and mental health tips.
- Organized 4 in-person wellness camps like Eye Screening, General Health check-ups, Weight management, and Zumba.
- Conducted 37+ Wellness Webinars covering topics like Ergonomics, Chair exercises, Child health, monkeypox, Covid safety series 3.0, and many more
- 3 exclusive wellness sessions organized and facilitated by renowned doctors on topics like Re-wire your Brain by Dr Jayanthi, Invest in your Health by Dr Kiran, and Mental Wellness by Dr Drishanth.
- Cigniti has appointed an in-house fitness consultant Radhika Vemuri for the well-being of employees. Radhika is currently conducting 5th batch of online Yoga sessions for our employees.
- Identified volunteers interested in nominating for the ERT team and sufficiently trained on the same.
- POSH (Prevention of Sexual Harassment) awareness mailers are actively sent to employees while regular rollout of surveys provides the level of training and awareness amongst employees.
- To keep the workplace safe from any kind of sexual harassment, POSH training which is a video and an assessment thereafter has been made mandatory for every employee within Cigniti.

b. Details of measures for the well-being of workers:

Not Applicable

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23		FY 2021-22			
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	.001%	.001%	Y	.001%	.001%	Y
Other – Medical Insurance	100%	100%	Y	100%	100%	Y

3. Accessibility of workplaces

   Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes, the office is accessible for persons with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. (This is part of Cigniti Code of Business Conduct and Ethics)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees	
	Return to work rate	Retention rate
Male	90%	100%
Female	88%	90%
Total	89.4%	95%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The grievance redressal mechanism is available in the Code of Business Conduct & Ethics Policy. Employees can report any suspected violation of the law or company policies or any complaint using the email id- reach2resolve@cigniti.com When a concern is raised, the identity and the information provided is shared only on a 'need-to-know' basis to address the concern, as required by law or otherwise, with the consent of the complainant. Employees may choose to remain anonymous when raising a concern (in which case they should advise this at the time concern is raised). We do not tolerate and take appropriate action against violations of the code, whether perpetrated by employees or by people outside the company. All reports are taken seriously and are investigated in depth.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

   We do not have any employee association recognized by management.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	1204	83	7%	1121	93%	2021	165	8%	528	26%
Female	701	62	9%	639	91%	976	72	7%	698	72%
Total	1905	145	8%	1760	92%	2997	237	8%	1226	41%

9. Details of performance and Career development reviews of employees:

Category	FY 2022-23			FY 2021-22		
	Total Employees	Total Performance Review done	%	Total Employees	Total Performance Review done	%
Male	2451	2190	89%	2021	1955	97%
Female	1133	1124	99%	976	935	96%
Total	3584	3,314	92%	2,997	2,890	96%

10. Health and safety management system:

    a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

       Yes, the health and safety management systems cover all employees and visitors. The Company has policies/procedures through which the safety of employees and company property is ensured. First aid kits are provided on all floors of reception. Wheelchairs are placed on floors. An ambulance is being arranged by the BMS team for the campus. Sick Rooms are available for employees.

       ERT Team at the office are trained at the office by the external team for:

       - Taking appropriate personal protective measures.
       - Advising employees in the area of any potential threat and/or initiate evacuation procedures when required.
       - Restrict access to the incident scene or affected area and surrounding area as the situation demands.
       - Take any other steps necessary to minimize any threat to the health and safety of the employees.
       - Request medical assistance, if necessary, or perform Basic Life support (BLS) activities.
       - Evaluate the severity, potential impact, safety concerns, and response requirements based on the initial information provided by the first person on-scene.
       - Communicate and provide incident updates to company management, as appropriate.

    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

       Not directly applicable, given the nature of the business.

    c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

       Not directly applicable, given the nature of the business.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company have access to non-occupational medical and healthcare services. The below policies have been formulated for the betterment of all employees:

- Group Personal Accident Policy
- Mediclaim Insurance Policy
- Group Term Life Insurance Policy

The Company regularly conducts health awareness sessions for employees.

11. Details of safety related incidents, in the following format:

No recordable safety-related incidents have occurred during the FY 2022-23.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

As explained under point no. 10 above

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-
Sexual Harassment	2	-	Complaints have been resolved	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Any other type of complaint	-	-	-	-	-	-

All the queries of employees are responded to by the HR function promptly.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	All the offices were assessed for health, safety, and working condition as part of the business operating processes.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

Not Applicable as no significant risks/concerns arise from assessments of health & safety practices and working conditions

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

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

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Customer Meetings, Customer Feedback, Website, Product Catalogues,	Ongoing	Customer Satisfaction, Product Quality,
Employees	No	Notice Boards, Website, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing	Working conditions, employee performance, Employee Satisfaction
Community, NGOs	Yes	Corporate Social Responsibility engagements, Meeting with community representative	Ongoing	The welfare of the community,
Investors & Shareholders & Analysts	No	AGM, Investor meets, Investor Grievance redressal mechanism	Ongoing	Business Strategies and Performance
Regulatory Bodies	No	Compliance Reports	Ongoing	Compliance with the Law of the land

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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. 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 the protection of workers' rights.

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
	Employees					
Permanent	3584	1281	36%	2890	1813	63%
Other than permanent	365	65	18%	107	101	94%
Total Employees	3949	1,346	34%	2997	1914	64%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
	Employees									
Permanent										
Male	2,451	-	-	2451	100%	1955	-	-	1955	100%
Female	1,133	-	-	1133	100%	935	-	-	935	100%
Other than Permanent										
Male	240	-	-	240	100%	66	1	2%	65	98%
Female	125	-	-	125	100%	41	0	0%	41	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	724.80 lakhs	1	Nil as no remuneration drawn
Key Managerial Personnel	2	174.70	1	27.36 lakhs
Employees other than BoD and KMP	2604	9.60 lakhs	1284	7.97 Lakhs

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**

   Yes, the Chief Human Resource Officer is the focal point for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Considering the nature of business as of now we don't have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	-	Complaints have been resolved	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights-related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The Code of Business Conduct & Ethics and Whistle Blower Policy provide the mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

8. Do human rights requirements form part of your business agreements and contracts? **(Yes/No)**

   Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	

   All the assessments have been done by the entity during the operations of the business.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    Not Applicable as no significant risks/concerns arise from the assessments at Question 9 above.

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	6192 GJ	4156 GJ
Total fuel consumption (B)	694 GJ	617 GJ
Energy consumption through other sources (C)		
Total energy consumption (A+B+C)	6886 GJ	4773 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	9.9 GJ/Crores of Turnover	10.5 GJ/Crores of Turnover
Energy intensity (optional) – the relevant metric may be selected by the entity		

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency.

   N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No, the Company is not covered under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India

3. Provide details of the following disclosures related to water, in the following format:

Parameter	**FY 2022-23**	**FY 2021-22**
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	6692 KL	4677 KL
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6692 KL	4677 KL
Total volume of water consumption (in kilolitres)	6692 KL	4677 KL
Water intensity per rupee of turnover *(Water consumed / turnover)*	9.61 KL / Crores of Turnover	10.27 KL / Crores of Turnover
Water intensity *(optional) – the relevant metric may be selected by the entity*		

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Not applicable. Water is recycled as per the practices of the office building maintenance agencies.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	**Please specify unit**	**FY 2022-23**	**FY 2021-22**
NOx	Air emissions (other than GHG emissions) by the entity are insignificant and not being tracked.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	51.5	45.7
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1358.8	912
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 Equivalent / Crores of Turnover	2.0	2.1
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Energy Consumption is the main source of Green House Gas emissions for the company. 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 the applicable legal requirements concerning the environment.
- 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 are met.
- Implemented a travel embargo and promoted e-meetings and networking, which
- Reduced travel emissions.
- Sourced renewable electricity for our buildings
- Commencing a rolling program of capital upgrades to our offices (e.g., installing LEDs; and decarbonizing our heating systems)
- Invested in digital technology and the development of a 'Sustainable Delivery Framework' to help us reduce project-related travel emissions
- Implemented a sapling plantation drive called Cignitree, where more than 100 saplings were planted by Cignitians
- Appointed Midhun Pingili (Senior Director – Marketing) as Sustainability Officer, who will look after Environment, Social, and Governance initiatives including Sustainability.

In the future, we are planning to implement further measures such as:

- Raising awareness through campaigns, roadshows, and awareness programs
- Developing new practices, processes, and carbon offset initiatives
- We will continue to host green building premises
- Commencing a rolling program of capital upgrades to our offices (e.g., installing LEDs; and decarbonizing our heating systems)

- Procuring 5-star rated equipment to reduce power consumption
- Investing in certified, market solutions for emissions, which we cannot eliminate
- Progressing towards Social Value Quality Mark Level 2 which includes a pledge on environmental sustainability

We will continue to create projects around the above themes of recycling and renewable electricity, business travel emissions reduction, greenhouse building optimization, and efficient operations. We will also ensure wider sustainability decisions in our business operations, empower our associates to lead by example, and convene ecosystems that will enable us to reduce carbon emissions across the locations where we operate.

8. Provide details related to waste management by the entity, in the following format:

Parameter	**FY 2022-23**	**FY 2021-22**
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Considering the nature of the business the waste generation is not significant and is disposed of responsibly by the building maintenance agency.	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Considering the nature of the business the waste generation is not significant and is disposed of responsibly by the building maintenance agency.	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

N. No independent assessment/ evaluation/assurance has been carried out by an external agency

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Our waste management approach is based on the philosophy of Reduce, Reuse, and Recycle. We seek to uphold our ambition of zero waste to landfills. We follow a process of waste segregation at the source through which the entire volume is treated or disposed of in line with applicable legislative requirements.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None of our offices are in/around ecologically sensitive areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The operations of the company are not covered by the 2006 notification on Environmental Impact Assessment.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act, and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the company is compliant with all applicable environmental laws / regulations / guidelines in India.				

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   6 (Six)

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	National Association of Software and Service Companies	National
2.	Indo-American Chambers of Commerce	National / International
3.	National HRD Network	National
4.	Society of Cyberabad Security Council	State
5.	HYSEA	State
6.	All India Management Association	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities. **Not Applicable**

Name of authority	Brief of the case	Corrective action taken
Not applicable as no adverse orders from regulatory authorities have been received related to anticompetitive conduct by the entity.		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

No requirement of Social Impact Assessments (SIA) of projects was applicable to the company in the current FY 2022-23.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)

There was no project involving R&R during the FY 2022-23.

3. Describe the mechanisms to receive and redress grievances of the community.

Considering the nature of the business, any concern/ grievance from the community is dealt with by respective departments on a case-to-case basis. No complaints/concerns have been raised by community during the FY22-23 and FY21-22.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	We are consciously incorporating sustainable and local sourcing in our supply chain as far as possible	
Sourced directly from within the district and neighbouring districts		

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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 through our efforts in product innovation, R&D activities, and ensuring an enhanced life cycle of the product.

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We interact with our clients regularly and across multiple platforms. We believe in continuous improvement of our services to customers worldwide and conduct Customer Satisfaction Survey every year to measure the level of satisfaction of the customer and to capture customer feedback on various parameters to Improve internal processes based on the needs and expectations of the customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: **Not Applicable**

	As a percentage to total turnover
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	This is not relevant considering the nature of the business of the Company.
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			**FY 2021-22**		
	Received during the year	**Pending resolution at end of year**	**Remarks**	**Received during the year**	**Pending resolution at end of year**	**Remarks**
Data privacy	No complaints from customers were received during the last 2 years. The company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability of clients through our efforts in product innovation, R&D activities, and effective quality management systems.					
Advertising						
Cyber-security						
Delivery of						
essential						
services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	**Reasons for recall**
Voluntary recalls	Not Applicable	
Forced recalls		

This is not relevant considering the nature of the business of the Company.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link of the policy.

   Yes, the company has a data privacy policy. We acknowledge the needs of the client in protecting their personal and confidential data during their dealing with us. Cigniti's privacy policy strives to protect its data and clients' 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 system failures and interruptions to business

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

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products / services.

   No regulatory action has ever been done regarding advertising, essential services, cyber security, data privacy or product recalls.

Annexure-VII

FORM MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,
The Members,
Cigniti Technologies Limited
Suit No.106 &107, 6-3-456/C,
MGR Estates Dwarakapuri Colony
Panjagutta, Hyderabad – 500082

I, S. Chidambaram (Practicing Company Secretary) have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cigniti Technologies Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2021;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

   (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

(vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:

   (a) Information Technology Act, 2000 and the rules made thereunder.

   (b) Software Technology Parks of India rules and regulations

(vii) I have also examined compliance with the applicable clauses of the following:

   (a) Secretarial Standards issued by The Institute of Company Secretaries of India;

   (b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors.

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.

Majority decision is carried through and no members have dissented to any of the Resolutions.

I further report that 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.

During our Audit for the period under review we observe the following:

1. **The Company has to file Annual Performance Report (APR) with RBI on or before 31st December 2022. However the Company could not file APR for some of the subsidiaries, as it has not yet received the UIN from RBI regarding investments in the said subsidiaries.**
2. **The company has received a notice from NSE and BSE for not complying with the regulation 19 of SEBI (LODR) regulations 2015. i.e composition of Nomination and remuneration committee, As the company was not having required composition of Nomination and Remuneration committee. NSE and BSE has levied penalty of Rs 3,23,320 for 137 days from 1st January 2022 to 17th May 2022. The company in its meeting held on 18th May 2022 has made the proper composition as required under Regulation 19 of Nomination and Remuneration committee and also paid the penalty levied during the period**

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286
UDIN No: F003935E000217863

Place: Hyderabad
Date: 02.05.2023

Annexure- A to Secretarial Audit Report

To
The Members,
Cigniti Technologies Limited
Suit No.106 &107, 6-3-456/C,
MGR Estates Dwarakapuri Colony
Panjagutta, Hyderabad – 500082

My Secretarial Audit 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. Where ever 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.

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286
UDIN No: F003935E000217863

Place: Hyderabad
Date: 02.05.2023

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, 2023. 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

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 9 (Nine) times on 02.05.2022, 18.05.2022, 29.06.2022, 29.07.2022, 20.10.2022, 31.01.2023, 27.03.2023 and 31.03.2023 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, their attendance at Board meetings during the year and at the last Annual General Meeting (AGM), as also the details of Inter personal relationship of Directors

S. No	Name of the Director	Designation	Attendance of meetings held on									Attendance at last AGM held on 23.06.2022	No of equity shares held
			04.05.2022	18.05.2022	29.06.2022	29.07.2022	20.10.2022	24.11.2022	31.01.2023	27.03.2023	31.03.2023		
1	Mr.C.V. Subramanyam	Promoter Chairman & MD	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	2935165
2	Mr. C. Srikanth	Promoter Non-executive Director	Y	Y	Y	Y	Y	y	y	y	Y	Y	2500000
3	Mr. Ram Krishna Agarwal	Independent & Non-executive Director	Y	Y	Y	Y	Y	y	y	y	Y	Y	Nil
4	Mr. Phaneesh Murthy	Independent & Non-executive Director	Y	y	Y	Y	Y	Y	y	y	Y	Y	Nil
5	Ms. Nooraine Fazal	Independent & Non-executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Nil
6	Mr. Srinath Batni	Independent & Non-executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Nil
7	Mr. K. Ch. SubbaRao	Non-Independent & Non-executive Director	Y	Y	N	Y	Y	N	Y	N	N	Y	25000

1# Inter personal relationship of the Directors on the Board: 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.

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	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	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	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	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	3	2	1
Mr. Phaneesh Murthy	Nil	Nil	Nil	Nil
Ms. Nooraine Fazal	Nil	Nil	Nil	Nil
Mr. Srinath Batni	Nil	Nil	Nil	Nil
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	PCBL Limited	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 2022-23, 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 02.05.2023 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 2022-23, 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, 2015 the 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	04.05.2022 29.07.2022 20.10.2022 31.01.2023
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 23rd June, 2022 and Mr. Ram Krishna Agarwal, Chairman of the Audit Committee for that period, attended previous AGM.

D. On quarterly 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 includes

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.

i. Devise a policy on Board diversity.

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

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

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

v. 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.

vi. 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.

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

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

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

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

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

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

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

xiv. Oversee familiarisation programmes for Directors.

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

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

xvii. 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	5	04.05.2022 29.07.2022 20.10.2022 31.01.2023 28.03.2023
Mr. Phaneesh Murthy (member)	Independent & Non-Executive	5	
Ms. Nooraine Fazal (member)	Independent & Non-Executive	5	
Mr.C.V.Subramanyam (Member)	Promoter & Executive	5	
Mr. C. Srikanth (Member)	Promoter & Non-Executive	5	
Mr. Ram Krishna Agarwal*	Independent & Non-Executive	4	

* Mr. Ram Krishna Agarwal was inducted as member of Nomination & Remuneration Committee in the Board meeting held on 18.05.2022 and during the year under review, he was required to attend 4 meetings only.

C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize 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	260.00	465.00	-	725.00

(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 03.08.2020

(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	24.00	48.00
Ms. Nooraine Fazal	17.00	48.00
Mr. Srinath Batni	18.00	48.00

* Mr. C. Srikanth, Non-Executive Director is drawing a remuneration of $ 7.50 lacs from Cigniti Technologies Inc; USA a wholly owned subsidiary Company

(vi) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity ;

There are no pecuniary relationship or transactions between Non-executive Directors and Listed entity

(vii) Service Contracts, notice period, severance fees ;

Not Applicable as there is only one Executive Director Mr. C. V. Subramanyam who is founder of the 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 May 02, 2023, 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.

(i) 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.

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

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

(iv) 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.

The evaluation process elicited responses from the directors in a judicious manner ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and quality of discussion and deliberations at the board. The evaluation process also ensures the fulfilment of independence criteria as specified in the applicable regulations and that the latter are independent of the management.

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
Individual Directors	
Mr.C. Venkata Subramanyam	5
Mr.Phaneesh Murthy	5
Mr.Srinath Batni	5
Mr.Ram Krishna Agarwal	4
Mr.K.China Subba Rao	3
Ms. Nooraine Fazal	4
Mr.C.Srikanth	4
Audit Committee	4
Stakeholder Relationship Committee	4
Nomination & Remuneration Committee	3.5
Corporate Social Responsibility Committe	3.5
Risk Management Committee	3.5

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.

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

iv. 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.

v. 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	04.05.2022
Mr. Ram Krishna Agarwal (member)	Independent & Non-Executive	4	29.07.2022
Mr. C. Srikanth (member)	Promoter & Non-Executive	4	20.10.2022
Mr. C. Srikanth (member)	Promoter & Non-Executive	4	31.01.2023

B. **Status of Investor Complaints as on 31 March, 2023 and reported under Regulation 13(3) of the Listing Regulations is as under:**

Particulars	Number of Complaints
Complaints as on 1 April, 2022	Nil
Received during the year	Nil
Resolved during the year	Nil
Number of pending complaints as on 31 March 2023	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**

Mrs. Naga 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 one executive Director, one Non-Executive Director.

Composition of the committee during the year 2021-22 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 and Attendance for Meetings

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr. Phaneesh Murthy (Chairman)	Independent & Non-Executive	2	20.10.2022 31.01.2023
Mr. Ram Krishna Agarwal (member)	Independent & Non-Executive	2	
Mr. C.V. Subramanyam (member)	Promoter & Executive	2	
Mr. C. Srikanth (member)	Promoter & Non-Executive	2	

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
24th AGM 2021-22	23.06.2022	Deccan Stateroom, ITC Kohenur, Aluxury Collection Hotel, Madhapur, Hitech City, Hyderabad-500081, Telangana	10.00 A.M.	Yes
23rd AGM 2020-21	04.06.2021	VC/OAVM	9.00 A.M.	Yes
22nd AGM 2019-20	03.08.2020	VC/OAVM	10.00 A.M.	Yes

(B) Extraordinary General Meeting

No Extra-ordinary General Meetings were held during the year 2022-23.

(C) Postal Ballot

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

(D) Procedure for postal ballot

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 : 16th June, 2023 at 10.00 A.M.
Venue : Deccan Stateroom, ITC KOHENUR, MADHAPUR, HITECH CITY, Telangana-500081

B. Financial Calendar

Financial Year - 1 April 2022 to 31 March 2023

C. Tentative calendar for declaration of financial results in financial year 2023-24

Results for the quarter ended	Tentative Dates
30 June 2023	28 July 2023
30 September 2023	3 November 2023
31 December 2023	20 January 2024
31 March 2024	02 May 2024

D. Book Closure dates

The dates for book closure are from 10th June, 2023 to 16th June, 2022 (both days inclusive)

E. Listing on Stock Exchanges & Stock Code

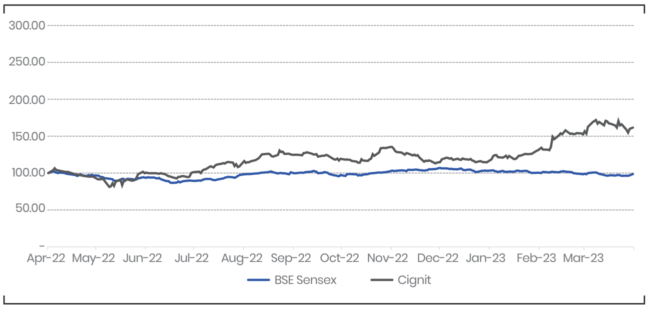
The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd.

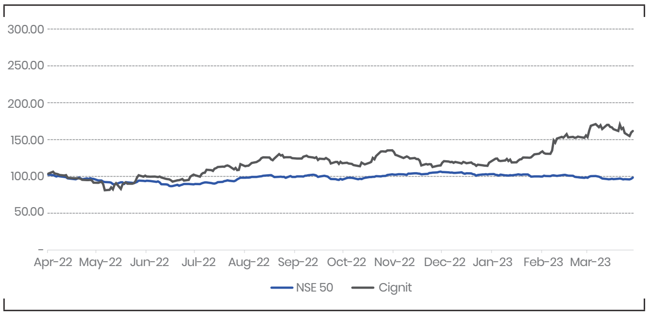
EXCHANGE & ADDRESS	STOCK CODE
National Stock Exchange of India Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	CIGNITITEC
BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.	534758

The Company has paid annual listing fees for the financial year 2022-23 to the BSE and NSE within stipulated time.

F. Dividend Payment Date: with in 30 days if declared at Annual General meeting to be held on June 16 2023.

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





H. 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.

I. Market Price Data

The monthly high / low prices of shares of the Company from April, 2022 to March, 2023 at BSE and NSE:

MONTH	BSE		NSE	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April 2022	494.85	427.85	494.80	428.80
May 2022	473.00	336.30	472.00	334.65
June 2022	476.00	417.30	477.80	415.00
July 2022	534.50	451.00	535.00	449.00
August 2022	649.00	516.00	609.55	516.25
September 2022	609.00	525.20	600.00	524.35
October 2022	633.00	516.20	633.00	516.60
November 2022	650.00	515.30	627.45	516.30
December 2022	574.00	522.95	580.00	522.35
January 2023	610.00	524.30	610.00	525.50
February 2023	732.00	590.00	733.70	598.00
March 2023	805.95	689.50	805.00	590.00

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

K. 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

L. Share Transfer System

The Transfer of Shares is effected 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.

M. Shareholding pattern as on 31.03.2023

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**	**5874513**	**21.55**	350000	5.96
a.	Individuals/Hindu Undivided Family	5874513	21.55	350000	5.96
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	Sub Total (A)(1)	5874513	21.55	350000	5.96
(2)	**Foreign**	**3560019**	**13.06**	0	0
a.	Individuals (Non Resident Individuals/ Foreign Individuals)	3560019	13.06	0	0
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others :-	--	--	--	--

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)			--	--
	Total Shareholding of Promoter and Promoter Group	**3560019**	**13.06**	**0**	**0**
	(A)=(A)(1)+(A)(2)	**9434532**	**34.61**	**350000**	**3.71**
(B)	**Public Shareholding**				
(1)	**Institutions**	**1398225**	**5.13**	**0**	**0**
a.	Mutual Funds/UTI	0	0	0	0
b.	Financial Institutions/Banks	90	0.00	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	1398135	5.13	0	0
g.	Foreign Venture Capital Investors	0	0	0	0
h.	Foreign Companies	0	0	0	0
i.	Alternate Investment fund	0	0	0	0
	Sub Total (B)(1)	**1398225**	**5.13**	0	0
(2)	**Non-Institutions**	**16424202**	**60.26**	**0**	**0**
a.	Bodies Corporate	1012351	3.71	0	0
b.	Individuals				
	i)Individual shareholders holding nominal share capital up to Rs.2 lakh	4912017	18.02	0	0
	ii)Individual shareholders holding nominal share capital in excess of Rs.2 lakh	9864139	36.19	0	0
c.	Any Others :-				
	i) Non Resident Individuals	577833	2.12	0	0
	ii)Key Managerial Personnel	34000	0.12	0	0
	iii)Trusts	11	0	0	0
	iv)Employees	2500	0.01	0	0
	v)Clearing Members	6351	0.02	0	0
	vi)Foreign Nationals	15000	0.06	0	0
	Sub Total (B)(2)	**16424202**	**60.26**	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**17822427**	**65.39**	0	0
	Total (A)+(B)	**27256959**	**100**	0	0
(C)	**Shares held by Custodians and against Depository Receipts have been Issued**	**0**	**0**	**0**	**0**
	Grand Total (A)+(B)+(C)	**27256959**	**100**	**0**	**0**

N. Distribution of Shareholding as on 31.03.2023

Range (Rs.)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	12853	88.94	851524	3.12
5001 - 10000	522	3.61	415273	1.52
10001 - 20000	327	2.26	484294	1.78
20001 - 30000	135	0.93	345264	1.27
30001 - 40000	84	0.58	300517	1.1
40001 - 50000	78	0.54	363908	1.34
50001 - 100000	187	1.29	1351139	4.96
100001 & Above	266	1.84	23145040	84.91
TOTAL	**14452**	**100**	**27256959**	**100**

O. 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 the Company's shares have good liquidity. The details of shares in physical and dematerialised form are as given below:

Particulars	No. of Shares	% Share Capital
NSDL	1,12,79,789	41.40
CDSL	1,59,59,690	58.50
PHYSICAL	17,480	0.10
Total	**2,72,56,959**	**100**

P. 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.

Q. 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.

R. Global Delivery Centre

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

S. Address for Correspondence

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

T. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.]-

Not Applicable as the Company has not issued any debt instruments, any fixed deposit programme or any sche

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.

G. 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

H. Policy on Related Party Transactions

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

I. Disclosure of commodity price risks and commodity hedging activities. –Not Applicable

J. 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 2023, there were no proceeds from public issues, rights issues, preferential issues etc.

K. 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.

L. Recommendations of Committees of the Board

There were no instances during the financial year 2022-23 wherein the Board had not accepted the recommendations made by any Committee of the Board.

M. Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;

Amount in Rs.(INR)

Statutory Audit fees	86,00,000
Limited Review	6,000,000
Certification & other attest services	9,00,000
Non-audit services	30,63,250
Outlays and Taxes	200,000

N. 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

O. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount': NOT APPLICABLE

P. 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.

Q. 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.

R. 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
17A	Maximum number of directorships	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
24A	Secretarial Audit and Secretarial Compliance Report	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

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

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

T. 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

U. 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

V. 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.

W. 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.

X. 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

C.V. Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 02.05.2023

Declaration on Code of Conduct for the year 2022-23

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, 2023 as envisaged in Regulation 26(3) of the Listing Regulations.

C.V. Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 02.05.2023

Annexure

Certificate on Compliance with the conditions of Corporate Governance under Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
Cigniti Technologies Limited
Suit No.106 &107, 6-3-456/C, MGR Estates
Dwarakapuri Colony Panjagutta, Hyderabad - 500082

I have examined the compliance of conditions of corporate governance by Cigniti Technologies Limited (The Company) for the financial year ended March 31, 2023, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2022 to March 31, 2023.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286
UDIN No: F003935E000314069

Place: Hyderabad
Date: 02.05.2023

Annexure to Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Cigniti Technologies Limited
Suit No.106 &107, 6-3-456/C, MGR Estates
Dwarakapuri Colony Panjagutta,
Hyderabad – 500082

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Cigniti Technologies Limited having CIN L72200TG1998PLC030081 and having registered office at Suit No.106&107, 6-3-456/C, MGR Estates Dwarakapuri Colony Panjagutta, Hyderabad - 500082 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No	Name of Director	Designation	DIN	Date of appointment in Company
1	Venkata Subramanyam Chakkilam	Chairman and Managing Director	00071378	03/09/1998
2	Srikanth Chakkilam	Non-executive Promoter Director	06441390	05/07/2013
3	China Subba Rao Kolla	Non-executive Non-independent Director	01685123	01/12/2003
4	Phaneesh Murthy	Independent Director	00388525	30/06/2017
5	Ram Krishna Agarwal	Independent Director	00416964	30/06/2017
6	Nooraine Fazal	Independent Director	03110948	30/06/2017
7	Srinath Batni	Independent Director	00041394	24/08/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Chidambaram
Practicing Company Secretary:
FCS No. 3935
C P No: 2286
UDIN: F003935E000217962

Place: Hyderabad
Date: 02/05/2023

Annexure-VIII

Report on Corporate Social Responsibility (CSR) Activities
(Pursuant to Section 135 of Companies Act 2013read with rules thereunder)

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

   The Company recognizes 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

1. **Composition of CSR Committee: The Company has constituted a CSR committee which provides oversight of CSR policy and guides the CSR activities of the Company.**

Sl.No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year (meeting held on 31.01.2023)	Number of meetings of CSR Committee attended during the year
1.	Ms. Nooraine Fazal	Chairperson Independent Director	1	1
2.	Mr. Srinath Batni	Member Independent Director	1	1
3.	Mr. C. Srikanth	Member Non-Executive & Non Independent Director	1	1
4.	Mr.C.V.Subramanyam	Member Executive Director	1	1

2. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** The Company has constituted CSR committee, CSR policy in accordance with provisions of Companies Act, 2013 read with Companies(Corporate Social Responsibility) Rues, 2014 as amended there to. The details of Committee, CSR policy and ongoing projects are available at available at: https://www.cigniti.com/investors/Policies/CSR Policy

3. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** NOT APPLICABLE

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

5. **Average net profit of the company as per section 135(5): Rs.5,950.47 Lakhs**

6. **(a) Two percent of average net profit of the company as per section 135(5): Rs. 119.01 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b+7c): Rs 119.01 lakhs

7. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
119.01 lakhs	0	N.A.	N.A.	0	0

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

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.lakhs)	Amount spent in the current financial Year (in Rs.Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.Lakhs).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
Not Applicable												

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District.			Name..	CSR registration number
1	Project Cignificance	Education-School Intervention program	Yes	Telangana	R.R.District	62.96 Lakhs	No	GMR Varalakshmi Foundation	CSR00000851
2	Project Cignificance	Education-Upskilling Program for Young Women (Project Udaan)	Yes	Telangana	R.R.District	Rs 9.77 Lakh	No	Nirmaan org	CSR00000146
3	Project Cignificance	Education-School Intervention program	No	Andhra Pradesh	Guntur	Rs 6.02 Lakh	No	Nirmaan org	CSR00000146
4	Project Cignificance	Health	Yes	Telangana	R.R.District	Rs 39.25 Lakh	No	Nirmaan org	CSR00000146
5	Project Cignificance	Sustainability	Yes	Telangana	R.R.District	Rs 1.01 Lakh	No	Sankalptaru Foundation	CSR0000590

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 119.01 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.) lakhs
(i)	Two percent of average net profit of the company as per section 135(5	119.01 lakhs
(ii)	Total amount spent for the Financial Year	119.01 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	FY 21-22	18.26 lakhs	18.26 lakhs		Nil		

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

Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1		Project Cignificance – school intervention program	FY 22-23	1 year	18.26 lakhs	18.26 lakhs	Rs. 18.26 lakhs	Completed

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).** Not Applicable

(a) **Date of creation or acquisition of the capital asset(s).**

(b) **Amount of CSR spent for creation or acquisition of capital asset.**

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).**

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

For FY 22-23, the company has utilized the entire fund of Rs 119.01 lakhs as per table (7c) to support initiatives on Education, Healthcare and Sustainability.

Place: Hyderabad
Date: 02.05.2023

C.V. Subramanyam
Managing Director
(DIN:00071378)

Nooraine Fazal
Chairperson of CSR Committee
(DIN:03110948)

Annexure IX

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 2023 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,

	C. Srikanth	Krishnan Venkatachary
Place : Hyderabad	Director & CEO	Chief Financial Officer
Date : 02.05.2023	Cigniti Tech Inc; USA	

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, 2023, 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, 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, 2023, 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 ('ICAI'), 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 year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Goodwill Impairment Assessment (as described in note 3.1 of the Consolidated Financial Statements)	
As at March 31, 2023, the Group has goodwill amounting to Rs. 7,396.83lakhs on consolidation pertaining to historical and recent acquisition. 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 5 years and in perpetuity; and • Discount rates that represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money. The impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate. The annual impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the financial statements as a whole.	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 CGUs 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; • 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 adequacy of the related disclosures as described in note 3.1 and 35 to the Consolidated Financial Statements.

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 and Those Charged with Governance 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.

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 year ended March 31, 2023 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements;

   (b) In our opinion, proper books of account as required by law have been kept by the Holding Company and its subsidiaries, incorporated in India so far as it appears from our examination of those books except that daily backups are maintained in servers located outside India as explained in note 45 to the Consolidated Financial Statements;

   (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, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor who are appointed under Section 139 of the Act, of its subsidiary, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

   (g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. The provisions of section 197 read with Schedule V of the Act are not applicable to its subsidiaries incorporated in India for the year ended March 31, 2023;

   (i) 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 Group has disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Financial Statements – Refer note 38(c) to the Consolidated Financial Statements;

   ii. The Group did not have any long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023.

iv.a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v.a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) As stated in note 12 to the Consolidated Financial Statements, the Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries incorporated in India, hence reporting under this clause is not applicable.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 23213271BGSEHZ6331

Place of Signature: Hyderabad
Date: May 2, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Consolidated Financial Statements of Cigniti Technologies Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the company and to the best of our knowledge and belief, we state that:

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order, 2020 of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

____
per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 23213271BGSEHZ6331

Place of Signature: Hyderabad
Date: May 2, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Cigniti Technologies Limited (the "Holding Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Financial Statements of Cigniti Technologies Limited (hereinafter referred to as the "Holding Company") as of March 31, 2023, in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on 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 subsidiaries 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31,2023, 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 issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

____
per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 23213271BGSEHZ6331

Place of Signature: Hyderabad
Date: May 2, 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	3,021.10	3,258.42
Intangible assets	3	1,232.79	-
Right-to-use asset	38(a)	1,876.15	2,550.62
Goodwill	3.1	7,396.83	5,486.22
Deferred tax asset, net	11	591.29	580.24
Financial assets			
Investments	4(a)	164.38	-
Other financial assets	5	2,571.37	2,262.85
		16,853.91	**14,138.35**
Current assets			
Financial assets			
Investments	4(b)	17,563.92	12,012.95
Trade receivables	6	25,515.42	22,678.05
Cash and cash equivalents	7	4,378.79	2,446.32
Bank balances other than cash and cash equivalents	8	6,295.70	9,093.59
Other financial assets	5	11,647.33	6,934.92
Current tax assets, net	9	169.62	120.17
Other current assets	10	2,176.22	2,350.15
		67,747.00	**55,636.15**
Total assets		**84,600.91**	**69,774.50**
Equity and liabilities			
Equity			
Equity share capital	12	2,725.70	2,805.25
Other equity	13	56,209.07	43,179.12
		58,934.77	**45,984.37**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease obligations	16	1,391.66	2,328.25
Other financial liabilities	17	520.15	-
Long term provisions	18	2,192.82	1,768.96
		4,104.63	**4,097.21**
Current liabilities			
Financial liabilities			
Short term borrowings	14	3,043.67	4,696.22
Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		103.63	25.29
- total outstanding dues of creditors other than micro enterprises and small enterprises		11,444.97	9,359.95
Lease obligations	16	1,141.24	979.51
Other financial liabilities	17	805.05	366.33
Short term provisions	18	880.47	569.17
Current tax liability, net	19	1,915.12	1,818.67
Other current liabilities	20	2,227.36	1,877.78
		21,561.51	**19,692.92**
Total equity and liabilities		**84,600.91**	**69,774.50**
Summary of significant accounting policies	2.3		

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

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
Membership No. 213271

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 2, 2023

Place: Hyderabad
Date: May 2, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	21	164,758.08	124,180.00
Other income	22	488.94	8.18
Finance income	23	982.82	1,335.83
Total income		**166,229.84**	**125,524.01**
Expenses			
Employee benefits expense	24	96,445.78	73,926.79
Hired contractors cost	25	30,749.57	23,935.13
Other expenses	26	13,792.40	13,390.02
Depreciation and amortisation expense	27	2,638.35	1,615.55
Finance costs	28	439.69	504.60
Total expenses		**144,065.79**	**113,372.09**
Profit before tax		**22,164.05**	**12,151.92**
Tax expenses	29		
Current tax		5,792.58	3,191.59
Taxes of earlier years		-	(185.00)
Deferred tax		(460.59)	(29.08)
Total tax expense		**5,331.99**	**2,977.51**
Net profit for the year		**16,832.06**	**9,174.41**
Other Comprehensive Income (OCI)			
a) Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		934.83	232.94
b) Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on employee defined benefit plans, net of tax		161.31	(56.76)
Total other comprehensive income the year, net of tax		**1,096.14**	**176.18**
Total comprehensive income for the year, net of tax		**17,928.20**	**9,350.59**
Earnings per share (EPS) (Nominal value of equity share is Rs. 10/- each)	30		
Basic EPS		61.32	32.72
Diluted EPS		61.21	32.68
Summary of significant accounting policies	2.3		

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 2, 2023

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 2, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(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, 2021	**28,020,009**	**2,802.00**
Add: Issued during the year (refer note 12)	32,500	3.25
As at March 31, 2022	**28,052,509**	**2,805.25**
Add: Issued during the year (refer note 12)	37,500	3.75
Less: Buyback during the year (refer note 12)	(833,050)	(83.30)
As at March 31, 2023	**27,256,959**	**2,725.70**

b. Other equity

	Other components of equity					Total
	Securities premium	Share based payment reserve	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	
As at April 1, 2021	**29,283.76**	**144.89**	**-**	**6,225.17**	**(1,221.09)**	**34,432.73**
Profit for the year	-	-	-	9,174.41	-	9,174.41
Dividend	-	-	-	(700.50)	-	(700.50)
Exchange differences on translation of foreign operations	-	-	-	-	232.94	232.94
Re-measurement losses on employee defined benefit plans	-	-	-	(56.76)	-	(56.76)
Issue of equity shares on exercise of options	106.44	(40.32)	-	-	-	66.12
Stock options lapsed during the year	-	(23.22)	-	23.22	-	-
Share-based payment expense	-	30.18	-	-	-	30.18
As at March 31, 2022	**29,390.20**	**111.53**	**-**	**14,665.54**	**(988.15)**	**43,179.12**
Profit for the year	-	-	-	16,832.06	-	16,832.06
Dividend	-	-	-	(687.70)	-	(687.70)
Exchange differences on translation of foreign operations	-	-	-	-	934.83	934.83
Re-measurement gains on employee defined benefit plans	-	-	-	161.31	-	161.31
Issue of equity shares on exercise of options	120.71	(34.46)	-	-	-	86.25
Buy-back of equity shares	(3,773.48)	-	-	(865.94)	-	(4,639.42)
Amount transferred to capital redemption reserve upon buyback	-	-	83.30	(83.30)	-	-
Share-based payment expense	-	342.62	-	-	-	342.62
As at March 31, 2023	**25,737.43**	**419.69**	**83.30**	**30,021.97**	**(53.32)**	**56,209.07**

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

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
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C. V. Subramanyam
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C. Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 2, 2023

Place: Hyderabad
Date: May 2, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit before tax		22,164.05	12,151.92
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		2,638.35	1,615.55
Finance income		(982.82)	(1,335.83)
Profit on sale of property, plant and equipments		-	(8.65)
Finance cost		439.69	504.60
Export incentive written-off		-	974.11
Unrealised foreign exchange (gain)/loss, net		(53.82)	50.78
Changes in fair value of financial assets/liabilities, net		212.18	-
Share based payment expense, net		342.62	30.18
Provision for expected credit loss, net including bad debts written off		99.23	172.23
Liabilities no longer required written back, net		-	(41.78)
Operating profit before working capital changes		**24,859.48**	**14,113.11**
Movements in working capital			
Increase in trade payables		2,664.14	3,238.01
Decrease in financial liabilities		(113.15)	(213.65)
Increase in other liabilities		306.73	270.79
Increase in provisions		871.91	791.02
Increase in trade receivables		(2,633.94)	(7,129.22)
Increase in financial assets		(4,693.93)	(3,252.36)
Decrease/(increase) in other assets		199.38	(1,091.79)
Cash generated from operations		**21,460.62**	**6,725.91**
Income taxes paid (net of refunds)		(5,743.18)	(2,904.51)
Net cash generated from operating activities	**(A)**	**15,717.44**	**3,821.40**
Cash flows used in investing activities			
Purchase of property, plant and equipments		(1,319.52)	(2,061.81)
Proceeds from sale of property, plant and equipments		-	8.65
Acquisition of a subsidiary, net of cash acquired (refer note (i) below)		(2,114.28)	-
Investment in equity instruments of other entities		(164.38)	-
Investments in mutual funds and debentures		(11,833.41)	(6,188.70)
Redemption of mutual funds and debentures		6,884.30	2,926.21
Investment in bank deposits		(5,946.50)	(10,859.67)
Redemption of bank deposits		8,552.22	10,229.32
Interest received		295.39	709.94
Net cash used in investing activities	**(B)**	**(5,646.18)**	**(5,236.06)**
Cash flows used in financing activities			
Proceeds from shares issued against stock options		90.00	69.37
Buyback of equity shares including transaction cost and tax on buyback		(4,722.73)	-
Repayment of borrowings		(98.45)	-
Payment towards lease obligation		(1,166.76)	(1,153.53)
Interest, other borrowing cost and factoring charges paid		(251.40)	(233.48)
Dividend paid		(674.62)	(700.50)
Bill discounting with bank, net		(52.17)	52.17
Net cash used in financing activities	**(C)**	**(6,876.13)**	**(1,965.97)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**3,195.13**	**(3,380.63)**
Exchange differences on translation of foreign currency balances		337.72	232.94
Cash and cash equivalents at the beginning of the year		(2,197.73)	949.96
Cash and cash equivalents at the end of the year		**1,335.12**	**(2,197.73)**
Components of cash and cash equivalents			
Balances with banks including cash on hand		4,378.79	2,446.32
Cash credit facility		(3,043.67)	(4,644.05)
Total cash and cash equivalents		**1,335.12**	**(2,197.73)**
Note (i) Net cash outflow on acquisition of business			
Consideration paid in cash for acquisition		(2,280.00)	-
Less: Cash and cash equivalent balances acquired on the acquisition		165.72	-
Net cash outflow on acquisition of business		**(2,114.28)**	**-**

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

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
Membership No. 213271

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

C. Srikanth
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DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 2, 2023

Place: Hyderabad
Date: May 2, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(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, 2023. 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 recognized 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 2, 2023.

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, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Contingent consideration

The Consolidated Financial Statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023. 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 recognized 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 recognized 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, 2023	March 31, 2022
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%
Gallop Solutions Private Limited	Software testing services	India	100%	100%
Cigniti Technologies (SG) Pte. Ltd. (Incorporated on April 30, 2021)	Software testing services	Singapore	100%	100%
Cigniti Technologies (CZ) Limited s.r.o. (Incorporated on June 30, 2021)	Software testing services	Czech Republic	100%	100%
Aparaa Digital Private Limited (acquired on July 1, 2022)	Software testing services	India	100%	-
Roundsqr Inc., USA (acquired on July 1, 2022 and dissolved on January 30, 2023)	Software testing services	USA	100%	-
Roundsqr Pty Ltd., Australia (acquired on July 1, 2022)	Software testing services	Australia	100%	-
Cigniti Technologies CR Limitada (Incorporated on February 16, 2023)	Software testing services	Costa Rica	100%	-

2.3 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. 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.

(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 recognized 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 recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- 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 recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in profit or loss. An impairment loss recognized 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 recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized 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 recognized in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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 recognized in OCI or statement of profit or loss are also recognized in OCI or statement of profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

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 recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in statement of profit or loss.

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 recognized 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 recognized 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 recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.
- Fixed price contracts: Revenue from fixed-price contracts is recognized as per the 'percentage- of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

Contract balances:

- **Contract assets**

  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 recognized 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 recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized 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 recognized 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 recognized on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

- Earnings and losses from investments is recognized based on changes in fair value of investments during the year and are reported on net basis.

- 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized 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 recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognized in profit or loss.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized 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 recognized 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 recognized is derecognized 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 derecognized.

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 recognized 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	3 years
Customer relationships	3 years
Non-compete fees	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 recognized in the statement of profit or loss when the asset is derecognized.

(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 recognized, 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	3-5 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 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 recognized 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 recognized as expense on a straight-line basis over the lease term.

(I) 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 recognized in the statement of profit and loss.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group's CGU. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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 recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

(m) Provisions, Contingent Liabilities and Commitments

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognized 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 recognize 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.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortisation recognized in accordance with the requirements for revenue recognition.

(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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized, 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 recognized 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 recognized as at the beginning and end of that period and is recognized 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 recognized 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 recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized 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 recognized 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 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 recognized 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 recognized 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 recognized in the OCI. However, the Group recognizes 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 derecognized (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) recognized during the period is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in profit or loss when the liabilities are derecognized 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 derecognized 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 recognized 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 recognized 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 recognized 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) Dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(u) 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.

2.4 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2022. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Onerous contracts – Costs of fulfilling a contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(ii) Reference to the conceptual framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

(iii) Property, plant and equipment: Proceeds before intended use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(iv) **Ind AS 101 First-time adoption of Indian Accounting Standards – Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

(v) **Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

2.5 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 1, 2023.

(i) **Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

(ii) **Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendments have been made in Ind AS 107.

(iii) **Deferred tax related to assets and liabilities arising from a single transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 1,2023.

These amendments are not expected to have a material impact on the Group's financial statements.

3. Property, plant and equipment, goodwill and other intangible assets

	Property, plant and equipment							
	Buildings	Electrical equipments	Leasehold improvements	Furniture and fixtures	Office equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment
Cost								
As at April 1, 2021	**193.53**	**525.42**	**317.10**	**569.27**	**360.74**	**1,073.54**	**186.66**	**3,226.26**
Additions	-	10.94	-	0.72	0.23	2,334.37	-	2,346.26
Exchange differences	-	-	-	8.10	0.24	15.76	1.32	25.42
As at March 31, 2022	**193.53**	**536.36**	**317.10**	**578.09**	**361.21**	**3,423.67**	**187.98**	**5,597.94**
Additions	-	1.84	98.61	-	14.62	903.43	52.13	1,070.63
On account of acquisition of subsidiary (refer note 42)	-	-	-	0.38	-	12.88	-	13.26
Exchange differences	-	-	-	20.77	0.61	56.23	3.22	80.83
As at March 31, 2023	**193.53**	**538.20**	**415.71**	**599.24**	**376.44**	**4,396.21**	**243.33**	**6,762.66**
Depreciation and amortisation								
As at April 1, 2021	**20.88**	**179.30**	**156.46**	**369.87**	**229.67**	**555.82**	**43.21**	**1,555.21**
Charge for the year	4.25	57.49	21.48	29.17	51.36	575.70	21.72	761.17
Exchange differences	-	-	-	7.99	0.24	13.60	1.31	23.14
As at March 31, 2022	**25.13**	**236.79**	**177.94**	**407.03**	**281.27**	**1,145.12**	**66.24**	**2,339.52**
Charge for the year	4.25	55.27	21.51	27.14	53.59	1,151.75	24.90	1,338.41
Exchange differences	-	-	-	20.55	0.61	39.19	3.28	63.63
As at March 31, 2023	**29.38**	**292.06**	**199.45**	**454.72**	**335.47**	**2,336.06**	**94.42**	**3,741.56**
Net book value								
As at March 31, 2022	168.40	299.57	139.16	171.06	79.94	2,278.55	121.74	3,258.42
As at March 31, 2023	**164.15**	**246.14**	**216.26**	**144.52**	**40.97**	**2,060.15**	**148.91**	**3,021.10**

Pledge on property, plant and equipment:

Property, plant and equipment with a carrying amount of Rs. Nil (March 31, 2022: Rs. 2,985.95 lakhs) are subject to charge to secure cash credit facility from bank.

3. Property, plant and equipment and intangible assets

	Intangible assets			
	Buildings	**Electrical equipments**	**Leasehold improvements**	**Furniture and fixtures**
Cost				
As at April 1, 2021	**246.66**	**-**	**-**	**246.66**
Additions	-	-	-	-
Exchange differences	-	-	-	-
As at March 31, 2022	**246.66**	**-**	**-**	**246.66**
Additions	-	-	-	-
On account of acquisition of subsidiary (refer note 42)		879.74	763.98	1,643.72
Exchange differences	-	-	-	-
As at March 31, 2023	**246.66**	**879.74**	**763.98**	**1,890.38**
Depreciation and amortisation				
As at April 1, 2021	**246.66**	**-**	**-**	**246.66**
Charge for the year	-	-	-	-
Exchange differences	-	-	-	-
As at March 31, 2022	**246.66**	**-**	**-**	**246.66**
Charge for the year	-	219.93	191.00	410.93
Exchange differences	-	-	-	-
As at March 31, 2023	**246.66**	**219.93**	**191.00**	**657.59**
Net book value				
As at March 31, 2022	-	-	-	-
As at March 31, 2023	**-**	**659.81**	**572.98**	**1,232.79**

3.1 Goodwill

Goodwill acquired through business combinations of Cigniti Inc, Gallop Solutions Inc, Cigniti Software Services Private Limited, Aparaa Digital Private Limited and Gallop Solutions Private Limited has been allocated to its single Cash Generating Unit (CGU) i.e. Software Testing for impairment testing.

Carrying amount of goodwill

	March 31, 2023	March 31, 2022
Software testing CGU		
Opening balance	5,486.22	5,486.22
Add: On account of acquisition of subsidiary (refer note 42)	1,910.61	-
Closing balance	**7,396.83**	**5,486.22**

Impairment testing of goodwill

The Group performed its annual impairment test as at March 31, 2023 and March 31, 2022. Based on the approved business plan and valuation assessment, the management of the Group expects growth in operations and 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 the management covering a five-year period and comparable multiple method. 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 11.32% (March 31, 2022: 21.63%) and cash flows beyond the five-year period are extrapolated using a 5.9% growth rate (March 31, 2022: 2.5%) 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 recognized any impairment charge for the year ended March 31, 2023.

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

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

a. Revenue growth and EBITDA margins

Decrease in revenue growth projections by 5% and EBITDA margins 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 recognizes 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 5.9% for Software testing CGU. A reduction to 4.9% in the long-term growth rate in Software testing CGU would not result in impairment.

Financial assets

There are no loans or deposits given, covered under section 186(4) of Companies Act, 2013.

4(a) Non-current investments

	March 31, 2023	March 31, 2022
Investments carried at fair value through other comprehensive income		
Equity instruments of other entities (unquoted)		
17,774 (March 31, 2022: Nil) equity shares of Lambda Testing Inc.	82.19	-
13,322 (March 31, 2022: Nil) equity shares of Simnovus Corporation	82.19	-
	164.38	**-**
Aggregate book value of unquoted investments	**164.38**	**-**

Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. The Group holds non-controlling interests (between 2% to 9%) in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

4(b) Current investments

	March 31, 2023	March 31, 2022
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	8,155.41	4,452.27
Investment in debentures, quoted		
Unsecured, considered good	4,122.28	2,457.70
Investment in mutual funds, quoted		
Unsecured, considered good	5,286.23	5,102.98
	17,563.92	**12,012.95**
Aggregate book value of quoted investments	**17,563.92**	**12,012.95**
Aggregate market value of quoted investments	**17,563.92**	**12,012.95**

		March 31, 2023		March 31, 2022	
		Units	Amount	Units	Amount
Bonds					
Bharat Bond ETF - April 2030 Regular Growth		80,000.00	1,002.20	80,000.00	964.86
Shriram Transport Finance Company Ltd.		220.00	2,271.89	-	-
Bank of Baroda		49.00	504.37	60.00	605.70
Axis Bank Limited		-	-	50.00	503.95
State Bank of India		60.00	619.23	60.00	638.09
M&M Financial Services Limited		-	-	50.00	543.47
IIFL Home Finance Limited		50.00	530.22	50.00	534.63
India Grid Trust		60,000.00	643.21	60,000.00	661.57
Aditya Birla		50.00	531.95	-	-
Bajaj Housing Finance Limited		50.00	512.60	-	-
Kotak Mahindra		500.00	500.46	-	-
Mahindra & Mahindra		110.00	1,039.28	-	-
	A		**8,155.41**		**4,452.27**
Debentures					
Non-convertible debentures of ECAP Equities Limited		-	-	1,775.00	2,457.70
Non-convertible debentures of ICICI HFCL		200.00	2,066.01	-	-
Non-convertible debentures of L&T Finance MLD		200.00	2,056.27	-	-
	B		**4,122.28**		**2,457.70**
Mutual Funds					
Kotak Debt hybrid -Regular Plan Growth		1,278,681.66	571.29	1,278,681.66	550.54
Kotak Credit Risk Fund - Growth Regular Plan		2,434,478.82	605.33	2,434,478.82	599.97
Axis Regular Saver Fund - Regular Growth (ISGPG)		3,280,338.03	803.93	3,280,338.03	801.04
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan		138,826.43	848.86	138,826.43	802.79
Aditya Birla Sun Life Regular Savings Fund Regular Plan Growth		1,870,167.65	985.74	1,870,167.65	961.46
ICICI Prudential PAMP Asset Allocation Fund (FOF)_Growth		508,022.72	432.38	508,022.72	401.80
ICICI PLFRAG Medium Term Bond Fund_Growth		1,134,765.86	426.21	1,134,765.86	405.81
ICICI Prudential Savings Fund- Direct Plan		132,407.63	612.49	132,407.63	579.57
	C		**5,286.23**		**5,102.98**
	(A+B+C)		**17,563.92**		**12,012.95**

5 Other financial assets

	Non current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Bank deposits (having remaining maturity of more than twelve months)	1,413.50	1,170.27	-	-
Margin money deposits (having remaining maturity of more than twelve months)	579.16	596.89	-	-
Unsecured, considered good				
Interest receivable	-	-	309.71	224.13
Export incentive receivable (refer note 38(c)(ii))	-	-	1,770.78	1,770.78
Security deposits	578.71	495.69	76.08	60.47
Unbilled receivables	-	-	9,490.76	4,879.54
	2,571.37	**2,262.85**	**11,647.33**	**6,934.92**

6 Trade receivables

	March 31, 2023	March 31, 2022
Trade receivables, considered good - Unsecured	25,879.91	23,077.82
Less: Allowance for expected credit losses	(364.49)	(399.77)
Trade receivables, credit impaired - Unsecured	-	-
Less: Allowance for credit impairment	-	-
	25,515.42	**22,678.05**

Trade receivables ageing schedule

As at March 31, 2023

	Current, not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	20,598.81	5,119.77	44.82	12.78	44.01	59.72	25,879.91
Credit impaired	-	-	-	-	-	-	-
Total	**20,598.81**	**5,119.77**	**44.82**	**12.78**	**44.01**	**59.72**	**25,879.91**
Less: Allowance for expected credit losses							**(364.49)**
Balance as at year end							**25,515.42**

As at March 31, 2022

	Current, not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	17,820.86	5,006.85	94.20	94.51	61.40	-	23,077.82
Credit impaired	-	-	-	-	-	-	-
Total	**17,820.86**	**5,006.85**	**94.20**	**94.51**	**61.40**	**-**	**23,077.82**
Less: Allowance for expected credit losses							**(399.77)**
Balance as at year end							**22,678.05**

There are no disputed trade receivables in current and previous year.

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.

Expected credit losses (ECL): The Company provides for ECL under the simplified approach from 1%-5% for trade receivables outstanding between 0-90 days and freely upto 100% for trade receivables of more than 90 days based on past trends.

7 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balance with banks		
-On current accounts	4,339.62	2,365.47
-Remittance in transit	22.47	80.32
Unpaid dividend	16.50	0.50
Cash on hand	0.20	0.03
	4,378.79	**2,446.32**

7.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2023	March 31, 2022
Cash and cash equivalents (refer note 7)	4,378.79	2,446.32
Less: Cash credit facility (refer note 14)	(3,043.67)	(4,644.05)
	1,335.12	**(2,197.73)**

8 Bank balances other than cash and cash equivalents

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Other deposit accounts				
Bank deposits (having original maturity of more than three months)	1,413.50	1,170.27	6,295.70	9,093.59
Margin money	579.16	596.89	-	-
Less: Amount disclosed under other financial assets (refer note 5)	(1,992.66)	(1,767.16)	-	-
	-	**-**	**6,295.70**	**9,093.59**

Fixed deposits amounting to Rs. 1700 lakhs (March 31, 2022: Rs. Nil) are subject to charge to fulfil collateral requirements of cash credit facility from bank.

9 Current tax assets, net

	March 31, 2023	March 31, 2022
Income tax receivable (net of provision for tax)	169.62	120.17
	169.62	**120.17**

10 Other current assets

	March 31, 2023	March 31, 2022
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	88.40	82.46
Staff advances	216.36	68.07
Prepaid expenses	609.19	400.44
Balance with government authorities	1,089.20	1,739.89
Contract assets	173.07	59.29
	2,176.22	**2,350.15**

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.

11 Deferred tax asset, net

	March 31, 2023	March 31, 2022
Deferred tax asset		
Provision for employee benefits	829.00	560.77
Provision for doubtful debts	69.55	88.55
Right to use assets/lease obligation	162.31	189.20
Gross deferred tax asset	**1,060.86**	**838.52**
Deferred tax liability		
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation/amortisation charged to financial reporting	(11.88)	(36.31)
Deferred taxes acquired in business combination (refer note 42)	(310.27)	-
Revaluations of current investments to fair value	(147.42)	(221.97)
Gross deferred tax liability	**(469.57)**	**(258.28)**
	591.29	**580.24**

March 31, 2023	Opening balance	Recognised in the statement of profit and loss*	Exchange difference	Closing balance
Deferred tax assets/(liabilities) in relation to :				
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation/amortisation charged to financial reporting	(36.31)	(23.43)	1.00	(11.88)
Provision for employee benefits	560.77	(255.82)	12.41	829.00
Provision for doubtful debts	88.55	20.77	1.77	69.55
Right to use assets/lease obligation	189.20	27.57	0.68	162.31
Revaluations of current investments to fair value	(221.97)	(74.55)	-	(147.42)
Deferred taxes acquired in business combination (refer note 42)	-	-	-	(310.27)
	580.24	**(305.46)**	**15.86**	**591.29**

* Includes deferred tax charge of Rs. 51.71 lakhs recognised on re-measurement losses on employee defined benefit plans through other comprehensive income and deferred tax charge of Rs. 103.42 on amortisation of intangible assets acquired as part of the business combination.

March 31, 2022	Opening balance	Recognised in the statement of profit and loss*	Exchange difference	Closing balance
Deferred tax assets/(liabilities) in relation to :				
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation/amortisation charged to financial reporting	22.38	58.58	(0.11)	(36.31)
Provision for employee benefits	350.74	(207.70)	2.33	560.77
Provision for doubtful debts	31.88	(55.99)	0.68	88.55
Right to use assets/lease obligation	197.42	8.22	-	189.20
Revaluations of current investments to fair value	(73.25)	148.72	-	(221.97)
	529.17	**(48.17)**	**2.90**	**580.24**

* Includes deferred tax credit of Rs. 19.09 lakhs recognized through other comprehensive income on re-measurement losses on employee defined benefit plans.

12 Equity share capital

	March 31, 2023	March 31, 2022
Authorized share capital		
36,000,000 (March 31, 2022: 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
27,256,959 (March 31, 2022: 28,052,509) equity shares of Rs. 10/- each fully paid-up	2,725.70	2,805.25
Total issued, subscribed and fully paid-up share capital	**2,725.70**	**2,805.25**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2023		March 31, 2022	
	No's	Amount	No's	Amount
At the beginning of the year	28,052,509	2,805.25	28,020,009	2,802.00
Shares issued during the year against stock options	37,500	3.75	32,500	3.25
Less: Shares bought back (Refer note : (a)(i))	(833,050)	(83.30)	-	-
Outstanding at the end of the year	**27,256,959**	**2,725.70**	**28,052,509**	**2,805.25**

(a) Buy-back of shares

The Board, at its meeting held on May 18, 2022, approved the buyback of the Company's fully paid-up equity shares of face value of Rs. 10 each, from the eligible equity shareholders of the Company, other than promoters, promoter group and persons who are in control of the Company at a price not exceeding Rs.500 per equity share (maximum buyback price), for an aggregate amount not exceeding Rs.3,800 lakhs (maximum buyback size, excluding buyback tax) from the open market through the stock exchange mechanism, in accordance with the provisions of Companies Act, 2013 and SEBI (Buyback of securities) Regulations, 2018, subject to shareholders' approval in the ensuing Annual General Meeting. The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2022. The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange was completed on June 29, 2022. During this buyback period, the Company had purchased and completely extinguished a total of 8,33,050 equity shares from the stock exchange at a volume weighted average buyback price of Rs. 456.13 per equity share comprising ~1.66% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of Rs. 3,799.77 lakhs (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, as at March 31, 2023, the Company has created 'Capital Redemption Reserve' of Rs. 83.30 lakhs equal to the nominal value of the above shares bought back as an appropriation from the general reserve. The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. The Company has only one class of equity shares and has no debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

(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

Name of the shareholder	March 31, 2023		March 31, 2022	
	No's	% holding	No's	% holding
P. Sapna	35.59	13.06%	34.59	12.33%
C. V. Subramanyam	29.35	10.77%	32.35	11.53%
C. Srikanth	25.00	9.17%	25.00	8.91%
Kukunuru Madhava Lakshmi	16.00	5.87%	16.30	5.81%

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 32.

(e) Details of shares held by promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	34.59	1.00	35.59	13.06%	2.89%
C. V. Subramanyam	32.35	(3.00)	29.35	10.77%	-9.27%
C. Srikanth	25.00	-	25.00	9.17%	-
C. Rajeshwari	3.14	1.25	4.39	1.61%	39.76%
P. Sudhakar	0.01	-	0.01	0.00%	-

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	34.59	-	34.59	12.33%	-
C. V. Subramanyam	31.56	0.79	32.35	11.53%	2.50%
C. Srikanth	25.00	-	25.00	8.91%	-
C. Rajeshwari	13.14	(10.00)	3.14	1.12%	-76.10%
P. Sudhakar	0.01	-	0.01	0.00%	-

(f) Dividends distribution made and proposed

	March 31, 2023	March 31, 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022: Rs. 2.50 per share (March, 31 2021: Rs. 2.50)*	687.70	700.50
	687.70	**700.50**
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on March 31, 2023: Rs. 5.50 per share (March 31, 2022: Rs. 2.50 per share)	1,499.13	701.31
	1,499.13	**701.31**

*Includes unclaimed dividend amount of Rs. 16.50 lakhs (March 31, 2022: 0.49 lakhs).

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at March 31, 2023. The dividend declared/ paid and proposed is in accordance with Section 123 of The Companies Act, 2013.

There are no equity shares issued as bonus and issued for consideration other than cash during the period of five years immediately preceding the reporting date.

13 Other equity

	March 31, 2023	March 31, 2022
Securities premium		
Opening balance	29,390.20	29,283.76
Add: Issue of equity shares on exercise of employee stock options	120.71	106.44
Less: Buy-back of equity shares (refer note 12(a)(i))	(3,773.48)	-
Closing balance	**25,737.43**	**29,390.20**
Capital redemption reserve		
Opening balance	-	-
Add: Transfer from retained earnings upon buyback (refer note 12(a)(i))	83.30	-
Closing balance	**83.30**	**-**
Share based payment reserve		
Opening balance	111.53	144.89
Less: Issue of equity shares on exercise of employee stock options	(34.46)	(40.32)
Less: Lapsed share based options	-	(23.22)
Add: Share-based payment expense	342.62	30.18
Closing balance	**419.69**	**111.53**
Retained earnings		
Opening balance	14,665.54	6,225.17
Less: Dividend	(687.70)	(700.50)
Add: Profit during the year	16,832.06	9,174.41
Add: Lapsed share based options	-	23.22
Less: Tax on buyback of shares (refer note 12(a)(i))	(865.94)	-
Less: Transfer to capital redemption reserve upon buyback (refer note 12(a)(i))	(83.30)	-
Items recognized directly in other comprehensive income		
Re-measurement gain/(losses) on employee defined benefit plans (net of tax)	161.31	(56.76)
	30,021.97	**14,665.54**
Foreign currency translation reserve		
Opening balance	(988.15)	(1,221.09)
Add: Arisen during the year	934.83	232.94
Closing balance	**(53.32)**	**(988.15)**
	56,209.07	**43,179.12**

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 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 32 for further details of these plans.

13.3 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognized 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.

13.5 Capital redemption reserve

Capital redemption reserve is created for the amount equal to face value of shares bought back during the current year.

14 Short term borrowings

	March 31, 2023	March 31, 2022
Secured		
Cash credit from banks (refer note (a) and (b) below)	3,043.67	4,644.05
Bills discounting with bank (refer note (c) below)	-	52.17
	3,043.67	**4,696.22**

(a) Cash credit from banks of Rs. 3,043.67 lakhs (March 31, 2022: Rs 2,403.51 lakhs) is secured by hypothecation of trade receivables of the Company and exclusive charge - cash collateral amounting to Rs. 1,700 lakhs in the name of Company and/or promoters. The cash credit is also secured by personal guarantee of the director, Mr. C.V Subramanyam, Managing Director. It is repayable on demand and carries floating interest rate of 8.50%p.a. (March 31, 2022: 6.50%p.a). The Company had available Rs. 556.33 lakhs (March 31, 2022: Rs. 96.49 lakhs) of undrawn committed borrowing facilities as at March 31, 2023.

(b) Cash credit from bank obtained by Cigniti Technologies Inc., USA ("CTI") of USD Nil (March 31, 2022: USD 29.57 lakhs equivalent to Rs. 2,240.54 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. on utilised amounts and carrying fixed interest rate of 0.25% p.a (March 31, 2022: 0.25%) on un-utilised amounts. CTI had available USD 150.00 lakhs equivalent to Rs. 12,327.55 lakhs (March 31, 2022: USD 120.43 lakhs equivalent to Rs. 9,125.39 lakhs) of undrawn committed borrowing facilities as at March 31, 2023.

(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") is Nil as the facility is closed during the year (March 31, 2022: 52.17 lakhs).

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.

Cigniti Technologies Limited has taken loans against security of current assets and quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

15 Trade payables

	March 31, 2023	March 31, 2022
Outstanding dues of micro and small enterprises(refer note 43)	103.63	25.29
A	103.63	25.29
Outstanding dues to related parties (refer note 34)	885.01	228.71
Outstanding dues to other parties	10,559.96	9,131.24
B	11,444.97	9,359.95
A+B	**11,548.60**	**9,385.24**

Trade payable ageing schedule

As at March 31, 2023

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	82.80	20.83	-	-	-	103.63
Others	3,230.40	3,670.42	4,541.26	-	2.89	-	11,444.97
	3,230.40	**3,753.22**	**4,562.09**	**-**	**2.89**	**-**	**11,548.60**

As at March 31, 2022

	Unbilled	Not Due	Outstanding for following periods from due da te of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	22.14	3.15	-	-	-	25.29
Others	3,064.91	2,729.65	3,561.11	4.28	-	-	9,359.95
	3,064.91	**2,751.79**	**3,564.26**	**4.28**	**-**	**-**	**9,385.24**

There are no disputed trade payables in current and previous year.

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 37.

16 Lease obligations

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Lease obligations (refer note 38(a))	1,391.66	2,328.25	1,141.24	979.51
	1,391.66	**2,328.25**	**1,141.24**	**979.51**

Interest payable is normally settled monthly throughout the financial year.

17 Other financial liabilities

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At amortised cost				
Interest accrued but not due on borrowings (refer note below)	-	-	20.71	9.78
Contingent consideration (refer note 42)	520.15	-	646.04	-
Capital creditors	-	-	121.80	353.50
Advance from customers	-	-	-	3.05
Unpaid dividend	-	-	16.50	-
	520.15	**-**	**805.05**	**366.33**

Interest payable is normally settled monthly/quarterly throughout the financial year.

Changes in liabilities arising from financing activities

	April 1, 2022	Addition	Cashflows	March 31, 2023
Short-term borrowings (excluding cash credit facility)	52.17	-	(52.17)	-
Lease obligations	3,307.76	391.90	(1,166.76)	2,532.90
Total liabilities from financing activities	**3,359.93**	**391.90**	**(1,218.93)**	**2,532.90**
	April 1, 2021	**Addition**	**Cashflows**	**March 31, 2022**
Short-term borrowings (excluding cash credit facility)	-	-	52.17	52.17
Lease obligations	2,956.38	1,504.91	(1,153.53)	3,307.76
Total liabilities from financing activities	**2,956.38**	**1,504.91**	**(1,101.36)**	**3,359.93**

18 Provisions

	Long term		Short team	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provisions for employee benefits				
Provision for gratuity (refer note 31)	2,192.82	1,768.96	-	-
Provision for leave benefits	-	-	880.47	569.17
	2,192.82	**1,768.96**	**880.47**	**569.17**

19 Current tax liability, net

	March 31, 2023	March 31, 2022
Provision for taxation (net of advance tax)	1,915.12	1,818.67
	1,915.12	**1,818.67**

20 Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues	2,227.36	1,859.52
Liability towards corporate social responsibility	-	18.26
	2,227.36	**1,877.78**

21 Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from software testing services	164,758.08	124,180.00

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended March 31, 2023	Year ended March 31, 2022
Geographical regions		
US	130,516.48	100,171.82
Rest of the world	34,241.60	24,008.18
Total revenue from contracts with customers	**164,758.08**	**124,180.00**

21.2 Contract balances

	March 31, 2023	March 31, 2022
Contract assets		
Trade receivables, net (refer note 6)	25,515.42	22,678.05
Unbilled revenue (refer note 5)	9,490.76	4,879.54
Contract assets (refer note 10)	173.07	59.29
Contract liabilities		
Advance from customers	-	3.05

Unbilled revenue are initially recognized 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 recognized 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 recognized as and when the services are performed.

The Group also performs work under "fixed-price" arrangements. Revenue from fixed-price contracts is recognized as per the 'percentage- of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. There is no unrecognized revenue out of fixed-price arrangements.

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, 2023	Year ended March 31, 2022
Exchange differences, net	275.10	(80.24)
Liabilities no longer required written back	-	41.78
Profit on sale of property, plant and equipments	-	8.65
Miscellaneous income	161.75	37.99
Reversal of provision for expected credit loss, net	52.09	-
	488.94	**8.18**

23 Finance income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on bank deposits	374.82	537.59
Income on fair valuation of investments through profit and loss	601.86	704.19
Interest income on income tax refund	6.14	94.05
	982.82	**1,335.83**

24 Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	92,295.86	70,758.15
Contribution to provident and other funds (refer note 31)	907.36	794.12
Share based payment expense	342.62	30.18
Gratuity expense (refer note 31)	865.11	667.89
Staff welfare expenses	2,034.83	1,676.45
	96,445.78	**73,926.79**

25 Hired contractors cost

	Year ended March 31, 2023	Year ended March 31, 2022
Hired contractors cost	30,749.57	23,935.13
	30,749.57	**23,935.13**

26 Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	472.24	323.88
Rent	198.79	293.61
Rates and taxes*	299.76	1,211.76
Insurance	195.28	180.85
Repairs and maintenance - others	40.69	41.96
Advertising, marketing and sales promotion	3,345.72	3,795.17
Office maintenance	318.94	283.11
Travelling and conveyance	2,780.46	1,201.38
Communication costs	256.95	226.25
Legal and professional fees	2,796.32	2,813.15
Payment to auditor	155.67	133.50
Provision for expected credit loss, net	-	170.77
Changes in fair value of financial assets/liabilities, net	212.18	-
Bad debts written off	151.32	1.46
Software licensing cost	1,851.84	1,718.06
Printing and stationery	150.04	184.04
Recruitment expenses	431.28	642.48
Corporate social responsibility expenditure	119.01	127.81
Miscellaneous expenses	15.91	40.78
	13,792.40	**13,390.02**

* In the previous year, the Company has written off export incentives amounting to Rs. 974.11 lakhs pertaining to the financial year 2019-2020, pursuant to notification no. 29/2015-2020 dated September 23, 2021, issued by Ministry of Commerce & Industry.

27 Depreciation and amortisation expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	1,338.41	761.17
Amortisation of intangible assets	410.93	-
Amortisation of right-to-use-assets (refer note 38(a))	889.01	854.38
	2,638.35	**1,615.55**

28 Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense	125.32	114.83
Interest on lease obligations (refer note 38(a))	177.36	265.66
Other borrowing cost	14.87	-
Factoring and bank charges	122.14	124.11
	439.69	**504.60**

29 Taxes

(a) Income tax expense:

The major components of income tax expenses are:

	Year ended March 31, 2023	Year ended March 31, 2022
Adjustment of current tax relating to earlier years*	-	(185.00)
Current income tax charge	5,792.58	3,191.59
Deferred tax credit	(460.59)	(29.08)
Total income tax expense recognized in statement of profit and loss relating to current year	**5,331.99**	**3,162.51**

*Year ended March 31, 2022 - Taxes for earlier years represents reversal of state tax provision based on the income-tax return filed of Cigniti Technologies Inc., USA subsidiary of Cigniti Technologies Limited.

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax (A)	22,164.05	12,151.92
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	5,578.25	3,058.40
Reconciling items:		
On account of difference in tax rates in other subsidiaries	(19.41)	(11.34)
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(300.94)	(100.17)
Tax on expenses not tax deductible	74.09	215.62
Total (D)	**5,331.99**	**3,162.51**
Effective tax rate	24.06%	26.02%

In the previous year, the Company has opted for the lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 having evaluated the benefits of the same under the Income Tax Act, 1961.

The Group 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.

30 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, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders for basic earnings	16,832.06	9,174.41
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	274.50	280.42
Add: Effect of dilution:		
Employee stock options (No. in lakhs)	0.50	0.32
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	275.00	280.74
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	61.32	32.72
- Diluted (Rs.)	61.21	32.68

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.

31 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 recognized in the statement of profit and loss, the status of funding and the amount recognized in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognized in Employee benefits expense)

	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	763.11	598.18
Interest cost	146.89	110.89
Expected return on plan assets	(44.89)	(41.19)
Net employee benefit expenses	**865.11**	**667.89**
Actual return on plan asset	44.89	41.19

B) Amount recognized in the Balance Sheet

	March 31, 2023	March 31, 2022
Defined benefit obligation	2,992.91	2,476.53
Fair value of plan assets	800.09	707.57
	2,192.82	**1,768.96**

C) Changes in the present value of the defined benefit obligation

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	2,500.83	1,964.07
Current service cost	763.11	598.18
Interest cost	146.89	110.89
Benefits paid	(195.86)	(266.27)
Net actuarial (gain)/loss on obligation for the year recognized under OCI	(222.06)	69.66
Closing defined benefit obligation	**2,992.91**	**2,476.53**

D) Change in the fair value of plan assets

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	707.57	729.53
Investment income	44.89	41.19
Employer's contribution	252.54	210.00
Benefits paid	(195.86)	(266.95)
Return on plan assets, excluding amount recognized in net interest expense	(9.05)	(6.20)
Closing fair value of plan assets	**800.09**	**707.57**

The Company expects to contribute Rs. 500 lakhs to the gratuity fund in the next year (March 31, 2022: Rs. 300 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2023	March 31, 2022
Investments with LIC	100.00%	100.00%

E) Remeasurement adjustments:

	Year ended March 31, 2023	Year ended March 31, 2022
Experience loss on plan liabilities	25.14	135.15
Financial loss/ (gain) on plan liabilities	(247.21)	(65.50)
Return on plan assets, excluding amount recognised in net interest expense	9.05	6.20
Remeasurement losses recognized in other comprehensive income	**(213.02)**	**75.85**

Remeasurement losses recognized in the current year are excluding the impact of deferred tax expense of Rs. 51.71 lakhs (March 31, 2022 : Deferred tax credit of Rs. 19.09 lakhs).

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2023	March 31, 2022
Discount rate	7.51%	6.10%
Expected rate of return on assets	5.95%	5.73%
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 ended	March 31, 2023	March 31, 2022
Expected benefit payments for the year ended:		
1 year	377.04	352.87
2-5 years	1,547.06	1,306.16
6-10 years	1,423.48	1,056.15
More than 10 years	1,626.72	1,006.95

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.21-6.43 years (March 31 , 2022: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Year ended	March 31, 2023	March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(155.27)	(135.23)
- 1% decrease	172.42	149.89
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	150.96	119.78
- 1% decrease	(144.34)	(114.79)
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	(305.25)	(313.67)
- decrease by 50% of the attrition rate	575.02	670.96

II Defined contribution plan

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident and other funds	907.36	794.12

32 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 5 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 recognized for employee services received during the year is shown in the following table:

	Year ended March 31, 2023	Year ended March 31, 2022
Expense arising from equity-settled share-based payment transactions	342.62	30.18

Movements during the year: The following table contains movements in share options during the year:

Particulars	March 31, 2023		March 31, 2022	
	Scheme 2014	Scheme 2015	Scheme 2014	Scheme 2015
Total No. of options under the grant	25.00	5.00	25.00	5.00
Outstanding at April 1	0.75	2.55	0.34	3.34
Granted during the year	-	-	1.00	2.00
Forfeited during the year	-	-	0.50	2.50
Exercised during the year	-	0.38	0.04	0.29
Expired during the year	-	0.03	0.05	-
Outstanding at March 31	0.75	2.15	0.75	2.55
Exercisable at March 31	-	-	-	-

The weighted average share price at the date of exercise of these options was Rs 485.10 (March 31, 2022: Rs 601.35).

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2023 and as at March 31, 2022

Particulars	March 31, 2023	March 31, 2022
Scheme 2014	5.58	6.58
Scheme 2015	3.15	3.79

The weighted average fair value of options granted during the year was Rs. Nil (March 31, 2022 : Rs 272.16).

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 240 - Rs 506 (March 31, 2022: Rs 240 - Rs 506).

There are no grants during the current year. The following tables list the inputs to the models used for the previous year ended March 31, 2022:

Particulars	March 31, 2022	
	Scheme 2014	Scheme 2015
Dividend yield	0.49%-0.54%	0.49%
Expected volatility	42.98% - 47.40%	43.33% - 49.12%
Risk-free interest rate	4.31% - 6.20%	4.77% - 6.05%
Expected life of options granted in years	2 - 5 years	2 - 5 years
Weighted average share price	494.26	505.90
Model used	Black-Scholes model	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.

33 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, 2023	Year ended March 31, 2022
US	130,516.48	100,171.82
Rest of the world	34,241.60	24,008.18

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.

34 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Primentor Inc.	Enterprise over which Key Management Personnel exercise significant influence.
Key Management Personnel	
Mr. C. V. Subramanyam	Chairman & Managing 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	Non-executive Director

Transactions/balances with the above parties

March 31, 2023

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions during the year								
Professional fees	265.10	-	-	-	-	-	-	-
Remuneration	-	725.00	582.43	174.09	28.04	48.00	48.00	48.00
Director sitting fees	-	-	-	-	-	24.00	17.00	18.00
Reimbursement of expenses	41.82	-	11.31	-	-	-	-	-
Balances receivable/(payable):								
Remuneration payable	-	(465.00)	(242.09)	(10.15)	(1.17)	(48.00)	(48.00)	(48.00)
Trade payables	(22.60)	-	-	-	-	-	-	-

March 31 , 2022

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions during the year								
Professional fees	223.44	-	-	-	-	-	-	-
Remuneration	-	287.00	446.88	141.20	21.00	19.00	19.00	19.00
Director sitting fees	-	-	-	-	-	17.00	16.00	17.00
Reimbursement of expenses	6.29	-	-	-	-	-	-	-
Balances receivable/(payable):								
Remuneration payable	-	(27.00)	(113.54)	(9.41)	(0.99)	(19.00)	(19.00)	(19.00)
Trade payables	(20.77)	-	-	-	-	-	-	-

Key management personnel (Mr. C.V Subramanyam) has given personal guarantees to bankers in connection with cash credit facility whose closing balance in total is Rs. 3,043.67 lakhs (March 31, 2022: Rs. Rs. 2,403.51 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.

35 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 39
- Financial risk management objectives and policies Note 37
- Sensitivity analyses disclosures Notes 31 and 37.

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).

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 recognized 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 recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (refer note 29).

(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 31.

(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 determines the allowance for credit losses based on 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 credit reports and other related credit information for its customers to estimate the probability of default in future.

36 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Investments	17,728.30	12,012.95	17,728.30	12,012.95
Trade receivables	25,515.42	22,678.05	25,515.42	22,678.05
Cash and cash equivalents	4,378.79	2,446.32	4,378.79	2,446.32
Bank balances other than cash and cash equivalents	6,295.70	9,093.59	6,295.70	9,093.59
Other financial assets	14,218.70	9,197.77	14,218.70	9,197.77
Financial liabilities				
Borrowings	3,043.67	4,696.22	3,043.67	4,696.22
Trade payables	11,548.60	9,385.24	11,548.60	9,385.24
Lease obligation	2,532.90	3,307.76	2,532.90	3,307.76
Other financial liabilities	1,325.20	366.33	1,325.20	366.33

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.

37 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.

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 recognized 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, 2023, the Company had 23 customers (March 31, 2022: 28 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 55% (March 31, 2022: 57%) of all the receivables outstanding. There is 1 customer (March 31, 2022: Nil) with balance greater than 5% each of total receivable and accounted for approximately 7% (March 31, 2022: Nil) of all the receivables outstanding.

The Group has adequate provision as at March 31, 2023 amounting to Rs. 364.49 lakhs (As at March 31, 2022: Rs. 399.77 lakhs) for receivables.

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, 2023:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	3,043.67	-	-	-	3,043.67
Trade payables	-	11,548.60	-	-	11,548.60
Lease obligation	-	1,256.09	1,451.13	-	2,707.22
Other financial liabilities	-	843.01	684.00	-	1,527.01
	3,043.67	**13,647.70**	**2,135.13**	**-**	**18,826.50**

March 31, 2022:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	4,696.22	-	-	-	4,696.22
Trade payables	-	9,385.24	-	-	9,385.24
Lease obligation	-	1,152.00	2,452.69	25.95	3,630.64
Other financial liabilities	-	366.33	-	-	366.33
	4,696.22	**10,903.57**	**2,452.69**	**25.95**	**18,078.43**

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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, 2023				
Indian Rupees	0.50%	-0.50%	(8.53)	8.53
March 31, 2022				
Indian Rupees	0.50%	-0.50%	(3.75)	3.75

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.

Unhedged foreign currency exposure:

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Group's net financial assets (which includes cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities), which are denominated in various foreign currencies (viz. USD, AED, ZAR, GBP, etc.).

For the year ended March 31, 2023 and March 31, 2022 , every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by Rs. 44.45 lakhs / Rs. (44.45) lakhs and Rs. 14.81 lakhs / Rs. (14.81) lakhs respectively.

38 Commitments, contingencies and other litigations

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 recognized and the movements during the year:

	March 31, 2023	March 31, 2022
Opening balance	2,550.62	2,165.75
Additions	276.09	1,235.65
Exchange differences	(61.55)	3.59
Amortization	(889.01)	(854.38)
Closing balance	**1,876.15**	**2,550.62**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2023	March 31, 2022
Opening balance	3,307.76	2,956.38
Additions	276.09	1,235.65
Accretion of interest	177.36	265.66
Exchange differences	(61.55)	3.60
Payments	**(1,166.76)**	**(1,153.53)**
Closing balance	**2,532.90**	**3,307.76**
Current	1,141.24	979.51
Non-current	1,391.66	2,328.25

The maturity analysis of lease liabilities are disclosed in Note 37.

The effective interest rate for lease liabilities is 5% - 6.5%, with maturity between 2024-2027.

The following are the amounts recognized in statement of profit and loss:

	Year ended March 31, 2023	Year ended March 31, 2022
Amortization of Right to use asset	889.01	854.38
Interest on lease liabilities	177.36	265.66
	1,066.37	**1,120.04**

The Group had total cash outflows for leases of Rs. 1,166.76 lakhs in the current year (March 31,2022: Rs. 1,153.53 lakhs). The entire amount is in the nature of fixed lease payments. The Group had no non-cash additions to right-of-use assets and lease liabilities of Rs. 276.09 lakhs in March 31, 2023 (March 31,2022: Rs. 1,235.65 lakhs) 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 (refer note 35).

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil (March 31, 2022: Nil).

c. Contingent Liabilities

(i)(a) In the earlier years, the Company had received a draft Transfer Pricing (TP) assessment order for A.Y. 2017-2018 under section 92CA(3) of Income Tax Act, 1961 proposing an adjustment of Rs. 6,285.52 lakhs involving tax implication of approximately Rs. 1,400.00 lakhs, excluding penalty. The adjustments majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. In the previous year, the Company has received the final order with the proposed adjustment as mentioned in the draft order. Management has filed an appeal with the tax authorities and is currently pending with Commissioner (Appeals) /Dispute Resolution Panel (DRP).

(b) In the previous year, the Company had received a draft Transfer Pricing (TP) assessment order for A.Y. 2018-2019 under section 92CA(3) of Income Tax Act, 1961 proposing an adjustment of Rs. 1,122.60 lakhs involving tax implication of approximately Rs. 380.00 lakhs, excluding penalty. The adjustments majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. Management has filed an appeal with the tax authorities and is currently pending with Dispute Resolution Panel (DRP).

Management has assessed the order and based on expert advice and its documentation relating to the international transactions, believes that the Company has a strong basis to support its position and that the likelihood of any liability devolving on the Company is remote.

(ii) In the earlier years, the Company had received a show cause notice from the Department of Foreign Trade (DGFT) dated August 25, 2020 and from the Directorate of Revenue Intelligence (DRI), Ahmedabad dated December 28, 2020, stating that the services provided by the Company are not covered under technical testing and analysis services and it appears that the Company provides services through subsidiaries in the foreign countries and accordingly the services rendered by the Company fall under the definition of service rendered through commercial presence in a foreign country which is not eligible for Service Exports from India Scheme (SEIS) benefits. The notice calls upon the Company to show cause as to why (a) The Scrips granted amounting to Rs 659.93 lakhs for the year ended March 31, 2017, should not be cancelled/ recovered from the Company and (b) The penalty should not be imposed as per Customs Act, 1962.

The Company had filed responses against the aforesaid show cause notices as per the legal opinion. Based on their internal assessment and legal opinion, Management believes that the software testing services being provided by the Company are eligible under the SEIS and will be able to establish the services will not fall in the category of "Supply of services through commercial presence". In view of the above, the Management believes that the export incentive recognized for the period April 1, 2015 to March 31, 2020 amounting to Rs. 1,770.78 lakhs are fully recoverable (March 31, 2022: Rs. 1,770.78 lakhs).

(iii) (a) In the earlier years, the Company had received a letter from Office of the Joint Director, Enforcement Directorate, Hyderabad, initiating enquiry under the provisions of Foreign Exchange Management Act, 1999 (FEMA) requesting for certain documents . The Joint Director had called for an in person hearing where the Company had submitted the necessary information. The matter primarily relates to issue of shares to a resident entity against money received from an overseas entity and other procedural delays in filing documents.

(b) 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.

(c) The Company has incorporated subsidiary i.e Cigniti Technologies CR Limitida in Costa Rica, US, in the current year and Cigniti Technologies (SG) Pte. Ltd in Singapore and Cigniti Technologies (CZ) Limited s.r.o, in Czech Republic in the previous year. Investments with respect to share capital subscriptions of such entities is in progress as at balance sheet date as the Company is in the process of making the required filings with Reserve Bank of India.

Management is in the process of addressing the above matters and in view of the administrative/ procedural nature of these non-compliances, believes that they will not have a material impact on the consolidated financial statements.

d. Other litigations

In the previous year, Cigniti Technologies Inc., USA, subsidiary of the Company has filed a lawsuit against it's former employees for inter alia misappropriation of trade secrets and various breaches of contract and fiduciary duty. The lawsuit is currently in progress and the Company believes that it has a strong chance of success in it's claims.

39 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, 2023	March 31, 2022
Borrowings	3,043.67	4,696.22
Less: Cash and cash equivalents (refer note 7)	(4,378.79)	(2,446.32)
Bank balances other than cash and cash equivalents (refer note 8)	(6,295.70)	(9,093.59)
Current investments (refer note 4(b))	(17,563.92)	(12,012.95)
Net debt	-	-
Equity	2,725.70	2,805.25
Other equity	56,209.07	43,179.12
Total capital	**58,934.77**	**45,984.37**
Capital and net debt	**58,934.77**	**45,984.37**
Gearing ratio (Net debt/ Capital and net debt)	0%	0%

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 and previous year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

40 The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of Code, once its effective.

41. Statutory group information

Name of the entity in the Group	March 31, 2023							
	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	71.86%	43,674.35	59.35%	10,172.36	95.27%	153.68	59.69%	10,326.04
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.10%	58.35	0.00%	(0.19)	-	-	0.00%	(0.19)
Aparaa Digital Private Limited	0.16%	98.74	-0.33%	(56.66)	4.73%	7.63	-0.28%	(49.03)
Subsidiaries – Foreign								
Cigniti Technologies Inc., USA	26.88%	16,334.06	35.54%	6,091.23	-	-	35.19%	6,091.23
Cigniti Technologies (UK) Limited, UK	1.53%	932.65	3.46%	592.84	-	-	3.43%	592.84
Cigniti Technologies (Australia) Pty Ltd, Australia	-1.18%	(717.91)	1.20%	206.28	-	-	1.19%	206.28
Cigniti Technologies (Canada) Inc., Canada	1.62%	982.84	2.09%	357.71	-	-	2.07%	357.71
Cigniti Technologies (SG) Pte. Ltd, Singapore	-0.20%	(123.60)	-0.17%	(28.50)	-	-	-0.16%	(28.50)
Cigniti Technologies (CZ) Limited s.r.o, Czech Republic	-0.77%	(466.35)	-1.57%	(269.71)	-	-	-1.56%	(269.71)
Cigniti Technologies CR Limitada , Costa Rica	-	-	-	-	-	-	-	-
RoundSqr Inc., USA	0.00%	-	0.39%	66.72	-	-	0.39%	66.72
RoundSqr Pty Ltd, Australia	0.00%	0.10	0.04%	7.47	-	-	0.04%	7.47
Gross amounts	**100%**	**60,773.23**	**100%**	**17,139.55**	**100%**	**161.31**	**100%**	**17,300.86**
Adjustments arising out of consolidation		(1,838.46)		(307.49)		934.83	-	627.34
Net amounts		**58,934.77**		**16,832.06**		**1,096.14**		**17,928.20**

Name of the entity in the Group	March 31, 2022							
	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	80.79%	38,326.11	42.80%	3,926.28	100.00%	(56.76)	42.44%	3,869.52
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.12%	58.54	-0.01%	(1.06)	-	-	-0.01%	(1.06)
Subsidiaries – Foreign								
Cigniti Technologies Inc., USA	19.64%	9,316.13	50.32%	4,616.39	-	-	50.63%	4,616.39
Cigniti Technologies (UK) Limited, UK	0.64%	304.30	4.84%	443.83	-	-	4.87%	443.83
Cigniti Technologies (Australia) Pty Ltd, Australia	-2.01%	(952.98)	1.99%	182.88	-	-	2.01%	182.88
Cigniti Technologies (Canada) Inc., Canada	1.31%	623.30	2.60%	238.28	-	-	2.61%	238.28
Cigniti Technologies (SG) Pte. Ltd, Singapore	-0.18%	(83.13)	-0.89%	(82.01)	-	-	-0.90%	(82.01)
Cigniti Technologies (CZ) Limited s.r.o, Czech Republic	-0.32%	(151.81)	-1.64%	(150.18)	-	-	-1.65%	(150.18)
Gross amounts	**100%**	**47,440.46**	**100%**	**9,174.41**	**100%**	**(56.76)**	**100%**	**9,117.65**
Adjustments arising out of consolidation		(1,456.09)		-		232.94	-	232.94
Net amounts		**45,984.37**		**9,174.41**		**176.18**		**9,350.59**

42. Business combination

Aparaa Digital Private Limited

Pursuant to the Share Purchase Agreement (SPA) dated July 1, 2022, the Company has acquired 100% of the issued capital of Aparaa Digital Private Limited ("Aparaa"), for an upfront consideration of Rs. 2,280.00 lakhs and earn out payments based of future performance over the next two years. Consequent to the acquisition, Aparaa along with its subsidiaries became wholly owned subsidiaries of the Company with effect from July 1, 2022 upon satisfactory completion of closing conditions under the SPA and has been consolidated with effect from that date. The transaction was accounted in accordance with Ind AS 103 - Business Combination. The group has recognized Rs. 1,323.40 lakhs towards fair value of net assets acquired and Rs. 1,910.61 lakhs towards Goodwill.

The fair value of the purchase consideration of Rs. 3,234.01 lakhs comprise of an upfront consideration of Rs. 2,280.00 lakhs and contingent consideration of Rs. 954.01 lakhs payable subject to the satisfaction of certain conditions. The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 26.16% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to Rs. 1,737.09 lakhs. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

Components	Purchase price allocated
Intangible assets	
Customer relationship	879.74
Non-compete fee	763.98
Net current assets*	93.37
Total	**1,737.09**
Goodwill	1,910.61
Less: Deferred tax liability #	(413.69)
Total purchase consideration	**3,234.01**

*Includes cash and cash equivalents acquired of Rs. 165.72 lakhs.

The deferred tax liability has arisen on the intangible assets identified as part of the acquisition. Deferred tax liability as at March 31, 2023 is Rs. 310.27 and Rs. 103.42 of deferred tax was reversed during the current year.

The intangible assets are amortised over a period of three years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is Rs. 248.85 lakhs and is expected to be collectable. The goodwill amounting to Rs. 1,910.61 lakhs is attributable to the value of expected synergies arising from the acquisition, a customer list, which is not separately recognized, workforce and profitability of the acquired business. Due to the contractual terms imposed on acquisition, the customer list is not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. Goodwill arising on the acquisition is not deductible for tax purposes.

43. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	103.63	25.29
Interest due on above	-	-
	103.63	**25.29**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

44. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

  (v) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Group does not have any transactions with companies struck off.

(viii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

45. The Holding Company and its subsidiaries, incorporated in India maintains its books of account on the cloud, which is managed by a global service provider based in the USA. The service provider has confirmed that they ensure that a daily backup is taken of such data as required under law, which is stored on a separate server in the USA but not in India. The Company is currently in discussions with the service provider to establish a mechanism to ensure that a copy of such backup is taken in India as well on a daily basis and such activity is expected to be completed in the next year, given the complex nature.

46. Previous year figures have been regrouped/reclassified wherever necessary to conform to the current year's 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 2, 2023

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 2, 2023

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 2023, 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, 2023, 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 ('ICAI') 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 year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of investment in subsidiaries (as described in note 4 of the Standalone Financial Statements)	
As at March 31, 2023, the Company has investments of Rs. 8,783.94 lakhs in subsidiaries which is tested for impairment annually, using discounted cash-flow models of subsidiaries' recoverable value compared to the carrying value. The determination of recoverable amounts of the Company's investments in the subsidiaries relies on management's estimates of forecast of future cash flows and their judgment with respect to the forecast of the subsidiaries 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 impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate. 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 tandalone Financial Statements as a whole.	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; • 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 adequacy of the related disclosures as described in note 4 to the Standalone Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2023 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, 2020 ("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 except that daily backups are maintained in servers located outside India as explained in note 45 to the Standalone Financial Statements.

   (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

   (g) With respect to the adequacy of the internal financial controls 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;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 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;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer note 41(c) to the Standalone Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv.a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v.a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) As stated in note 13 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIA5373

Place of Signature: Hyderabad
Date: May 2, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Cigniti Technologies Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in property, plant and equipment are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve inventories. Accordingly, the requirements to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 15 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company does not have any working capital limits sanctioned from financial institutions.

(iii) During the year, the investments made in companies are not prejudicial to the Company's interest. During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order to such extent is not applicable to the Company.

(iv) Investments in respect of which provisions of section 186 of the Act are applicable have been complied with by the Company. There are no loans, guarantees and securities given in respect of which provisions of section 185 and 186 of the Act are applicable.

(v) The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax and other statutory dues applicable to it. The provisions relating to sales tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee' state insurance, income-tax, duty of customs, 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.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, provident fund, employees' state insurance, customs duty and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or borrowing or in payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year. Accordingly, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 42 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 27 to the Standalone Financial Statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 27 to the financial statements.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIA5373

Place of Signature: Hyderabad
Date: May 2, 2023

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 with reference to Standalone Financial Statements of Cigniti Technologies Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 23213271BGSEIA5373

Place of Signature: Hyderabad
Date: May 2, 2023

BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	2,745.46	2,985.95
Intangible assets	3	-	-
Right-to-use asset	41(a)	1,342.24	2,109.24
Deferred tax asset, net	12	700.79	489.78
Financial assets			
Investments	4	10,175.51	6,941.31
Other financial assets	6	1,992.21	1,665.96
		16,956.21	**14,192.24**
Current assets			
Financial assets			
Investments	5	17,563.92	12,012.95
Trade receivables	7	9,977.47	8,709.47
Cash and cash equivalents	8	1,907.70	1,140.89
Bank balances other than cash and cash equivalents	9	6,278.17	9,093.59
Other financial assets	6	4,119.46	3,191.14
Current tax assets, net	10	138.05	116.17
Other current assets	11	1,479.24	1,916.23
		41,464.01	**36,180.44**
Total assets		**58,420.22**	**50,372.68**
Equity and liabilities			
Equity			
Equity share capital	13	2,725.70	2,805.25
Other equity	14	40,948.65	35,520.86
		43,674.35	**38,326.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease obligations	17	927.81	1,952.36
Other financial liabilities	18	520.15	-
Long term provisions	19	2,165.07	1,768.96
		3,613.03	**3,721.32**
Current liabilities			
Financial liabilities			
Short term borrowings	15	3,043.67	2,403.51
Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises		103.63	25.29
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,876.74	1,225.98
Lease obligations	17	1,024.55	908.64
Other financial liabilities	18	2,660.24	2,176.44
Short term provisions	19	496.54	232.35
Current tax liability, net	20	1,204.10	809.24
Other current liabilities	21	723.37	543.80
		11,132.84	**8,325.25**
Total equity and liabilities		**58,420.22**	**50,372.68**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
Membership No. 213271

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 2, 2023

Place: Hyderabad
Date: May 2, 2023

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	**22**	69,664.29	45,551.89
Other income	**23**	353.80	58.60
Finance income	**24**	981.35	1,335.84
Total income		**70,999.44**	**46,946.33**
Expenses			
Employee benefits expense	**25**	47,211.75	34,044.68
Hired contractors cost	**26**	2,279.89	950.71
Other expenses	**27**	5,645.58	4,906.37
Depreciation and amortisation expense	**28**	1,941.71	1,338.92
Finance costs	**29**	207.79	308.20
Total expenses		**57,286.72**	**41,548.88**
Profit before tax		**13,712.72**	**5,397.45**
Tax expenses	**30**		
Current tax		3,803.08	1,412.69
Deferred tax		(262.72)	58.48
Total tax expense		**3,540.36**	**1,471.17**
Net profit for the year		**10,172.36**	**3,926.28**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on employee defined benefit plans, net of tax		153.68	(56.76)
Total other comprehensive gain/(loss) for the year, net of tax		**153.68**	**(56.76)**
Total comprehensive income for the year, net of tax		**10,326.04**	**3,869.52**
Earnings per share (EPS) (Nominal value of equity share is Rs. 10/- each)	**31**		
Basic EPS		37.06	14.00
Diluted EPS		36.99	13.99
Summary of significant accounting policies	**2.2**		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
Membership No. 213271

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 2, 2023

Place: Hyderabad
Date: May 2, 2023

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(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 01, 2021	**28,020,009**	**2,802.00**
Add: Issued during the year (refer note 13)	32,500	3.25
As at March 31, 2022	**28,052,509**	**2,805.25**
Add: Issued during the year (refer note 13)	37,500	3.75
Less: Buyback during the year (refer note 13)	(833,050)	(83.30)
As at March 31, 2023	**27,256,959**	**2,725.71**

b. Other equity

	Other components of equity				
	Securities premium	Share based payment reserve	Capital redemption reserve	Retained earnings	Total
As at April 01, 2021	**29,283.76**	**144.89**	**-**	**2,826.89**	**32,255.54**
Dividend	-	-	-	(700.50)	(700.50)
Profit for the year	-	-	-	3,926.28	3,926.28
Re-measurement losses on employee defined benefit plans	-	-	-	(56.76)	(56.76)
Issue of equity shares on exercise of employee stock options	106.44	(40.32)	-	-	66.12
Stock options lapsed during the year	-	(23.22)	-	23.22	-
Share-based payment expense	**-**	**30.18**	**-**	**-**	**30.18**
As at March 31, 2022	29,390.20	111.53	-	6,019.13	35,520.86
Dividend				(687.70)	(687.70)
Profit for the year	-	-	-	10,172.36	10,172.36
Re-measurement gains on employee defined benefit plans	-	-	-	153.68	153.68
Issue of equity shares on exercise of employee stock options	120.71	(34.46)	-	-	86.25
Buy back of equity shares	**(3,773.48)**	**-**	**-**	**(865.94)**	**(4,639.42)**
Amount transferred to capital redemption reserve upon buyback	**-**	**-**	**83.30**	**(83.30)**	**-**
Share-based payment expense	**-**	**342.62**	**-**	**-**	**342.62**
As at March 31, 2023	**25,737.43**	**419.69**	**83.30**	**14,708.23**	**40,948.65**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
Membership No. 213271

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 2, 2023

Place: Hyderabad
Date: May 2, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit before tax		13,712.72	5,397.45
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		1,941.71	1,338.92
Finance income		(981.35)	(1,335.84)
Profit on sale of property, plant and equipments		-	(8.65)
Provisions no longer required written back		-	(18.77)
Changes in fair value of financial assets/liabilities, net		212.18	-
Finance cost		207.79	308.20
Export incentive written-off		-	974.11
Unrealised foreign exchange (gain)/loss, net		(55.00)	50.78
Share based payment expense, net		1.18	10.19
Provision for expected credit loss, net		(10.03)	66.71
Operating profit before working capital changes		**15,029.20**	**6,783.10**
Movements in working capital			
Increase in trade payables		729.11	272.10
Increase in other liabilities		179.57	137.91
Increase in provisions		813.98	559.30
Increase in trade receivables		(1,204.15)	(94.19)
Decrease/(increase) in other assets		436.99	(887.72)
Increase in other financial assets		(926.33)	(1,028.28)
Increase/(decrease) in other financial liabilities		398.99	(422.71)
Cash generated from operations		**15,457.36**	**5,319.51**
Income taxes paid (net of refunds)		(3,378.39)	(464.46)
Net cash generated from operating activities	**(A)**	**12,078.97**	**4,855.05**
Cash flows used in investing activities			
Purchase of property, plant and equipments		(1,165.92)	(1,781.30)
Proceeds from sale of property, plant and equipments		-	8.65
Acquisition of subsidiaries		(2,280.19)	-
Investments in mutual funds and debentures		(11,833.41)	(6,188.70)
Redemption of mutual funds and debentures		6,884.30	2,926.21
Investment in bank deposits		(5,962.50)	(10,262.78)
Redemption of bank deposits		8,534.69	10,229.32
Interest received		294.48	709.94
Net cash used in investing activities	**(B)**	**(5,528.55)**	**(4,358.66)**
Cash flows used in financing activities			
Proceeds from shares issued against stock options		90.00	69.37
Buyback of equity shares including transaction cost and tax on buy back		(4,722.73)	-
Dividend paid		(674.62)	(700.50)
Interest and other borrowing cost paid		(55.88)	(51.43)
Payment towards lease obligation		(1,060.54)	(979.04)
Net cash used in financing activities	**(C)**	**(6,423.77)**	**(1,661.60)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**126.65**	**(1,165.21)**
Cash and cash equivalents at the beginning of the year		(1,262.62)	(97.41)
Cash and cash equivalents at the end of the year		**(1,135.97)**	**(1,262.62)**
Components of cash and cash equivalents			
Balances with banks including cash on hand		1,907.70	1,140.89
Cash credit from banks		(3,043.67)	(2,403.51)
Total cash and cash equivalents		**(1,135.97)**	**(1,262.62)**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Cigniti Technologies Limited

per Shankar Srinivasan
Partner
Membership No. 213271

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 2, 2023

Place: Hyderabad
Date: May 2, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts are in lakhs of 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 recognized 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 2, 2023.

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, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Contingent consideration

The standalone financial statements are presented in INR, and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Use of estimates and judgments

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. 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.

(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 recognized 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 recognized in Other Comprehensive Income (OCI) or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

(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 recognized 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 recognized 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 recognized on accrual basis for services rendered and billed as per the terms of specific contract.

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 recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.
- Fixed price contracts: Revenue from fixed-price contracts is recognized as per the 'percentage- of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

Contract balances:

Contract assets

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 recognized 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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized 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 recognized 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 recognized on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.
- Earnings and losses from investments is recognized based on changes in fair value of investments during the year and are reported on net basis.
- 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of GST paid, except:

- When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized 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 recognized is derecognized 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 derecognized.

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 recognized 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	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 recognized in the statement of profit or loss when the asset is derecognized.

(i) 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 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-to-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 recognized, 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	3-5 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 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 recognized 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.

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 recognized as expense 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 recognized in the statement of profit and loss.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company's CGU. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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 recognized 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 recognized 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 recognized as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognized 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 recognize 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.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortisation recognized in accordance with the requirements for revenue recognition.

(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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized, 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 recognized 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 recognized as at the beginning and end of that period and is recognized 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 recognized 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 recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized 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 recognized 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 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 recognized 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 recognized 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 recognized in the OCI. However, the Company recognizes 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 derecognized (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flow from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the assets, 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) recognized during the period is recognized 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 recognized 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 recognized 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 recognized in OCI. These gains/losses 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 recognized 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 recognized in profit or loss when the liabilities are derecognized 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 derecognized 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 recognized 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 recognized 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 recognized 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) Dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(t) 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.

2.3 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2022. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Onerous contracts – Costs of fulfilling a contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(ii) Property, plant and equipment: Proceeds before intended use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the standalone financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

2.4 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 1, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendments have been made in Ind AS 107.

(iii) Deferred tax related to assets and liabilities arising from a single transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 1,2023.

These amendments are not expected to have a material impact on the Company's financial statements.

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 1, 2021	**193.53**	**525.49**	**317.10**	**331.23**	**352.10**	**1,034.76**	**176.10**	**2,930.31**	**246.66**	**246.66**
Additions	-	10.94	-	0.72	0.23	2,056.15	-	2,068.04	-	-
As at March 31, 2022	**193.53**	**536.43**	**317.10**	**331.95**	**352.33**	**3,090.91**	**176.10**	**4,998.35**	**246.66**	**246.66**
Additions	-	1.84	98.61	2.53	14.62	816.63	-	934.23	-	-
As at March 31, 2023	**193.53**	**538.27**	**415.71**	**334.48**	**366.95**	**3,907.54**	**176.10**	**5,932.58**	**246.66**	**246.66**
Depreciation and amortisation										
As at April 1, 2021	**20.88**	**179.37**	**156.46**	**137.84**	**221.02**	**628.90**	**32.62**	**1,377.09**	**246.66**	**246.66**
Charge for the year	4.25	57.49	21.48	26.87	51.36	452.14	21.72	635.31	-	
As at March 31, 2022	**25.13**	**236.86**	**177.94**	**164.71**	**272.38**	**1,081.04**	**54.34**	**2,012.40**	**246.66**	**246.66**
Charge for the year	4.27	55.27	21.50	26.06	53.60	992.30	21.72	1,174.72	-	-
As at March 31, 2023	**29.40**	**292.13**	**199.44**	**190.77**	**325.98**	**2,073.34**	**76.06**	**3,187.12**	**246.66**	**246.66**
Net book value										
As at March 31, 2022	168.40	299.57	139.16	167.24	79.95	2,009.87	121.76	2,985.95	-	-
As at March 31, 2023	**164.13**	**246.14**	**216.27**	**143.71**	**40.97**	**1,834.20**	**100.04**	**2,745.46**	**-**	**-**

Pledge on property, plant and equipment:

Property, plant and equipment with a carrying amount of Rs.Nil (March 31, 2022: Rs. 2,985.95 lakhs) are subject to charge to secure cash credit facility from bank.

4 Investments

	March 31, 2023	March 31, 2022
A. Trade investments (Valued at cost unless stated otherwise)		
Investment in equity instruments		
Investment in subsidiaries (Unquoted)		
(a) 1,000 (March 31, 2022 : 1,000) equity shares of $ 1 each, fully paid-up in Cigniti Technologies Inc., USA (refer note 41 (c) (iii b))"	5549.49	5549.49
(b) 10,000 (March 31, 2022 : 10,000) equity shares of Rs. 10 each, fully paid-up in Gallop Solutions Private Limited	110.00	110.00
(c) 1 (March 31, 2022 : 1) equity shares of CAD 1 each, fully paid-up in Cigniti Technology Canada Inc., Canada (refer note 41 (c) (iii b))*"	0.00	0.00
(d) 855,001 (March 31, 2022 : 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, 2022: 865,001) equity shares of AUD 1 each, fully paid-up in Cigniti Technologies (Australia) Pty Ltd.	442.25	442.25
(f) 1 (March 31, 2022: 1) equity shares of NZD 1 each, fully paid-up in Cigniti Technologies (NZ) Limited, New Zealand (refer note 41 (c) (iii b))*"	0.00	0.00
(g) 1 (March 31, 2022 : 1) equity shares of SGD 1 each, fully paid-up in Cigniti Technologies (SG) Pte. Ltd (refer note 41 (c) (iii c))*"	0.00	0.00
(h) 5,000 (March 31, 2022 : 5000) equity shares of CZK 1 each, fully paid-up in Cigniti Technologies (CZ) Limited (refer note 41 (c) (iii c))"	0.17	0.00
(i) 44,248 (March 31, 2022 : Nil) equity shares of Rs 10 each, fully paid-up in Aparaa Digital Private Limited	3234.01	-
(j) 120 (March 31, 2022 : Nil) equity shares of CRC 100 each, fully paid-up in Cigniti Technologies CR Limitada (refer note 41 (c) (iii c))	0.02	-
Less: Provision for diminution in value of investment in Cigniti Technologies (NZ) Limited, New Zealand*	0.00	0.00
Total	**10,175.51**	**6,941.31**
Aggregate value of unquoted investments	**10,175.51**	**6,941.31**

Notes:

a) 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 in earlier years.

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 and comparable multiple method. 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.

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 growth in operations and 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.

* Investments value rounded off in lakhs.

Financial assets

There are no loans or deposits given, covered under section 186(4) of Companies Act, 2013.

5 Current investments

	March 31, 2023	March 31, 2022
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	8,155.41	4,452.27
Investment in debentures, quoted		
Unsecured, considered good	4,122.28	2,457.70
Investment in mutual funds, quoted		
Unsecured, considered good	5,286.23	5,102.98
	17,563.92	**12,012.95**
Aggregate book value of quoted investments	**17,563.92**	**12,012.95**
Aggregate market value of quoted investments	**17,563.92**	**12,012.95**

	March 31, 2023		March 31, 2022	
	Units	Amount	Units	Amount
Bonds				
Bharat Bond ETF - April 2030 Regular Growth	80,000.00	1,002.20	80,000.00	964.86
Shriram Transport Finance Company Ltd.	220.00	2,271.89	-	-
Bank of Baroda	49.00	504.37	60.00	605.70
Axis Bank Limited	-	-	50.00	503.95
State Bank of India	60.00	619.23	60.00	638.09
M&M Financial Services Limited	-	-	50.00	543.47
IIFL Home Finance Limited	50.00	530.22	50.00	534.63
India Grid Trust	60,000.00	643.21	60,000.00	661.57
Aditya Birla	50.00	531.95	-	-
Bajaj Housing Finance Limited	50.00	512.60	-	-
Kotak Mahindra	500.00	500.46	-	-
Mahindra & Mahindra	110.00	1,039.28	-	-
A		**8,155.41**		**4,452.27**
Debentures				
Non-convertible debentures of ECAP Equities Limited	-	-	1,775.00	2,457.70
Non-convertible debentures of ICICI HFCL	200.00	2,066.01	-	-
Non-convertible debentures of L & T Finance MLD	200.00	2,056.27	-	-
B		**4,122.28**		**2,457.70**

	March 31, 2023		March 31, 2022	
	Units	Amount	Units	Amount
Mutual Funds				
Kotak Debt hybrid -Regular Plan Growth	1,278,681.66	571.29	1,278,681.66	550.54
Kotak Credit Risk Fund - Growth Regular Plan	2,434,478.82	605.33	2,434,478.82	599.97
Axis Regular Saver Fund - Regular Growth (ISGPG)	3,280,338.03	803.93	3,280,338.03	801.04
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan	138,826.43	848.86	138,826.43	802.79
Aditya Birla Sun Life Regular Savings Fund Regular Plan Growth	1,870,167.65	985.74	1,870,167.65	961.46
ICICI Prudential PAMP Asset Allocation Fund (FOF)_Growth	508,022.72	432.38	508,022.72	401.80
ICICI PLFRAG Medium Term Bond Fund_Growth	1,134,765.86	426.21	1,134,765.86	405.81
ICICI Prudential Savings Fund- Direct Plan	132,407.63	612.49	132,407.63	579.57
C		**5,286.23**		**5,102.98**
(A+B+C)		**17,563.92**		**12,012.95**

6 Other financial assets

	Non current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Bank deposits (having remaining maturity of more than twelve months)	1,413.50	1,170.27	-	-
Unsecured, considered good				
Interest receivable	-	-	309.14	224.13
Export incentives receivable (refer note 41 (c) (ii))	-	-	1,770.78	1,770.78
Advances/reimbursements receivable from related parties (refer note below)	-	-	796.91	267.71
Security deposits	578.71	495.69	-	-
Unbilled receivables	-	-	1,242.63	928.52
	1,992.21	**1,665.96**	**4,119.46**	**3,191.14**

Advances/ reimbursements receivable from related parties (refer note 35)	March 31, 2023	March 31, 2022
Cigniti Technologies Inc.	556.84	121.52
Cigniti Technologies UK Limited	53.72	31.91
Cigniti Technologies Canada Inc.	66.57	27.54
Cigniti Technologies Australia Pty Limited	5.37	3.29
Cigniti Technologies SG Pte. Ltd.	114.41	83.45
	796.91	**267.71**

7 Trade receivables

	March 31, 2023	March 31, 2022
Unsecured, considered good		
Trade receivables from related parties (refer note 35)	7,859.25	7,558.70
Trade receivables from other parties	2,304.26	1,342.66
Less: Allowance for expected credit losses	(186.04)	(191.89)
Unsecured, Credit impaired		
Trade receivables from related parties (refer note 35)	-	-
Trade receivables from other parties	-	-
Less: Allowance for credit impairment	-	-
	9,977.47	**8,709.47**

Trade receivables ageing schedule

As at March 31, 2023

	Current, not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	9,342.88	675.45	8.24	33.21	44.01	59.72	10,163.51
Credit impaired	-	-	-	-	-	-	-
Total	**9,342.88**	**675.45**	**8.24**	**33.21**	**44.01**	**59.72**	**10,163.51**
Less: Allowance for expected credit losses							**(186.04)**
Balance as at year end							**9,977.47**

As at March 31, 2022

	Current, not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	7,998.22	797.73	-	44.01	61.40	-	8,901.36
Credit impaired	-	-	-	-	-	-	-
Total	**7,998.22**	**797.73**	**-**	**44.01**	**61.40**	**-**	**8,901.36**
Less: Allowance for expected credit losses							**(191.89)**
Balance as at year end							**8,709.47**

There are no disputed trade receivables in the current and previous year.

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. 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, 2022: 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.

Expected credit losses (ECL): The Company provides for ECL under the simplified approach from 1%-5% for trade receivables outstanding between 0-90 days and freely upto 100% for trade receivables of more than 90 days based on past trends.

8 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balance with banks		
- On current accounts	1,868.60	1,140.37
- Remittance in transit	22.47	-
Unpaid dividend	16.50	0.49
Cash on hand	0.13	0.03
	1,907.70	**1,140.89**

Expected credit losses (ECL): The Company provides for ECL under the simplified approach from 1%-5% for trade receivables outstanding between 0-90 days and freely upto 100% for trade receivables of more than 90 days based on past trends.

8.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2023	March 31, 2022
Cash and cash equivalents (refer note 8)	1,907.70	1,140.89
Less: Cash credit facility (refer note 15)	(3,043.67)	(2,403.51)
	(1,135.97)	**(1,262.62)**

9 Bank balances other than cash and cash equivalents

	Non current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deposits with remaining maturity for more than 3 months	1,413.50	1,170.27	6,278.17	9,093.59
Less: Amount disclosed under non-current assets (refer note 6)	(1,413.50)	(1,170.27)	-	-
	-	**-**	**6,278.17**	**9,093.59**

Fixed deposits amounting to Rs.1700 lakhs (March 31, 2022: Rs. Nil) are subject to charge to fulfil collateral requirements of cash credit facility from bank.

10 Current tax assets, net

	March 31, 2023	March 31, 2022
Income tax receivable (net of provision for tax)	138.05	116.17
	138.05	**116.17**

11 Other current assets

	March 31, 2023	March 31, 2022
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	6.45	22.07
Staff advances	140.14	44.10
Prepaid expenses	301.95	150.64
Balance with government authorities	1,030.70	1,699.42
	1,479.24	**1,916.23**

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.

12 Deferred tax asset, net

	March 31, 2023	March 31, 2022
Deferred tax asset		
Provision for employee benefits	669.87	503.69
Provision for doubtful debts	46.82	48.30
Right to use assets/lease obligation	153.55	189.20
Gross deferred tax asset	**870.24**	**741.19**
Deferred tax liability		
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation/ amortisation charged to financial reporting	(22.03)	(29.44)
Revaluations of current investments to fair value	(147.42)	(221.97)
Gross deferred tax liability	**(169.45)**	**(251.41)**
	700.79	**489.78**

As at March 31, 2023

	Opening balance	Recognized in the statement of profit and loss	Closing balance
Deferred tax assets/(liabilities) in relation to :			
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation/ amortisation charged to financial reporting	(29.44)	(7.43)	(22.01)
Provision for employee benefits	503.69	(166.18)	669.87
Provision for doubtful debts	48.30	1.48	46.82
Right to use assets/lease obligation	189.20	35.65	153.55
Revaluations of current investments to fair value	(221.97)	(74.53)	(147.44)
	489.78	**(211.01)**	**700.79**

* Includes deferred tax credit of Rs. 51.71 lakhs recognized through other comprehensive income on re-measurement losses on employee defined benefit plans.

As at March 31, 2022

	Opening balance	Recognized in the statement of profit and loss	Closing balance
Deferred tax assets/(liabilities) in relation to :			
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation/ amortisation charged to financial reporting	22.38	51.82	(29.44)
Provision for employee benefits	350.74	(152.95)	503.69
Provision for doubtful debts	31.88	(16.42)	48.30
Right to use assets/Lease obligation	197.42	8.22	189.20
Revaluations of current investments to fair value	(73.25)	148.72	(221.97)
	529.17	**39.39**	**489.78**

* Includes deferred tax credit of Rs. 19.09 lakhs recognized through other comprehensive income on re-measurement losses on employee defined benefit plans.

13 Equity share capital

	March 31, 2023	March 31, 2022
Authorized share capital		
36,000,000 (March 31, 2022 : 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
27,256,959 (March 31, 2022: 28,052,509) equity shares of Rs. 10/- each fully paid-up	2,725.70	2,805.25
Total issued, subscribed and fully paid-up share capital	**2,725.70**	**2,805.25**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2023		March 31, 2022	
	No's	Amount	No's	Amount
At the beginning of the year	28,052,509	2,805.25	28,020,009	2,802.00
Shares issued during the year against stock options	37,500	3.75	32,500	3.25
Less: Shares bought back (refer note a(i) below)	(833,050)	(83.30)	-	-
Outstanding at the end of the year	**27,256,959**	**2,725.70**	**28,052,509**	**2,805.25**

(a) Buyback of shares

The Board, at its meeting held on May 18, 2022, approved the buyback of the Company's fully paid-up equity shares of face value of Rs. 10 each, from the eligible equity shareholders of the Company, other than promoters, promoter group and persons who are in control of the Company at a price not exceeding Rs. 500 per equity share (maximum buyback price), for an aggregate amount not exceeding Rs.3,800 lakhs (maximum buyback size, excluding buyback tax) from the open market through the stock exchange mechanism, in accordance with the provisions of Companies Act, 2013 and SEBI (Buyback of securities) Regulations, 2018, subject to shareholders' approval in the ensuing Annual General Meeting. The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2022. The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange was completed on June 29, 2022. During this buyback period, the Company had purchased and completely extinguished a total of 8,33,050 equity shares from the stock exchange at a volume weighted average buyback price of Rs. 456.13 per equity share comprising ~1.66% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of Rs. 3,799.77 lakhs (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, as at March 31, 2023, the Company has created 'Capital Redemption Reserve' of Rs. 83.30 lakhs equal to the nominal value of the above shares bought back as an appropriation from the general reserve. The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. The Company has only one class of equity shares and has no debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

(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

Name of the shareholder	March 31, 2023		March 31, 2022	
	No's	% holding	No's	% holding
P. Sapna	35.59	13.06%	34.59	12.33%
C. V. Subramanyam	29.35	10.77%	32.35	11.53%
C. Srikanth	25.00	9.17%	25.00	8.91%
Kukunuru Madhava Lakshmi	16.00	5.87%	16.30	5.81%

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 33.

(e) Details of shares held by promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	34.59	1.00	35.59	13.06%	2.89%
C. V. Subramanyam	32.35	(3.00)	29.35	10.77%	-9.28%
C. Srikanth	25.00	-	25.00	9.17%	-
C. Rajeshwari	3.14	1.25	4.39	1.61%	39.76%
P. Sudhakar	0.01	-	0.01	0.00%	-

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	34.59	-	34.59	12.33%	-
C. V. Subramanyam	31.56	0.79	32.35	11.53%	2.50%
C. Srikanth	25.00	-	25.00	8.91%	-
C. Rajeshwari	13.14	(10.00)	3.14	1.12%	-76.10%
P. Sudhakar	0.01	-	0.01	0.00%	-

(f) Dividends distribution made and proposed

	March 31, 2023	March 31, 2022
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022: Rs. 2.50 per share (March, 31 2021: Rs. 2.50 per share)*	687.70	700.50
	687.70	**700.50**
Proposed dividends on equity shares:		
Proposed dividend for the year ended on March 31, 2023: Rs. 5.50 per share (March 31, 2022: Rs. 2.50 per share)	1,499.13	701.31
	1,499.13	**701.31**

*Includes unclaimed dividend amount of Rs. 16.50 lakhs (March 31, 2022: 0.49 lakhs).

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at March 31, 2023. The dividend declared/ paid and proposed is in accordance with Section 123 of The Companies Act, 2013.

There are no equity shares issued as bonus and issued for consideration other than cash during the period of five years immediately preceding the reporting date.

14 Other equity

	March 31, 2023	March 31, 2022
Securities premium		
Opening balance	29,390.20	29,283.76
Add: Issue of equity shares on exercise of employee stock options	120.71	106.44
Less: Buy back of equity shares (refer note 13(a)(i))	(3,773.48)	-
Closing balance	**25,737.43**	**29,390.20**
Capital redemption reserve		
Opening balance	-	-
Transfer from retained earnings upon buyback (refer note 13(a)(i))	83.30	-
Closing balance	**83.30**	**-**
Share based payment reserve		
Opening balance	111.53	144.89
Less: Issue of equity shares on exercise of employee stock options	(34.46)	(40.32)
Less: Lapsed share based options	-	(23.22)
Add: Share-based payment expense	342.62	30.18
Closing balance	**419.69**	**111.53**
Retained earnings		
Opening balance	6,019.13	2,826.89
Less: Dividend	(687.70)	(700.50)
Add: Profit during the year	10,172.36	3,926.28
Add: Lapsed share based options	-	23.22
Less: Tax on buyback of shares (refer note 13(a)(i))	(865.94)	-
Less: Transfer to capital redemption reserve upon buyback (refer note 13(a)(i))	(83.30)	-
Items recognized directly in other comprehensive income		
Re-measurement gain/(losses) on employee defined benefit plans, net of tax	153.68	(56.76)
Closing balance	**14,708.23**	**6,019.13**
	40,948.65	**35,520.86**

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 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 33 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.

14.4 Capital redemption reserve

Capital redemption reserve is created for the amount equal to face value of shares bought back during the current year.

15 Short term borrowings

	March 31, 2023	March 31, 2022
Secured		
Cash credit from banks (refer note below)	3,043.67	2,403.51
	3,043.67	**2,403.51**

(a) Cash credit from banks of Rs. 3,043.67 lakhs (March 31, 2022: Rs 2,403.51 lakhs) is secured by hypothecation of trade receivables of the Company and exclusive charge - cash collateral amounting to Rs. 1,700 lakhs in the name of Company and/or promoters. The cash credit is also secured by personal guarantee of the director, Mr. C.V Subramanyam, Managing Director. It is repayable on demand and carries floating interest rate of 8.50%p.a. (March 31, 2022: 6.50%p.a). The Company had available Rs. 556.33 lakhs (March 31, 2022: Rs. 96.49 lakhs) of undrawn committed borrowing facilities as at March 31, 2023.

The Company has taken loans against security of current assets and quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

16 Trade payables

	March 31, 2023	March 31, 2022
Outstanding dues of micro and small enterprises (refer note 34)	103.63	25.29
A	103.63	25.29
Outstanding dues to related parties (refer note 35)	620.32	94.40
Outstanding dues to other parties	1,256.42	1,131.58
B	**1,876.74**	**1,225.98**
A+B	**1,980.37**	**1,251.27**

Trade payable ageing schedule

As at March 31, 2023

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	82.80	20.83	-	-	-	103.63
Others	1,020.92	200.23	652.70	2.89	-	-	1,876.74
	1,020.92	**283.03**	**673.53**	**2.89**	**-**	**-**	**1,980.37**

As at March 31, 2022

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	22.14	3.15	-	-	-	25.29
Others	338.25	370.51	514.28	2.94	-	-	1,225.98
	338.25	**392.65**	**517.43**	**2.94**	**-**	**-**	**1,251.27**

There are no disputed trade payables in the current and previous year.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

For explanations on the Company's credit risk management processes, refer to note 38.

17 Lease obligation

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Lease obligations (refer note 41 (a))	927.81	1,952.36	1,024.55	908.64
	927.81	**1,952.36**	**1,024.55**	**908.64**

Interest payable is normally settled monthly throughout the financial year.

18 Other financial liabilities

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At amortised cost				
Advances from related parties (refer note 35)	-	-	1,875.89	1,822.94
Contingent consideration	520.15	-	646.04	-
Capital creditors	-	-	121.81	353.50
Unclaimed dividend	-	-	16.50	-
	520.15	**-**	**2,660.24**	**2,176.44**

Changes in liabilities arising from financing activities

	April 1, 2022	Addition	Cash flows	March 31, 2023
Lease obligations	2,861.00	151.90	(1,060.54)	1,952.36
Total liabilities from financing activities	**2,861.00**	**151.90**	**(1,060.54)**	**1,952.36**

Changes in liabilities arising from financing activities

	April 1, 2021	Addition	Cash flows	March 31, 2022
Lease obligations	2,772.03	1,068.01	(979.04)	2,861.00
Total liabilities from financing activities	**2,772.03**	**1,068.01**	**(979.04)**	**2,861.00**

19 Provisions

	Long term		Short term	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provisions for employee benefits				
Provision for gratuity (refer note 32)	2,165.07	1,768.96	-	-
Provision for leave benefits	-	-	496.54	232.35
	2,165.07	**1,768.96**	**496.54**	**232.35**

20 Current tax liability, net

	March 31, 2023	March 31, 2022
Provision for taxation (net of advance tax)	1,204.10	809.24
	1,204.10	**809.24**

21 Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues	723.37	525.54
Liability towards corporate social responsibility	-	18.26
	723.37	**543.80**

22 Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from software testing services	69,664.29	45,551.89

22.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended March 31, 2023	Year ended March 31, 2022
Related parties (refer note 35)	62,199.21	40,959.97
Others	7,465.08	4,591.92
Total revenue from operations	**69,664.29**	**45,551.89**

22.2 Contract balances

	March 31, 2023	March 31, 2022
Contract assets		
Trade receivables, net (refer note 7)	9,977.47	8,709.47
Unbilled revenue (refer note 6)	1,242.63	928.52

Unbilled revenue is initially recognized 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 recognized as unbilled revenue are reclassified to trade receivables.

Contract liabilities represents the obligation of the Company to perform services for which the entity has received consideration from the customer.

22.3 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 recognized as and when the services are performed.

The Company also performs work under "fixed-price" arrangements. Revenue from fixed-price contracts is recognized as per the 'percentage-of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. There is no unrecognized revenue out of fixed-price arrangements.

The payment is due with in 30-90 days from the time the customer accepts the work performed by the Company.

23 Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Exchange differences, net	334.57	31.18
Profit on sale of property, plant and equipments	-	8.65
Miscellaneous income	9.20	18.77
Reversal of provision for expected credit loss, net	10.03	-
	353.80	**58.60**

24 Finance income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on bank deposits	373.35	537.60
Income on fair valuation of investments through profit and loss	601.86	704.19
Interest on income tax refund	6.14	94.05
	981.35	**1,335.84**

25 Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	44,931.88	32,100.18
Contribution to provident and other funds (refer note 32(II))	655.39	553.50
Share-based payment expense	1.18	10.19
Gratuity expense (refer note 32(I))	854.02	667.89
Staff welfare expenses	769.28	712.92
	47,211.75	**34,044.68**

26 Hired contractors cost

	Year ended March 31, 2023	Year ended March 31, 2022
Hired contractors cost	2,279.89	950.71
	2,279.89	**950.71**

27 Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	410.24	305.75
Rent	87.37	136.45
Repairs and maintenance - others	294.67	248.03
Advertising, marketing and sales promotion	359.30	227.09
Travelling and conveyance	1,410.67	493.18
Communication costs	161.97	137.23
Software licensing cost	1,384.01	1,150.58
Legal and professional fees	663.18	368.91
Rates and taxes*	127.62	1,089.78
Insurance	23.72	24.80
Printing and stationery	87.00	99.17
Recruitment expenses	153.18	283.90
Payment to auditor (refer note below)	147.67	133.50
Provision for expected credit loss, net	-	66.71
Changes in fair value of financial assets/liabilities, net	212.18	-
Corporate social responsibility expenditure (refer note below)	119.01	127.81
Miscellaneous expenses	3.79	13.48
	5,645.58	**4,906.37**

* In the previous year, the Company has written off export incentives amounting to Rs. 974.11 lakhs pertaining to the financial year 2019-2020, pursuant to notification no. 29/2015-2020 dated September 23, 2021, issued by Ministry of Commerce & Industry.

Payment to Auditor

	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fee	78.00	70.00
Limited review	60.00	60.00
In other capacity		
Certification services	7.00	3.00
Reimbursement of expenses	2.67	0.50
	147.67	**133.50**

Details of Corporate social responsibility expenditure

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Gross amount required to be spent by the Company during the year:	119.01	127.81
(b) Amount approved by the Board to be spent during the year	**119.01**	**127.81**
(c) Amount spent during the year	Paid in cash	Paid in cash
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	119.01	127.81
(d) Details related to spent / unspent obligations		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	119.01	186.42
iii) Unspent amount in relation to:		
- Ongoing project	-	18.26
- Other than ongoing project	-	-

Nature of CSR Activities: Promoting education, healthcare initiatives and other social projects.

Details of ongoing projects

	Opening balance		Amount required to be spent during the year	Amount transferred to Separate CSR Unspent A/c during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c			From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
March 31, 2023	-	18.26	119.01	-	119.01	18.26	-	-
March 31, 2022	-	76.87	127.81		109.55	76.87	18.26	-

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred the unspent amount of Rs. Nil (March 31, 2022: Rs.18.26 lakhs) to a separate bank account subsequent to the balance sheet date.

28 Depreciation and amortization expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	1,174.72	635.31
Amortization of right to use asset (refer note 41(a))	766.99	703.61
	1,941.71	**1,338.92**

29 Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense	21.96	18.36
Interest on lease obligations (refer note 41(a))	151.91	256.77
Bank charges	33.92	33.07
	207.79	**308.20**

30 Taxes

(a) Income tax expense:

The major components of income tax expenses are :

	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax charge	3,803.08	1,412.69
Deferred tax	(262.72)	58.48
Total income tax expense recognized in statement of profit and loss	**3,540.36**	**1,471.17**

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax (A)	13,712.72	5,397.45
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A * B)	3,451.22	1,358.43
Reconciling items:		
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	59.19	80.57
Tax effect of expenses disallowed under Income Tax Act, 1961	29.95	32.17
Total tax expense	**3,540.36**	**1,471.17**
Effective tax rate	25.82%	27.26%

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 related to income taxes levied by the same tax authority.

In the previous year, the Company has opted for the lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 having evaluated the benefits of the same under the Income Tax Act, 1961.

31 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, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders for basic earnings	10,172.36	3,926.28
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	274.50	280.42
Add: Effect of dilution:		
Employee stock options (No. in lakhs)	0.50	0.32
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	275.00	280.74
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	37.06	14.00
- Diluted (Rs.)	36.99	13.99

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.

32 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 recognized in the statement of profit and loss, the status of funding and the amount recognized in the Balance sheet for the gratuity plan:

A) Net employee benefit expense(recognized in Employee benefits expense)

	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	753.82	598.18
Interest cost	145.09	110.89
Expected return on plan assets	(44.89)	(41.19)
Net employee benefit expenses	**854.02**	**667.89**
Actual return on plan asset	44.89	41.19

B) Amount recognized in the Balance Sheet

	March 31, 2023	March 31, 2022
Defined benefit obligation	2,965.16	2,476.53
Fair value of plan assets	800.09	707.57
	2,165.07	**1,768.96**

C) **Changes in the present value of the defined benefit obligation**

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	2,476.53	1,964.07
Current service cost	753.82	598.18
Interest cost	145.09	110.89
Benefits paid	(195.86)	(266.27)
Net Actuarial (gain)/loss on obligation for the year recognized under OCI	(214.42)	69.66
Closing defined benefit obligation	**2,965.16**	**2,476.53**

D) **Change in the fair value of plan assets**

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	707.57	729.53
Investment income	44.89	41.19
Employer's contribution	252.54	210.00
Benefits paid	(195.86)	(266.95)
Return on plan assets, excluding amount recognized in net interest expense	(9.05)	(6.20)
Closing fair value of plan assets	**800.09**	**707.57**

The Company expects to contribute Rs. 500 lakhs to the gratuity fund in the next year (March 31, 2022: Rs. 300 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2023	March 31, 2022
Investments with LIC	100.00%	100.00%

E) **Remeasurement adjustments:**

	Year ended March 31, 2023	Year ended March 31, 2022
Experience loss on plan liabilities	32.45	135.15
Financial loss on plan liabilities	(246.87)	(65.50)
Other adjustments	(0.02)	-
Return on plan assets, excluding amount recognized in net interest expense	9.05	6.20
Remeasurement losses recognized in other comprehensive income	**(205.39)**	**75.85**

Remeasurement losses recognized in the current year are excluding the impact of deferred tax charge of Rs. 51.71 lakhs (March 31,2022 : Deferred tax credit of Rs 19.09 lakhs).

(i) **The principal assumptions used in determining gratuity for the Company's plans are shown below:**

	March 31, 2023	March 31, 2022
Discount rate	7.51%	6.10%
Expected rate of return on assets	5.95%	5.73%
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:

	March 31, 2023	March 31, 2022
Expected benefit payments for the year ended:		
1 year	373.68	352.87
2-5 years	1,529.62	1,306.16
6-10 years	1,410.58	1,056.15
More than 10 years	1,619.07	1,006.95

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.43 years (March 31, 2022: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2023	March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(154.10)	(135.23)
- 1% decrease	171.15	149.89
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	149.51	119.78
- 1% decrease	(142.98)	(114.79)
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	(305.25)	(313.67)
- decrease by 50% of the attrition rate	575.02	670.96

II Defined contribution plan

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident and other funds	655.39	553.50

33 Share based payments

Under the Employee Stock Option Plan, the Company, at its discretion, may grant share options to 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 5 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 recognized for employee services received during the year is shown in the following table:

	Year ended March 31, 2023	Year ended March 31, 2022
Expense arising from equity-settled share-based payment transactions*	342.62	30.18

*The above expense include expense arising from equity-settled share-based payment transactions of the subsidiaries amounting to Rs. 341.44 lakhs (March 31, 2022: Rs 19.99 lakhs).

Movements during the year: The following table illustrates movements in share options during the year:

	March 31, 2023		March 31, 2022	
	Scheme 2014	**Scheme 2015**	**Scheme 2014**	**Scheme 2015**
Total No. of options under the scheme	25.00	5.00	25.00	5.00
Outstanding at April 01	0.75	2.55	0.34	3.34
Schemed during the year	-	-	1.00	2.00
Forfeited during the year	-	-	0.50	2.50
Exercised during the year	-	0.38	0.04	0.29
Expired during the year	-	0.03	0.05	-
Outstanding at March 31	0.75	2.15	0.75	2.55
Exercisable at March 31	-	-	-	-

The weighted average share price at the date of exercise of these options was Rs 485.10 (March 31, 2022: Rs 601.35)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2023 and as at March 31, 2022

	March 31, 2023	March 31, 2022
Scheme 2014	5.58	6.58
Scheme 2015	3.15	3.79

The weighted average fair value of options granted during the year was Nil (March 31, 2022: Rs 272.16).

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 240 - Rs 506 (March 31, 2022: Rs 240 - Rs 506).

There are no grants during the current year. The following tables list the inputs to the models used for the previous year ended March 31, 2022:

	March 31, 2022	
	Scheme 2014	Scheme 2015
Dividend yield	0.49% - 0.54%	0.49%
Expected volatility	42.98% - 47.40%	43.33% - 49.12%
Risk-free interest rate	4.31% - 6.20%	4.77% - 6.05%
Expected life of options granted in years	2 - 5 years	2 - 5 years
Weighted average share price	494.26	505.90
Model used	Black-Scholes model	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.

34 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	103.63	25.29
Interest due on above	-	-
	103.63	**25.29**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	-	-

35 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Subsidiaries	
Cigniti Technologies Inc., USA	Wholly owned subsidiary
Cigniti Technologies (Canada) Inc., Canada	Wholly owned subsidiary
Cigniti Technologies (UK) Limited, UK	Wholly owned subsidiary
Cigniti Technologies (Australia) Pty Ltd., Australia	Wholly owned subsidiary
Cigniti Technologies (NZ) Ltd, New Zealand	Wholly owned subsidiary
Cigniti Technologies (SG) Pte. Ltd., Singapore	Wholly owned subsidiary
Cigniti Technologies (CZ) Limited S.R.O, Czech Republic	Wholly owned subsidiary
Gallop Solutions Private Limited, India	Wholly owned subsidiary
Aparaa Digital Private Limited, India	Wholly owned subsidiary
RoundSqr Inc., USA	Step down subsidiary
RoundSqr Pty Ltd., Australia	Step down subsidiary
Cigniti Technologies CR Limitada, Costa Rica	Wholly owned subsidiary
Key Management Personnel	
Mr. C. V. Subramanyam	Chairman & Managing 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	Non-Executive Director

Transactions/ balances with above mentioned related parties

For the year ended March 31, 2023

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 Private Ltd, India	Aparaa Digital Private Ltd, India	Cigniti Technologies (SG) Pte. Ltd.	Cigniti Technologies (CZ) Limited	Cigniti Technologies CR Limitada
Transactions										
Rendering of software testing services	54,013.15	2,395.39	5,311.35	479.32	-	-	-	-	-	-
Hired contractors costs	-	-	-	-	-	-	728.83	-	-	-
Reimbursement of expenses incurred by CTL India	419.46	39.38	20.08	2.18	-	-	727.29	23.87	-	-
Reimbursement of expenses incurred by CT Inc. USA	(43.55)	-	-	-	-	-	-	-	-	-
Balances outstanding receivable/ (payable)										
Trade receivables (including unbilled revenue)	4,905.84	570.27	2,082.63	123.12	20.44	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-
Advances receivable	556.84	66.57	53.72	5.37	-	-	-	114.41	-	-
Advances payable	(1,821.99)	-	-	-	-	(52.64)	(1.09)	-	(0.17)	-
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00	3,234.01	0.00	0.17	0.02

Key Management Personnel

	Mr. C. V. Subramanyam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions						
Remuneration	725.00	174.09	28.04	48.00	48.00	48.00
Director sitting fees	-	-	-	24.00	17.00	18.00
Balances outstanding receivable/(payable)						
Remuneration payable	(465.00)	(10.15)	(1.17)	(48.00)	(48.00)	(48.00)

For the year ended March 31, 2022

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	Cigniti Technologies (SG) Pte. Ltd.	Cigniti Technologies (CZ) Limited
Transactions								
Rendering of software testing services	37,127.48	600.10	2,911.95	320.44	-	-	-	-
Reimbursement of expenses incurred by CTL India	77.28	27.03	38.68	13.46	-	0.22	83.45	-
Reimbursement of expenses incurred by CT Inc. USA	(41.82)	-	-	-	-	-	-	-
Balances outstanding receivable/(payable)								
Trade receivable	5,815.24	159.29	1,401.00	183.19	20.44	-	-	-
Advances receivable	121.52	27.54	31.91	3.29	-	-	83.45	-
Advances payable	(1,770.31)	-	-	-	-	(52.64)	-	-
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00	0.00	0.00

Key Management Personnel

	Mr. C. V. Subramanyam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions						
Remuneration	287.00	141.20	21.00	19.00	19.00	19.00
Director sitting fees	-	-	-	17.00	16.00	17.00
Balances outstanding receivable/(payable)						
Remuneration payable	(27.00)	(9.41)	(0.99)	(19.00)	(19.00)	(19.00)

Key management personnel (Mr. C.V Subramanyam) has given personal guarantees to bankers in connection with cash credit facility whose closing balance in total is Rs. 3,043.67 lakhs (March 31, 2022: Rs. Rs. 2,403.51 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.

36 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, 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 40
- Financial risk management objectives and policies Note 38
- Sensitivity analyses disclosures Notes 32 and 38.

Judgments

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).

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 recognized 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 recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (Refer note 30).

(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 32.

(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 Company has also considered historical pattern of credit loss, the likelihood of increased credit risk.

37 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Current investments	17,563.92	12,012.95	17,563.92	12,012.95
Trade receivables	9,977.47	8,709.47	9,977.47	8,709.47
Cash and cash equivalents	1,907.70	1,140.89	1,907.70	1,140.89
Bank balances other than cash and cash equivalents	6,278.17	9,093.59	6,278.17	9,093.59
Other financial assets	6,111.67	4,857.10	6,111.67	4,857.10
Financial liabilities				
Borrowings	3,043.67	2,403.51	3,043.67	2,403.51
Lease obligation	1,952.36	2,861.00	1,952.36	2,861.00
Other financial liabilities	3,180.39	2,176.44	3,180.39	2,176.44
Trade payables	1,980.37	1,251.27	1,980.37	1,251.27

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.

38 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.

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 recognized 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, 2023, the Company had 18 customers (March 31, 2022: 17 customers) that owed the Company more than 1% each of total receivable from parties other than related parties and accounted for approximately 94% (March 31, 2022: 95%) of receivables outstanding pertaining to other parties. There were 6 customers (March 31, 2022: 5 customers) with balances greater than 5% each accounting for approximately 68% (March 31, 2022: 69%) of total amounts receivable from parties other than related parties.

The Company has adequate provision as at March 31, 2023 amounting to Rs.186.04 lakhs (As at March 31, 2022: Rs. 191.89 lakhs) for receivables.

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, 2023:	On demand	< 1 year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	3,043.67	-	-	-	**3,043.67**
Lease obligation	-	1,113.62	947.98	-	**2,061.60**
Trade payables	-	1,980.37	-	-	**1,980.37**
Other financial liabilities	-	2,698.20	684.00	-	**3,382.20**
	3,043.67	**5,792.19**	**1,631.98**	**-**	**10,467.84**
March 31, 2022:					
Contractual undiscounted payments					
Borrowings	2,403.51	-	-	-	**2,403.51**
Lease obligation	-	1,060.55	2,061.60	-	**3,122.15**
Trade payables	-	1,251.27	-	-	**1,251.27**
Other financial liabilities	-	2,176.44	-	-	**2,176.44**
	2,403.51	**4,488.26**	**2,061.60**	**-**	**8,953.37**

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, 2023 and March 31, 2022. 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, 2023 and March 31, 2022.

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
March 31, 2023				
Indian Rupees	0.50%	-0.50%	(1.42)	1.42
March 31, 2022				
Indian Rupees	0.50%	-0.50%	(0.97)	0.97

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.

Unhedged foreign currency exposure:

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Company's net financial assets (which includes cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities), which are denominated in various foreign currencies (viz. USD, AED, AUD ZAR, GBP, CAD, etc.).

For the year ended March 31, 2023 and March 31, 2022 , every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by Rs. 108.06 lakhs / Rs. (108.06) lakhs and Rs. 72.03 lakhs / Rs. (72.03) lakhs respectively.

39 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, 2023	March 31, 2022
Revenue from related parties		
US	54,013.15	37,127.48
Others	8,186.06	3,832.49
Revenue from external customers		
India	592.74	478.09
Outside India	6872.34	4,113.83

b) Assets: All the non-current assets are located in India.

c) Three customers have more than 10% each of the Company's total revenue for the year ended March 31, 2023 (March 31, 2022 : 4).

40 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, 2023	March 31, 2022
Borrowings	3,043.67	2,403.51
Less: Cash and cash equivalents (refer note 8)	(1,907.70)	(1,140.89)
Bank balances other than cash and cash equivalents (refer note 9)	(6,278.17)	(9,093.59)
Current investments (refer note 5)	(17,563.92)	(12,012.95)
Net debt	-	-
Equity	2,725.70	2,805.25
Other equity	**40,948.65**	**35,520.86**
Total capital	**43,674.35**	**38,326.11**
Capital and net debt	**43,674.35**	**38,326.11**
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 and previous year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

41 Commitments, contingencies and other litigations

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 recognized and the movements during the year:

	March 31, 2023	March 31, 2022
Opening balance	2,109.24	2,001.61
Additions	-	811.24
Amortization	(766.99)	(703.61)
Closing balance	**1,342.24**	**2,109.24**

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, 2023	March 31, 2022
Opening balance	2,861.00	2,772.03
Additions	-	811.24
Accretion of interest	151.91	256.77
Payments	(1,060.55)	(979.04)
Closing balance	**1,952.36**	**2,861.00**
Current	1,024.55	908.64
Non-current	927.81	1,952.36

The maturity analysis of lease liabilities are disclosed in note 38.

The effective interest rate for lease liabilities is 6.5% with maturity in the year 2024.

The following are the amounts recognized in statement of profit and loss:

	March 31, 2023	March 31, 2022
Amortization of right to use asset	766.99	703.61
Interest on lease obligation	151.91	256.77
	918.90	**960.38**

The Company had total cash outflows for leases of Rs. 1,060.54 lakhs in March 31, 2023 (March 31, 2022: Rs. 979.04 lakhs). The entire amount is in the nature of fixed lease payments.

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 (refer note 36).

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2023 is Rs. Nil (March 31, 2022 : Rs. Nil)

c. Contingent liabilities

(I) (a) In the earlier years, the Company had received a draft Transfer Pricing (TP) assessment order for A.Y. 2017-2018 under section 92CA(3) of Income Tax Act, 1961 proposing an adjustment of Rs. 6,285.52 lakhs involving tax implication of approximately Rs. 1,400.00 lakhs, excluding penalty. The adjustments majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. In the previous year, the Company has received the final order with the proposed adjustment as mentioned in the draft order. Management has filed an appeal with the tax authorities and is currently pending with Commissioner (Appeals) /Dispute Resolution Panel (DRP).

(b) In the previous year, the Company had received a draft Transfer Pricing (TP) assessment order for A.Y. 2018-2019 under section 92CA(3) of Income Tax Act, 1961 proposing an adjustment of Rs. 1,122.60 lakhs involving tax implication of approximately Rs. 380.00 lakhs, excluding penalty. The adjustments majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. Management has filed an appeal with the tax authorities and is currently pending with Dispute Resolution Panel (DRP).

Management has assessed the order and based on expert advice and its documentation relating to the international transactions, believes that the Company has a strong basis to support its position and has adequate provision in this regard.

(ii) In the earlier years, the Company had received a show cause notice from the Department of Foreign Trade (DGFT) dated August 25, 2020 and from the Directorate of Revenue Intelligence (DRI), Ahmedabad dated December 28, 2020, stating that the services provided by the Company are not covered under technical testing and analysis services and it appears that the Company provides services through subsidiaries in the foreign countries and accordingly the services rendered by the Company fall under the definition of service rendered through commercial presence in a foreign country which is not eligible for Service Exports from India Scheme (SEIS) benefits. The notice calls upon the Company to show cause as to why (a) The Scrips granted amounting to Rs 659.93 lakhs for the year ended March 31, 2017, should not be cancelled/ recovered from the Company and (b) The penalty should not be imposed as per Customs Act, 1962.

The Company had filed responses against the aforesaid show cause notices as per the legal opinion. Based on their internal assessment and legal opinion, Management believes that the software testing services being provided by the Company are eligible under the SEIS and will be able to establish the services will not fall in the category of "Supply of services through commercial presence". In view of the above, the Management believes that the export incentive recognized for the period April 1, 2015 to March 31, 2020 amounting to Rs. 1,770.78 lakhs are fully recoverable (March 31, 2022: Rs. 1,770.78 lakhs).

(iii) (a) In the earlier years, the Company has received a letter from Office of the Joint Director, Enforcement Directorate, Hyderabad, initiating enquiry under the provisions of Foreign Exchange Management Act, 1999 (FEMA) requesting for certain documents . The Joint Director had called for an in person hearing where the Company had submitted the necessary information. The matter primarily relates to issue of shares to a resident entity against money received from an overseas entity and other procedural delays in filing documents.

(b) 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.

(c) The Company has incorporated subsidiary i.e Cigniti Technologies CR Limitida in Costa Rica, US, in the current year and Cigniti Technologies (SG) Pte. Ltd in Singapore and Cigniti Technologies (CZ) Limited s.r.o, in Czech Republic in the previous year. Investments with respect to share capital subscriptions of such entities is in progress as at balance sheet date as the Company is in the process of making the required filings with Reserve Bank of India.

Management is in the process of addressing the above matters and in view of the administrative/ procedural nature of these non-compliances, believes that they will not have a material impact on the standalone financial statements.

d. Other litigations:

In the previous year, Cigniti Technologies Inc., USA, subsidiary of the Company has filed a lawsuit against it's former employees for inter alia misappropriation of trade secrets and various breaches of contract and fiduciary duty. The lawsuit is currently in progress and the Company believes that it has a strong chance of success in it's claims.

42 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current assets	Current liabilities	3.72	4.35	-14%	
Debt- Equity Ratio	Total debt*	Shareholder's equity	0.11	0.14	-17%	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest & Lease Payments + Principal repayments	11.76	6.79	73%	Note (a)
Return on equity ratio	Net profits after taxes	Average shareholder's equity	25%	11%	132%	Note (a)
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	7.46	5.24	42%	Note (b)
Trade payable turnover ratio	Other expenses + Employee benefit expense + Hired contract cost	Average trade payables	34.12	34.61	-1%	
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.30	1.64	40%	Note (c)
Net profit ratio	Net profit after taxes	Net sales = Total sales - sales return	15%	9%	69%	Note (a)
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total debt	29%	13%	119%	Note (a)
Return on investment#	Finance income	Time weighted average investment	4%	7%	-42%	Note (d)

*Debt includes lease liabilities.

Mutual funds, ETFs, bonds and debentures are considered for the purpose of computing return on investments.

Explanations given where the change in the ratio is more than 25% as compared to the preceding year.

Notes:

a) Change in ratio is due to increase in net profit on account of increase in revenue compared to previous year.

b) Change in ratio is due to revenue growth and improvement in collections from customers.

c) Change in ratio is due to revenue growth along with higher efficiency on working capital improvements.

d) Change in ratio is due to decrease in return on investments.

43 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company does not have any transactions with companies struck off.

(viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

44 The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of Code, once it is effective.

45 The Company maintains its books of account on the cloud, which is managed by a global service provider based in the USA. The service provider has confirmed that they ensure that a daily backup is taken of such data as required under law, which is stored on a separate server in the USA but not in India. The Company is currently in discussions with the service provider to establish a mechanism to ensure that a copy of such backup is taken in India as well on a daily basis and such activity is expected to be completed in the next year, given the complex nature.

46 Previous year figures have been regrouped/reclassified wherever necessary to conform to the current year's classification.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP ICAI Firm Registration No: 101049W/E300004 Chartered Accountants	For and on behalf of the Board of Directors **Cigniti Technologies Limited**	
per Shankar Srinivasan Partner Membership No. 213271	**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 2, 2023	Place: Hyderabad Date: May 2, 2023	

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L72200TG1998PLC030081
Name of the company	:	Cigniti Technologies Limited
Registered office	:	Suit No.106 &107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad– 500082. Telangana State, Ph No 040-40382255, Fax: 040-40382299

Name of the member(s)	:	
Registered Address	:	
E-mail Id	:	
Folio No./Client Id	:	
DP ID	:	

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name : ....
   Address : ....
   E-mail Id : ....
   Signature : ...., or failing him

2. Name : ....
   Address : ....
   E-mail Id : ....
   Signature : ...., or failing him

1. Name : ....
   Address : ....
   E-mail Id : ....
   Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, 16th day of June, 2023 at 10.00 A.M. at Deccan Stateroom, ITC Kohenur, Madhapur, Hitech City, Hyderabad - 500 081, INDIA and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Description	For	Against
1	Adoption of financial statements for the year ended 31.03.2023.		
2	Declaration of dividend		
3	To Appoint Mr. K.Ch.Subba Rao (DIN: 01685123) as director, liable to retire by rotation and being eligible offers himself for re-appointment		
4	Appointment of Mr. Srinivasa Rao Kandula (DIN: 07412426) as Whole Time Director of the Company:		
5	Re-Appointment of Mr. C.V.Subramanyam (DIN- 00071378) as Chairman & Managing Director of the Company.		

Signed this .... day of 2023

Signature of shareholder ....

Signature of Proxy holder(s) ....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

....

CIGNITI TECHNOLOGIES LIMITED

SUIT NO. 106 &107, 6-3-456/C, MGR ESTATES, DWARAKAPURI COLONY, PANJAGUTTA,
HYDERABAD– 500082, TELANGANA STATE

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 25th Annual General Meeting of the members of the company to be held on Friday, 16th day of June, 2023 at 10.00 A.M. at Deccan Stateroom, ITC Kohenur, Madhapur, Hitech City, Hyderabad - 500 081 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature ....

Shareholders/Proxy's full name ....

(In block letters)..

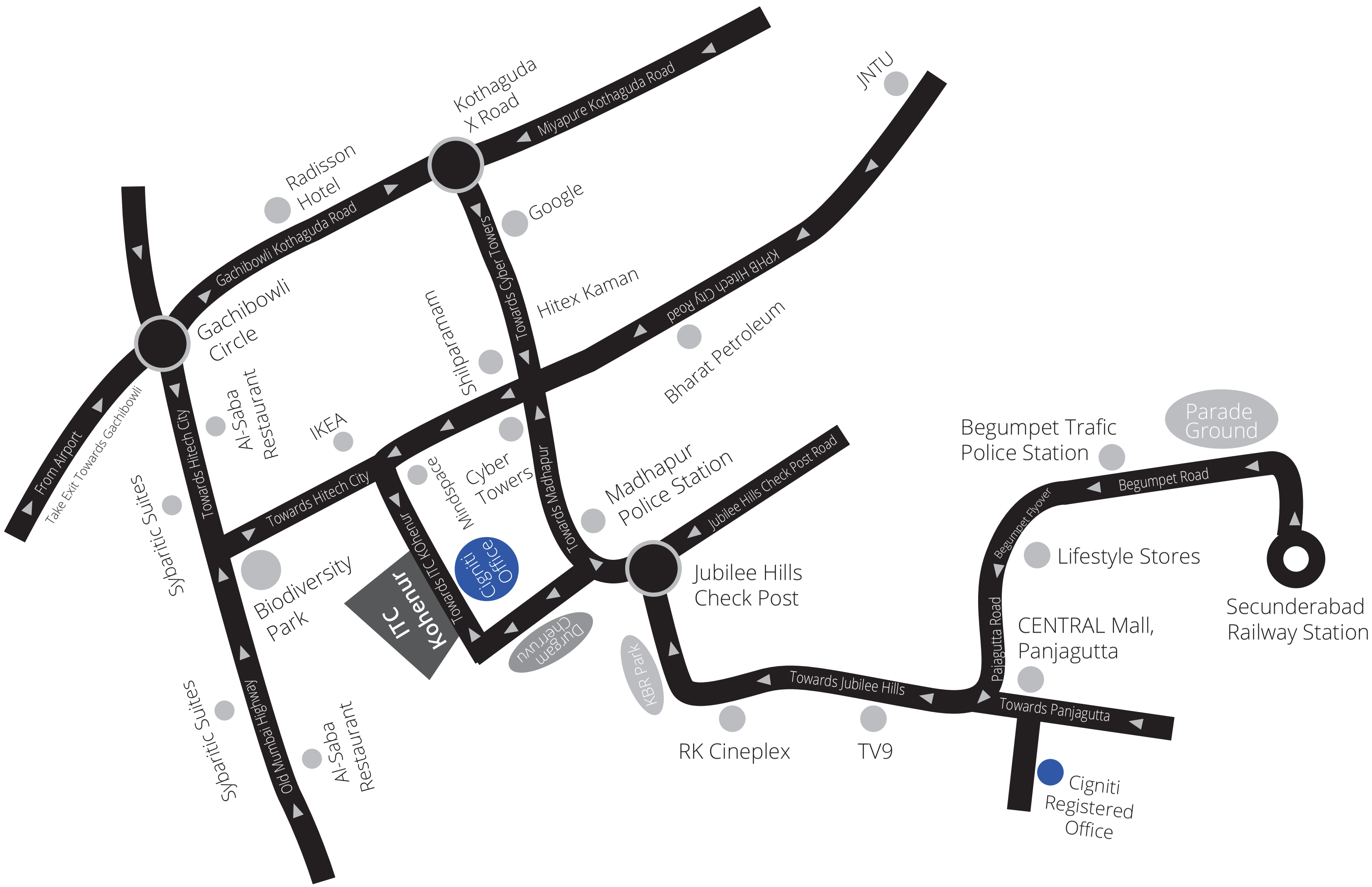
Folio No./ Client ID ....

No. of shares held ....

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

AGM 2023 Venue Route Map



Scan the QR code to get driving directions to ITC Kohenur

Address:
ITC Kohenur
Deccan Stateroom
Knowledge City Rd, Madhapur,
Hyderabad, Telangana 500081

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Cigniti

World’s Leading AI & IP-Led Digital Assurance
& Digital Engineering Services Company

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