

12th May 2021

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 FY 2020-21

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 2020-21.

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

Thanking you.

Yours Faithfully,

For Cigniti Technologies Limited

A. Nagavasudha

A.N. Vasudha
Company Secretary



Encl: as above

Cigniti Technologies Ltd

Registered Office.

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WELCOMING NEXT

Assuring Digital Experiences

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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.

Welcoming Next

Assuring Digital Experiences

Last year saw customer demands surge across sectors and enterprises – especially those that could provide services online. There was a need to rapidly adopt digital transformation initiatives for organizations across the globe to cater to these requirements and provide the best possible digital customer experience. This led organizations to rethink their digital strategies and priorities and make serious changes in their processes, workflows, etc. to provide customer-centric services using advanced, next generation technologies.

Organizations that implemented new strategies quickly to ensure ease of use and reduced challenges for customers grew the fastest. The rate of growth of the digital native across the globe was nothing short of spectacular! Per Satya Nadella “Microsoft has seen two years' worth of digital transformation in just two months of its third quarter”. Google Cloud too reported more than 45% growth during the same period.

While 81% of insurers acknowledge that technology has become an inextricable part of the human experience, about 37% of consumers are very likely to use telehealth in the future. AI, IoT, Augmented Reality, Virtual Reality, and cloud are growing trends in retail, accelerated due to the pandemic. Construction technology, AI, and Big Data analytics are the top three biggest disruptors in the real estate industry.

As the adoption of digital transformation can be seen growing in different industries across the globe, the digital customer service interactions are set to increase by 40%. Next-generation communications, edge computing architectures, and cloud-native technologies are coming together to create breakthroughs in cloud-to-edge integration. Implementing these technologies will require new levels of security, compliance, infrastructure, service, support, and continuity.

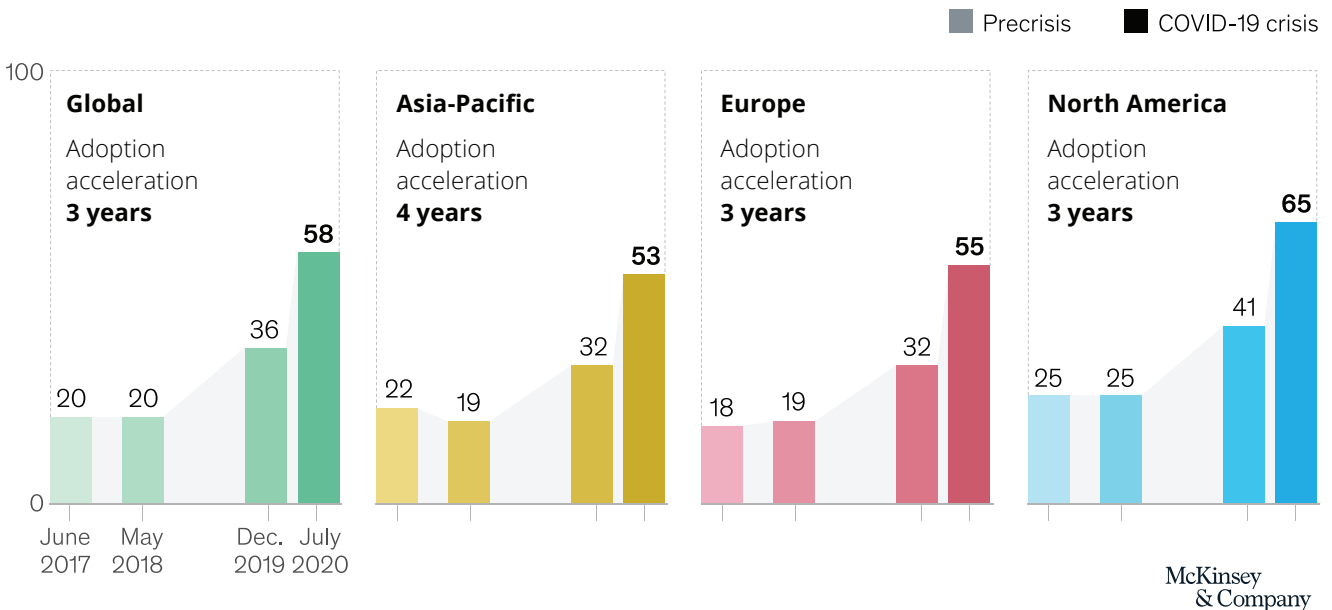
Consumers today demand online experiences and want to be ‘happily virtual’. They want seamless digital procurement and provisioning - at the click of a button. Today, everything is about speed, convenience, and not to forget, remotely accessible! Paying due importance to the efficiency of operations to increase the customer’s digital experience has led to improved profitability of organizations across sectors. Per Forrester, “27% of brands improved their CX this year, which is 13% higher than the previous year. They improved by focusing on core CX competencies.”

At Cigniti, we understand the importance of assuring digital experience for our customers. In the coming year, we are set to further increase our spread of digital offerings that are aligned with the next wave of trends and technologies. This will help us add greater value to all our enterprise clients. As we welcome the next year, we are very excited about our potential, the opportunities, and the value we can deliver.



Next-gen Technologies are Causing Rapid Digital Transformation

The COVID-19 crisis has accelerated the digitization of customer interactions by several years.



¹Years ahead of the average rate of adoption from 2017 to 2019.

With the pandemic intensifying the rate of adoption of digital transformation initiatives and new technologies, the way organizations need to work today has undergone a sea of change.

According to a recent McKinsey Global Survey, organizations have accelerated the digitalization of their internal operations and their customer and supply-chain interactions by three to four years. Also, the share of digitally enabled products in these organizations has accelerated by seven years. Deloitte in a recent report states that 77% of surveyed CEOs acknowledge that COVID-19 has accelerated their digital transformation plans.

This adoption of digital technologies is taking place across application and infrastructure platforms, digital supply networks, e-commerce, smart factories, the supply chain, and more with cognitive automation and AI, and broader adoption of data and predictive analytics.

While disruptive, investments in digital transformation has helped organizations expedite their business goals and long-term digital strategies. Enablers such as AI, hyperautomation, RPA, IoT, digital analytics and delivery, machine and deep learning, and process automation are being implemented to create agile research and development processes.

Recently, most boardroom technology conversations have pivoted in the direction of how 5G will shape the structure of their industry and the future-readiness of their organization to adopt 5G. As the global infrastructure is still playing catch-up on how to adopt the technology with the least amount of R&D costs, 5G seems to be ahead of its curve – yet it is one of the most coveted technologies of the decade. CIOs and CTOs all over the world have been analyzing the impact of cost vs. benefits of 5G adoption and vying to introduce 5G-driven solutions to their customers for placing their organization above competition.

To make the most out of the technologies, every industry needs to focus on developing or implementing tools for experience analysis and strategize a plan proactively to put the findings to improve their offerings. The strength of these technologies lies in the improved efficiency and the customer experience they help provide. While efficiency helps businesses decrease the cost of doing business and complements investments in infrastructure, quality products help improve customer satisfaction that improves the brand of the organizations.

Digital Technologies, thus, are critical to be implemented if organizations wish to achieve the advantages of agility. The advantages may include being able to make fact-based decisions faster, analyse and predict customer sentiment, efficiently streamline operations and automate processes to achieve quality at high speed, improve productivity by leveraging collaborative tools and technologies, and last but definitely not the least – implement robust, failproof, cybersecurity measures.



The Growing Importance of Digital Experience

When organizations interact with their customers via digital means, the result is Digital Experience. The way their customers react to the digital experience helps organizations and technology leaders understand what improvements are needed to be implemented to drive the digital growth. Understanding how consumer experiences (CX) and expectations are changing leads to continuous reviews and implementation of the best possible digital strategies. This helps organizations set their own digital experience priorities leading to exceptional digital interactions and experience.

The pandemic has led to a steady rise of organizations trying to provide digital experience and expand their portfolio of services with new capabilities. It has also made them rethink their innovation, security and quality assurance strategies, along with trying to analyse what their customers want and demand.

“This year organizations took a giant leap in closing the gap of delivering per customer expectations. Some 27% of brands improved their CX this year, which is 13% higher than the previous year. They improved by focusing on core CX competencies.” ~ Forrester

By implementing digital strategies, a lot of organizations were able to put themselves in the shoes of their customers and eventually provide seamless service to them. They were able to provide them the best possible experience and make them feel comfortable as they could analyse and predict not just their needs, but also gauge their sentiments.

This was possible by using digital transformation to propel their efficiency and effectiveness. By investing in latest technologies as AI etc. and in modern platforms that integrate and talk to each other, they were able to access more comprehensive and complete customer data. Analysis of this data helped them understand the needs of their customers.

Analysis of digital tools helped them understand not just what their customers are buying – but also why they are buying something. Using social media channels and more, they had a deeper insight into not just what their customers sought, but also what they felt after they bought. Customer sentiment experience assurance measurement and analysis thus became a major step forward in the past year.

The COVID-19 pandemic forced companies to reckon with their arsenal of digital tools. Or, their lack thereof.

~ Forrester

Assuring Digital Experience: A Business Imperative

Here is how some key industries are embracing digital technologies, leading to a global wave of digital transformation.

Digital Technologies across Global Industries



Retail

Online shopping has now added regular grocery items to its e-commerce bandwagon. Additionally, AI, IoT, AR/VR, and cloud are growing trends in retail.



Education

Technology and online content have made the classroom optional. Remote learning technologies, online courses & content are the need, and the way ahead.



Entertainment

“Real world” has gone online with virtual reality and virtual events. Social online gaming, virtual events and roundtables etc. are a rage today.



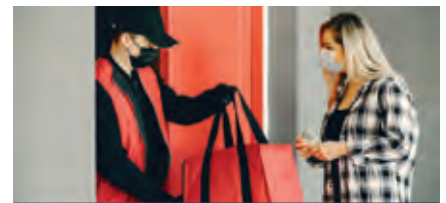
Customer service

Customer experience across the globe has gone virtual with conversational AI/chatbots and cloud-based call centers.



Manufacturing

3D printing, industrial automation, industrial IoT & robotics are the way to forward for the manufacturing industry.



Food services

Social distancing has propelled take-outs and deliveries to a huge success.



Healthcare

Telehealth technology, continuous & remote diagnostics, virtual fitness & gyms, senior care and much more has made healthcare very accessible.



Security

With everything going online, cybersafety and cybersecurity are two critical areas that every industry needs to focus on.



Finance

Demand for options such as contactless payments, branchless banking, parametric insurance, etc. has accelerated digital adoption in ways never expected before.

Growing needs of providing digital customer experience, implementing edge computing architectures, next-generation communications, cloud-native technologies and more require organizations to think their strategies around compliance, continuity, infrastructure, security, and more.

“The era of digital transformation is here to support consumers on their quest for better. And we’re here to help you navigate it all.” ~ Forrester

Forrester couldn't have said it better.

At Cigniti, assuring customer experience is key to achieving our goal of building a better world. We have continued to invest in, and expand, our digital offerings that help our enterprise clients overcome the digital transformation challenges as they implement new technologies. As we welcome the next year, we are very excited about our potential, the opportunities, and the value we can deliver.

Cigniti believes in establishing a robust partner ecosystem that helps us achieve client co-innovation and provide employee experience by utilizing our in-house, next-generation intellectual property, BlueSwan. We deliver experience-led transformation by focusing on analyzing customer experience and creating strategy and insights to improve predictability and higher adoption of digital touchpoints. We are a strategic quality engineering partner for leading global organizations. We assist our enterprise clients in accelerating their time to market by predicting and preventing unanticipated failures, leveraging AI-driven, proprietary Continuous Testing & Test Automation solutions which are platform and tool agnostic, with customer centricity at the core of the transformation. Our offerings include Quality Engineering, Advisory & Transformation, Digital Assurance, and Quality Assurance.

The era of digital transformation is here to support consumers on their quest for better. And we’re here to help you navigate it all.
~ Forrester

Key Performance Indicators

All values in Rupees Lakhs

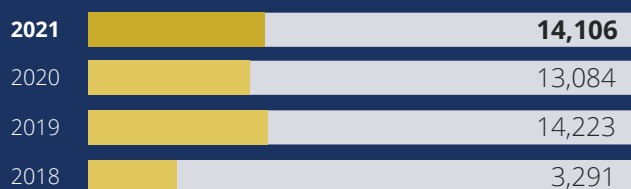
Revenue from Operations



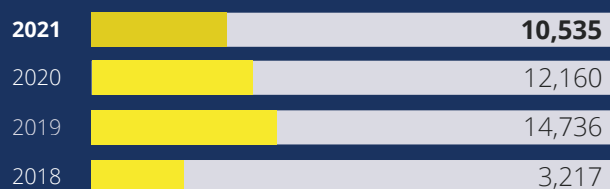
Total Expenses



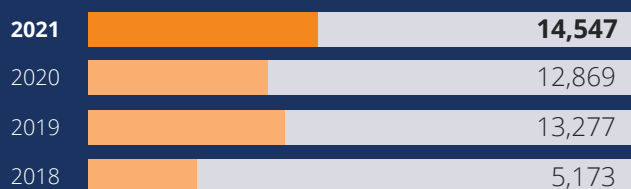
Profit Before Tax



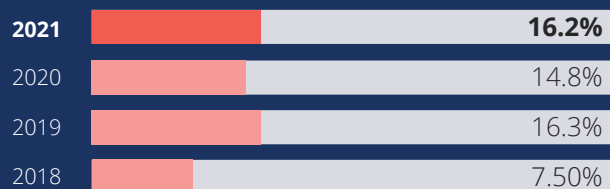
Profit After Tax



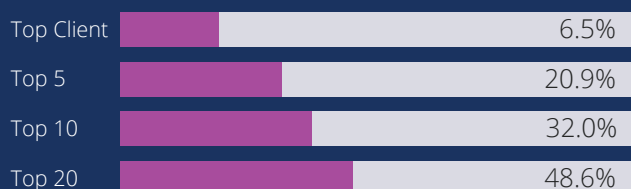
EBITDA



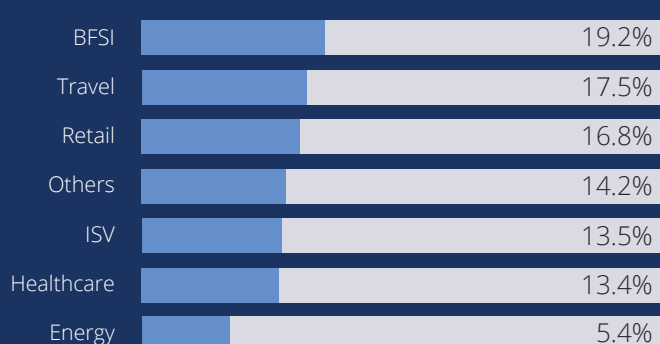
EBITDA Margin




Revenue Concentration FY2021



Revenue by Verticals FY2021



Chairman's message



I am very pleased to share that the board has recommended a maiden dividend of 25%, and as part of prudent governance, we have also approved a dividend policy for the benefit of the investors.

Dear Shareholders,

Hope you and your loved ones are keeping safe and doing good.

The unprecedented pandemic last year triggered grave challenges across the globe, related to both health and finances, pushing organizations to adopt and adapt newer processes and technologies to survive and grow. Likewise, your company too identified newer areas to continue its onward journey.

I appreciate our clients for their continued trust in us, and for letting us continue being a part of their digital transformation journey. I would also like to take this opportunity to appreciate all my fellow Cignitians for demonstrating unwavering commitment

and professional integrity that created an impact in accelerating the digital journey of our clients. I am also grateful to all our shareholders, who have shown immense faith in us, as we navigated through challenging times.

While the world was engulfed in a crisis, it also opened new opportunities for organizations across the globe. I am happy to note that the accelerated digital transformation in the marketplace opened up great opportunities for Cigniti. I am happy to update you that we have sustained our growth by focusing on these new opportunities which will pave the way for stupendous growth in the coming years.

This year, we invested a lot of efforts and energies in broadening our offerings in growing industries like Banking and Financial Services, Insurance, Healthcare & Life Sciences (HCLS), Retail & Ecommerce, Communication, hi-tech products and the Public Sector. Our continued efforts in next-generation technologies such as hyperautomation, 5G, edge computing, AI, RPA, and cloud also got due recognition in the industry.

Financial & Business performance

Our revenue for the financial year 2020-21 stood at Rs. 896.5 Crores vs Rs. 872.0 crores for FY 2019-20 on a consolidated basis resulting in 3% growth. The EBITDA grew at 13% to Rs. 145.5 crore in FY21 and the PAT stood at 105.3 crores.

I am very pleased to share that the board has recommended a maiden dividend of 25%. Cigniti has entered the new financial year with a healthy sales run rate and a good order book position and is confident of marching ahead positively in the coming years.

Amid, and despite, the pandemic, we were able to win 67 new logos that include 8 Fortune 500 companies. We have also won key logos in Healthcare & Life Sciences (HCLS), Banking & Financial Services (BFS) and Retail & Ecommerce which are the industries in focus in the coming years.

Traditionally, we used to have a major share from Travel & Hospitality industries, but the past year has decreased our revenue from the industry to 17% when compared to 27% in the previous year.

Our renewed focus on HCLS, BFS & Insurance, and Retail & Ecommerce has allowed us to sustain our growth momentum. Recent wins like a Europe-based motor vehicle manufacturer, Japan-based multinational automaker, and expansion of contract with Toyota in Australia have added up to our aspirations to focus on this industry as well.

I am happy to update you that NelsonHall has recognized us as Leaders in Artificial Intelligence (AI) testing, Quality Engineering and Continuous Testing in its NEAT chart 2020. Gartner, while positioning

Cigniti as a Niche player in its magic quadrant for application testing services, has mentioned that Cigniti continues to deliver strongly differentiated continuous testing services leveraging BlueSwan, our flagship IP. BlueSwan is powered by AI & ML to help clients achieve business outcomes at speed.

Education has always been the prime charter of Cigniti as part of our corporate social responsibility (CSR) initiative that is run under our flagship program, "Cignificance". As part of the initiative, we have been supporting education initiatives in the villages surrounding Hyderabad for the last couple of years, along with the GMR Varalakshmi Foundation. The objective of Project Cignificance is to improve the quality of education through need-based interventions in government schools to support children from families that cannot afford education.

Outlook & Concluding Remarks

In FY21, we thought a lot about what more can we do beyond testing. We brainstormed to introduce new service offerings which would be aligned to help enterprises achieve digital transformation. We strengthened our leadership team by appointing Ganesh Ramamoorthy, Chief Revenue Officer, to scale the overall revenues of the organization. We also onboarded a consulting firm that is working closely with the leadership team to create a futuristic business plan that will take us to the next level.

To achieve our mission of becoming a fast-growing digital transformation services company, we would focus on 3 key things – growing revenue from the existing enterprise accounts, offering innovation led solutions and building the next generation digital capabilities to assure digital experience in growing industries.

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

Yours Truly

C V Subramanyam

Chairman & Managing Director



CEO's message

The year 2020-21 will be known as the year when Cigniti decided to re-align its strategies and vision to fast-track its growth journey. As planned last year, we continued investing in advanced and sophisticated technologies such as RPA, AI, IoT driven quality engineering, and more.

Dear Shareholders,

The onslaught of pandemic resulted in organizations having to reprioritize their growth strategies. Initially, due to the heavy cloud of uncertainty due to the pandemic, enterprises postponed their investment plans in next-gen technologies. However, realizing the fact that digital is the only way to deal with the uncertainty and to ensure the continuity of business and life in general, organizations across industries slowly started accelerating their digital transformation initiatives.

As the adoption of digital transformation picked up across industries, next-generation technologies such as hyperautomation, 5G, edge computing, AI, RPA, and Cloud started gaining importance. However, organizations also realized that implementing these technologies requires new levels of frameworks, processes, compliance, infrastructure, security, service, and support.

Over the last year, Cigniti sailed through the pandemic to be recognized by analysts globally - as a Leader in AI Testing, Continuous Testing, and Quality Engineering capabilities by NelsonHall; as a Niche Player in the Gartner 2020 Magic Quadrant for Application Testing Services, Worldwide; and was also featured in the Everest report – Application and Digital services in Banking – Services PEAK matrix assessment 2020.

The last year also taught us that just being resilient is not enough. We realized that the rapid adoption of digital and acceleration of digital transformation needs us to do more and be open to welcoming the next wave of disruption. We realized that we don't just need to be able to bounce back, but also be proactive enough to start putting together the strategy that can lead us to a phase of stupendous, planned and consistent growth.

As we witnessed a slow growth in some of our primary industries (such as Travel and Hospitality and Airlines) in the initial part of the year, we invested a lot of efforts and energies researching and diving deep into our existing service offerings to identify newer growth areas and adjacencies. While almost 33% of our revenues come from digital, we decided to expand our digital footprint further by venturing into promising areas.

We analyzed the services we can provide beyond testing by broadening our offerings, by being more relevant to our clients and adding more value, and by focusing on transformation and change. While we improvised and thrashed out ideas on the new offerings, we also continued providing quality assurance services to our clients in the past year.

I am very happy to share that we found adjacencies and deepened our existing offerings in Banking & Financial Services, Insurance, Healthcare & Medical Devices, Retail, and more that helped us come back

stronger. With the consistent and continuous efforts our remotely working teams, we have been able to leverage our competitive edge and brand value to significantly increase our footprint within the Fortune 500 (5 Clients) and Global 2000 (4 Clients) companies worldwide this year, while we continued to strengthen our differentiation using BlueSwan™, our proprietary IP.

Transformation is a journey of who we are, what we want to do, and where we want to reach.

The year 2020-21 will be known as the year when Cigniti decided to re-align its strategies and vision to fast-track its growth journey. We continued investing in advanced and sophisticated technologies such as RPA, AI, IoT driven quality engineering, and more. With these technologies at our disposal, we are now focusing on digital transformation initiatives that are customer-centric and capable of delivering incredible customer experience assurance.

Today we are strategically aligned with a sense of clarity and unifying zeal to achieve our grand vision and are working collectively towards achieving it. We are ready to welcome what is coming next, what we want to do more.

Our journey is taking off on an accelerated plane with the deepening of our QA/QE offerings and by the augmentation of our capabilities in the next generation technologies. I am sure Cigniti in its new avatar will be able to help enterprises deliver more value to their customers by assuring digital experiences.

Srikanth Chakkilam

Chief Executive Officer

World of Cigniti

Cigniti is the world's leading Independent Quality Engineering Services company that brings the power of AI into Agile and DevOps to accelerate enterprise digital transformation journey. We help the world's leading enterprises build quality software and accelerate speed to market while lowering the overall cost of quality and driving a huge positive impact on ROI from their QA, QE, and Digital initiatives. We advance the Quality Engineering field by developing cutting-edge IP and are a CMMI-SVC Level 5 (v1.3) appraised, ISO 13485:2016, ISO 9001:2015, and ISO 27001:2013 certified organization.



Key Clients Won in FY2021


Despite unprecedented times during FY2021, Cigniti won 67 new clients through our resilient efforts.



World's most admired technical professional services firm



Leading biotechnology company in the US




Denmark-based multinational brewer

A photograph of two scientists in a laboratory. A man in the foreground is wearing a white lab coat, safety glasses, and blue gloves, looking at a computer monitor. A woman behind him is also in a lab coat and safety glasses, looking at the same monitor. The background shows laboratory equipment and shelves with various bottles and containers.

World leader in scientific instrumentation

A photograph of a blue SUV parked in a parking lot at night. The car is shown from a rear three-quarter view, highlighting its taillight and rear wheel. The background is a blurred city street with warm lights.

Japanese multinational automaker

A close-up photograph of several wooden hangers with colorful patterned clothes hanging on them. The lighting is warm and focused on the hangers, with a bokeh effect in the background.

Leading London-based fashion company



One of the largest utility companies in the US



Leading South African mobile telecom multinational



Global medical devices and healthcare leader

A group of four children, two girls and two boys, are gathered around a white tablet computer. They are all looking at the screen with interest. One girl is pointing at the screen with a green marker. The background shows a classroom setting with a world map and a green apple on a desk.

Largest provider
of public
education in
Australia

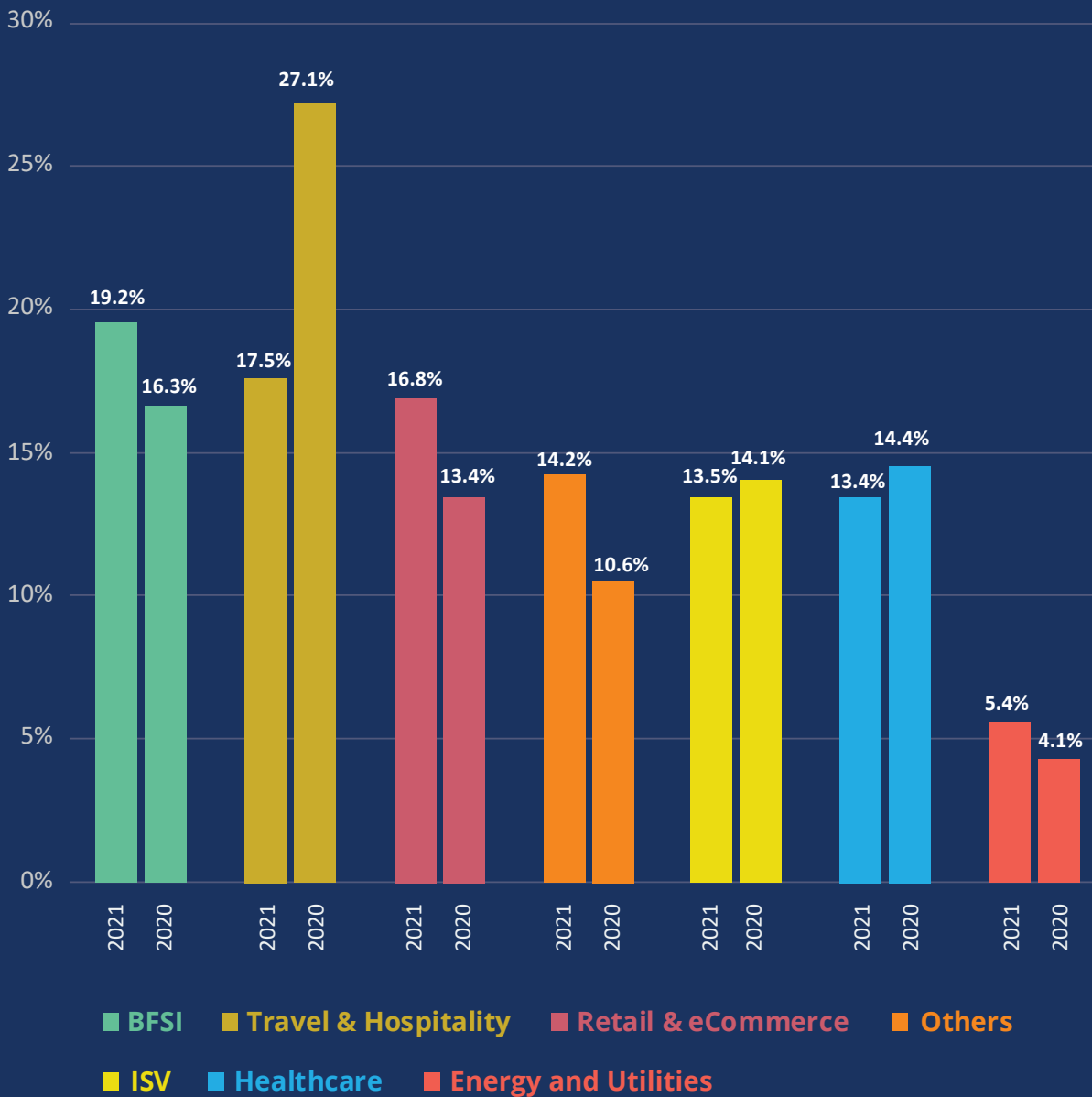
A blue and white train is stopped at a station platform. A man in a long grey coat and a hat is walking along the platform. The train has several windows and doors. The platform has a green exit sign and some other signs in the background.

Canada's
leading public
transport
company

A close-up view of a slot machine. A person's hand is visible, interacting with the machine's controls. The machine has a digital display showing "Player K4" and "12402". There is a "GOOD LUCK!" sign and a "INSERT BILL" button. The machine is lit up with colorful lights.

World's most
diversified
casino-
entertainment
provider

Diversified Revenue Across Industries



In FY2020, 27.1% of our revenue was won from the Travel-Tourism-Hospitality industry. In FY2021, that industry was heavily impacted by the pandemic and the revenue from it dropped to 17.5%. However, Cigniti's wins through the past FY made up for it across other key industries and closed the year at \$120M revenue. We added 10 new clients from the Healthcare-Life Sciences industry, 7 from BFSI and 3 from Retail.

Global Analyst Mentions

Cigniti continues to deliver strongly differentiated continuous testing services leveraging our flagship IP, BlueSwan, which is powered by AI & ML to help clients achieve business outcomes at speed. Our services were recognized again by leading analysts in several areas of software testing expertise through FY2021.

Gartner

Cigniti Technologies is positioned as a “Niche Player” for the 6th consecutive year in the 2020 Gartner Magic Quadrant for Application Testing Services, worldwide. In its report, Gartner recognizes Cigniti’s strong portfolio of Testing Intellectual Property (IP), including its core next-generation testing platform BlueSwan.

Cigniti keeps investing in BlueSwan by enhancing current capabilities. Enhancements include automation accelerators, quality engineering (to increase first-time-right products and releases), prescriptive analytics, migration platforms, and sentiment analyzer tools.

Figure 1. Magic Quadrant for Application Testing Services, Worldwide



Source: Gartner (December 2020)

Cigniti Application Testing Services, Worldwide Reviews

by Cigniti in Application Testing Services, Worldwide
4.8 ★★★★★ 72 Reviews

Cigniti Application Testing Services, Worldwide Ratings Overview

Review weighting ⓘ Reviewed in Last 12 Months [EMAIL PAGE](#)

4.8 ★★★★★ 72 Reviews (All Time)

Rating Distribution

5 Star	<div style="background-color: #1a3d54; height: 10px; width: 75%;"></div>	75%
4 Star	<div style="background-color: #1a3d54; height: 10px; width: 22%;"></div>	22%
3 Star	<div style="background-color: #1a3d54; height: 10px; width: 3%;"></div>	3%
2 Star	<div style="background-color: #1a3d54; height: 10px; width: 0%;"></div>	0%
1 Star	<div style="background-color: #1a3d54; height: 10px; width: 0%;"></div>	0%

○ 97% Would Recommend

Customer Experience		4.8	<div style="background-color: #1a3d54; height: 10px; width: 100%;"></div>
Evaluation & Contracting		4.8	<div style="background-color: #1a3d54; height: 10px; width: 100%;"></div>
Planning & Transition		4.7	<div style="background-color: #1a3d54; height: 10px; width: 100%;"></div>
Delivery & Execution		4.7	<div style="background-color: #1a3d54; height: 10px; width: 100%;"></div>
Service Capabilities		4.7	<div style="background-color: #1a3d54; height: 10px; width: 100%;"></div>

Cigniti is also very highly rated by Gartner’s peerinsights™, with 97% of reviewers stating that they would recommend us.

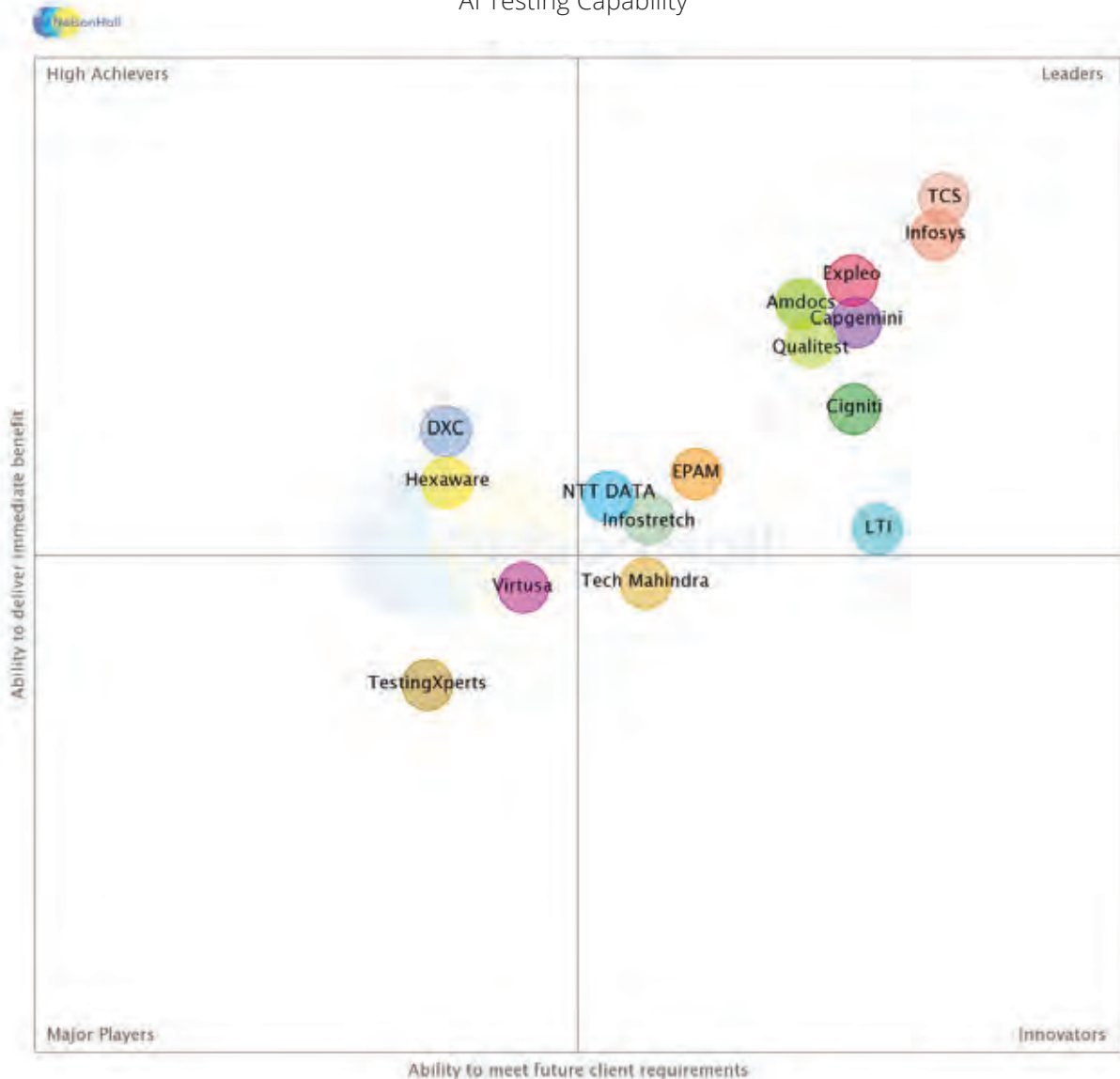
NelsonHall

Once again, NelsonHall has positioned Cigniti as a “Leader” in its NEAT charts. In FY2021, Cigniti earned this position in the Quality Engineering, AI Testing and Continuous Testing segments.

The leading analyst’s report highlights how Cigniti, relative to the industry, has actively expanded its range of AI-based testing use cases and demonstrated AI testing capabilities in the context of continuous testing and DevOps. These enable our enterprise clients to deliver immediate benefits and high digital capability to their customers.

Quality Engineering Services 2020

AI Testing Capability



Source: NelsonHall FYV 2020

Global News Coverage

Our CEO's perspective on key technologies & enterprise transformation

Our CEO, Srikanth Chakkilam's insights on 5G, IoT and transformative data analytics were published globally through FY2021.



BW BUSINESSWORLD
Building The Smart Fabric Of 5G Connectivity With Experience Assurance

CEO Insights
Transforming Business Processes With Intelligent Analytics

TECHGIG
Here's what the CEO - Cigniti Technologies have to say about the IoT trends

Press coverage

Cigniti's recognition by leading analysts, new strategic partnerships, role in technical associations and leadership team members in FY2021 were covered by global publications.



Ganesh Ramamoorthy
joins Cigniti as the
Chief Revenue Officer



Cigniti | TOYOTA

**Toyota Motor Corporation Australia
selects Cigniti Technologies as a
Strategic Quality Engineering Partner**



Thought Leadership

Webinars

We hosted and participated in virtual events that brought together recognized thought leaders to share valuable and current insights with global decision-makers.

Webinar on **COVID-19 RISK MANAGEMENT CHALLENGES FOR FINANCE LEADERS IN H2 2020**
On 28th May | 12 PM IST

Speaker
KRISHNAN VENKATACHARY
Chief Financial Officer, Cigniti

dun&bradstreet

Accelerate Your Agile And DevOps Journey With Continuous Testing
A webinar featuring Forrester.

Wed 10 Mar, 2021 | 11 AM EST | 4 PM UK

Speakers: Diego Lo Giudice (Vice President & Principal Analyst at Forrester Research), Christi Liebe (Global Chief Information Officer at Omni Logistics), Pradeep Govindasamy (CTO & President at Cigniti Technologies).

Cigniti **FORRESTER**

NextGen technologies that are aiding Quality@Speed in Banking & Financial Services

Speakers: Ritesh Jain, Dr. David A. Bishop, Arsh Ganguly, Harsha Padmanabhu.

18 June 2020

Cigniti **Cigniti Virtual Roundtable**

Shift Left or Squish Right: Getting Time to Test
A webinar on how to pitch testing at the right stage of your digital transformation!

Wed, Feb 17 | 11:00 AM EST | 10:00 AM CST | 4:00 PM UK Time

Speakers: James Bach (CEO and Principal Consultant - Sabhee, Inc.), Kalyana Rao Konda (President at Cigniti Technologies).

Cigniti

Delivering business outcomes in Digital Transformation initiatives leveraging Testing IP

13TH AUGUST 2020 | 11:00 AM EST | 4:00 PM EST | 8:30 PM IST

Speakers: Diego Lo Giudice (Guest Speaker), Kalyana Rao Konda (President - NA East at Cigniti Technologies).

Cigniti **FORRESTER**

Enterprise Transformation in Financial Industry: Role of DevOps & Continuous Testing

Thursday December 3rd, 2020 | 11:00 AM EST | 4:00 PM UK Time | 9:30 PM IST

Speakers: Gerold Rajesh (Gerry) (SVP & Global Head of Quality Management at Brown Brothers Harriman), Pradeep Govindasamy (CTO & President at Cigniti Technologies).

Cigniti

Role of Performance Engineering in addressing Digital Transformation challenges
Mon, Dec 7, 2020 | 3:00 PM AEST

Speakers: Harish Ravind (Partnerships & Alliances, Neotys), Dries Swerts (Head of Sales - Australia & NZ at Cigniti Technologies).

Cigniti **Neotys**

Integrating Cloud-based Mobile Test Automation into your CI-CD Pipeline
Date: 9th July | Time: 2 PM AEST

Speakers: Dries Swerts (A/NZ Client Success at Cigniti Technologies), Guy Arieli (CTO at Experitest).

Cigniti **experitest**

Inspirational global IT leaders shared insights in our events & podcasts



Ritesh Jain
CTO, Former Head of Delivery
Digital Tech at HSBC



Brian Benn
CIO at Atlanta Housing Authority



Melissa Tondi
Quality Engineering
Leadership Team at E*TRADE



Edson Ferreira
Head of Engineering (Digital Platform)
at Lloyds Banking Group



Dr. Anke Sax
European Digital Leader of the
Year 2020 & former CIO at dwpbank



Gerold Rajesh
SVP & Global Head of Quality Mgmt.
at Brown Brothers Harriman



Paul Holliand
Sr. Director of Test Engineering
at Medidata Solutions



Martha Heller
CEO, Heller Search Associates



Gary Brantley
Commissioner & CIO,
The City of Atlanta



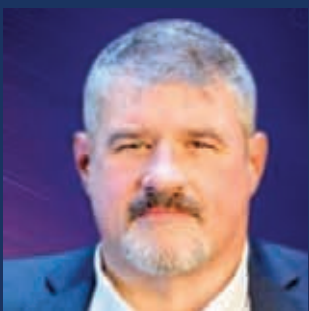
Mark Bland
Sr. Global Test Manager
at Premier Farnell



Avik Ganguly
Director of Engineering, DevOps Tools
& Quality at LSEG



Paul Trotter
Deputy Chief Technology
Officer at Atom Bank



Walt Carter
Chief Digital Officer & CIO,
Homestar Financial Corporation



Vibhu Taneja
Head of Transformation, Quality
Engineering Deutsche Bank



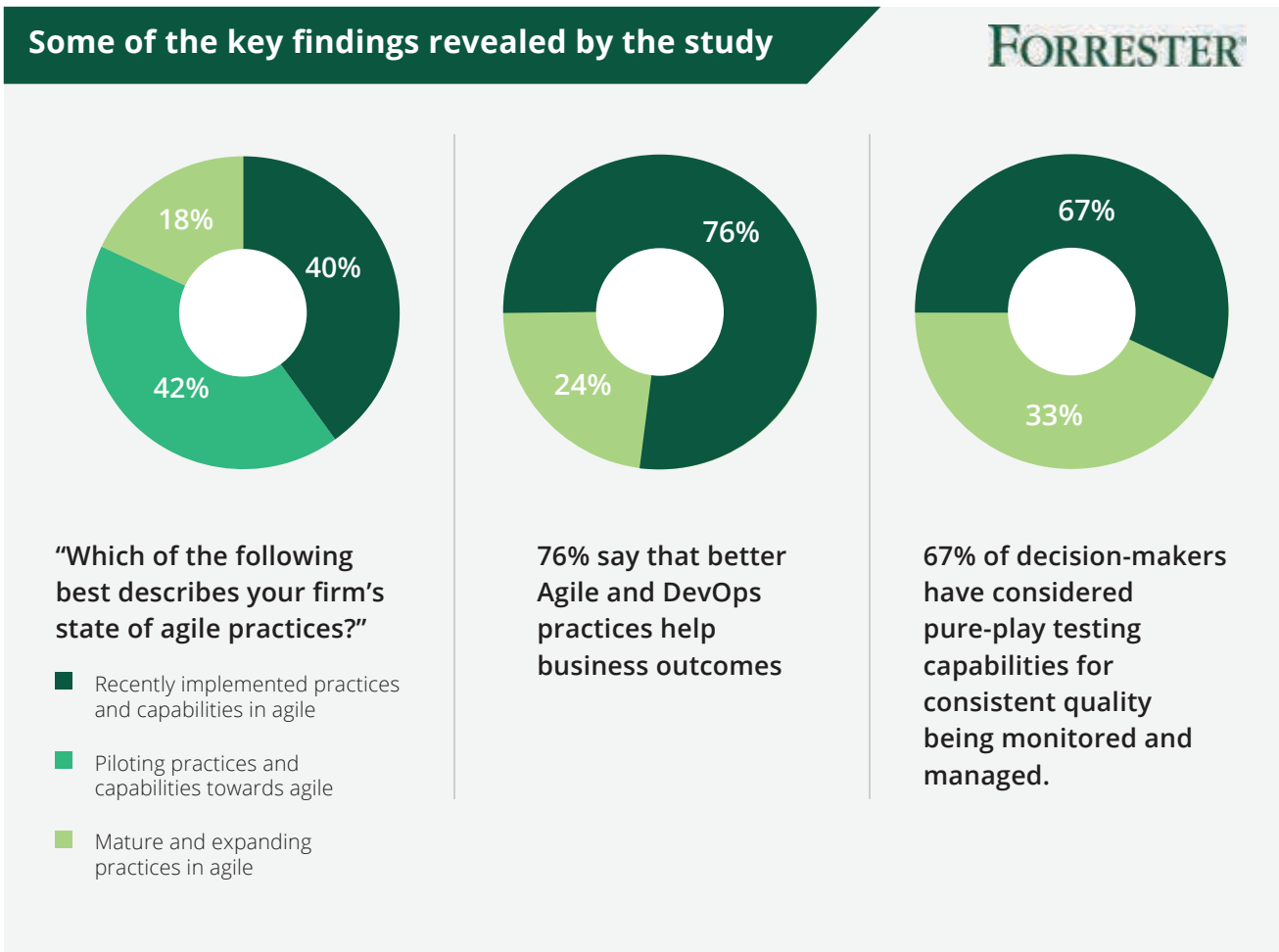
Aimee Bechtle
Head of DevOps & Cloud,
S&P Global, Market Intelligence



Dr. David A. Bishop
CEO, Heller Search Associates

Forrester Consulting Thought Leadership Spotlight

Cigniti commissioned Forrester Consulting to conduct a custom study involving 100 IT decision makers in the US and UK to explore the priorities and challenges of organizations in their software testing strategies. The findings and insights of the study help global IT leaders see how Continuous Testing can accelerate their Agile and DevOps journey.



Cigniti also hosted a webinar to share the insights and recommendations of the study. The event featured Forrester Research's Vice President and Principal Analyst, Diego Lo Giudice, as a speaker. Diego was joined by Cigniti's CTO and President of the NA West region, Pradeep Govindasamy. One of the highlights of this event was that a client, Christi Liebe, Global CIO at Omni Logistics presented two case studies of highly successful digital transformation journeys in the American Logistics and Retail industries. The case studies showcased how effective Robotic Process Automation and Test Automation helped the organizations achieve over 90% of cost savings and zero critical defects in production.

Project Cignificance: A CSR Initiative

Cigniti has been supporting education initiatives in the villages surrounding Rajiv Gandhi International Airport (RGIA) Hyderabad for the last couple of years along with the GMR Varalakshmi Foundation. The objective of Project Cignificance is to improve the quality of education through need-based interventions in government schools to support children from marginalized families.

Cigniti supports government educational institutions from pre-primary to higher secondary levels in 8 villages. We help 4 Kid Smart Early Learning Centers in government primary schools at Airport Colony, Gollapally, Mamidpally and Shamshabad, to benefit around 1000 children. The Kid Smart center is a digital literacy-based program for children from the 3 to 9 year age group.

To improve the quality of teaching and learning, teacher training is organized for the supported Government school teachers to make sure that the needs of slow learners are taken care of. It has also provided Teaching Learning Material (TLM).

We have reached about 3000 children in 8 primary schools and 4 high schools. The education also provides scholarships where it selects underprivileged children from the villages to provide free EAMCET coaching to bright students.

Cigniti provided infrastructure support for the government schools through the construction of new classrooms, washrooms, kitchen, RO sheds, renovation of existing infrastructure and technological upgrades to computer labs and app-based assessment. This initiative reached about 3000 underprivileged children in 12 government schools.

An ongoing program is the supply of Buddhi AI DIY Kits for government high school children. The kits are sourced from CYRAN AI Solutions, an IIT-Delhi deep-tech start-up. 5 teachers and 10 students have been trained on AI concepts to develop AI-based projects while studying from home.



Buddhi AI kit training program



School renovation at Airport Colony



Inauguration of new classrooms



Renovation school washroom

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

In the Board Committees of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, CSR Committee 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.

In the Board Committees of Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Business Responsibility Committee



R K Agarwal
Independent Director

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

In the Board committees of Audit Committee, Stakeholders Relationship Committee, Risk Management 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.

In 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 CoFounder of Axilor Ventures Private Limited. At Infosys Limited, he served as Group CoHead of Worldwide Customer Delivery, Head of Delivery (GCARE), Head of Strategic Groups & CoCustomer 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.

In 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.

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



K. Ch. Subba Rao
Non-Executive Director

Mr. K. Ch. Subba Rao is a post graduate in science and has got varied experience in Real Estates and other related activities. He has 3 decades of rich 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.

Our People

The Covid-19 pandemic has cast a new light on people at work. To be truly effective in this “new normal,” HR as a function has stepped up to play a pivotal role in the way the organization lends itself to this change. At Cigniti, the mission of the Human Resources function has been to take unprecedented measures to ensure our employee safety and well-being with no impact on business and deliverables. HR has been the driving force in keeping the workforce and organization engaged, productive and resilient.

Transition from office to work from home

2020 saw unprecedented changes to our work and personal lives. It has also been a year of learning for all of us which has redefined relationships, responsibilities and our resilience as an organization. Our Cigniti family grew, and as a company, we adopted new ways to stay connected. From video calls to virtual happy hours, we welcomed new family additions, shared recipes and new hobbies and found joy in small moments while we learned more about one another. Truthfully, this year’s adversity has brought us closer.

Performance management

Taking one step closer to the implementation of performance-driven work culture, we launched the performance review cycle 2020. This is the first time where we introduced Talent Reviews for Senior Manager and above across all functions globally. We believe this initiative will help us strengthen our leadership capabilities and enable the pay for performance program to be effective and purposeful.

HR digital transformation & automation

This year we launched ‘MyCigniti’, an HR platform echoing the essence of One Cigniti.



We have partnered with SAP-Successfactors, a leading HRMS solution provider. This brings us to the beginning of a journey that accelerates our culture transformation through digitization. What makes ‘MyCigniti’ different is its ability to host and integrate multiple modules across Onboarding, Performance Management, Compensation & Benefits, and is a one-stop-shop for employee information and transactions through the employee life cycle at Cigniti.

Code of Business Conduct policy revamp

The code of business conduct (COBC) clarifies an organization's mission, values and principles, linking them with standards of professional conduct. It articulates the values the organization wishes to foster in leaders and employees and, in doing so, defines desired behavior. The primary focus of the COBC is to help employees recognize and deal with ethical issues in their work. Our current COBC has been revamped to ensure its relevance to the changing business environment and bring in aspects of Global elements to align with our core values.

HR restructuring & HR helpdesk

The HR team has been working towards redefining their collective and individual goals to create a new synergy within the function. The three big dimensions of this change were, focusing on the vision of ‘One Cigniti’, improving their capabilities in the global scope of operations and working together with more collaboration and agility around their common goals as ‘One HR’. The HR Team was restructured effective 1st November 2020. The HRBP team assumed a Global Role looking into the HR gamut of activities in an employee life cycle, while the onsite HR’s were aligned as Regional HR’s taking care of location-specific transactions, operations and statutory compliances.

Diversity & inclusion charter

At Cigniti, we are passionate to create and nurture an inclusive work environment and welcome diversity in all its forms. We believe Diversity and Inclusion creates a broader, richer environment that enhances creative thinking, innovation and problem solving. As a first step in this direction, gender equality and a safe work environment for women colleagues has been our focus for the year.



To reaffirm our commitment to this, International Women’s Day 2021 was a gala celebration on the virtual platform. The theme of IWD 2021 being #ChoosetoChallenge, was opened up to the teams across locations encouraging them to stand up for a specific cause around gender parity and women empowerment. Pictures of our leaders posing to #ChoosetoChallenge and pledging for the cause of women's success, achievements, fairness, and an inclusive environment was a week-long initiative.

Awards

SCSC Award for Best Organization for Covid-19 measures & CSR Support to Society – Amongst tough competition from leading IT tier 1 companies in Cyberabad, Cigniti took away the award for the Best Organization for Covid-19 measures & CSR Support to Society. Our relentless effort toward making the transition to virtual working arrangements seamless for the entire organization while keeping a close focus on building and reinforcing employee bonding with the team and organization was well recognized by this award.



Cigniti Global TownHall 2021

The First Global Townhall 2021, was a platform for all of us to celebrate the success we achieved together through the year gone by, and know more about the plans and direction we are taking to meet our organizational goals in the next few years. The event saw high participation across locations and was interactive with a few questions that came in from employees that were addressed by the leaders during the Q&A session.

Virtual communication & engagement

Cigniti strives to provide a vibrant work environment to its employees. There are multiple initiatives that we drive to create a sense of oneness. We strongly believe that such a culture builds collaboration and loyalty. Keeping this as our prima facia focus, we have designed an internal communication framework that includes varied employee meetings like Leadership & Global Townhalls, Candid talk with HR, Happy Hours with HR and more. Cigniti also hosted a myriad of activities including Boss Day, Cigniti Juniors, Shub Diwali and Sankranthi Celebrations.



Health and wellness programs

At Cigniti, we give high importance to the health of our employees and their families. Our Group Medical Insurance Policy offers protection against high health-care costs and makes related healthcare easy and accessible. During the pandemic, we collaborated with insurance partners to address queries for COVID and opened up the channel for employees to opt for an additional top-up.

Other engagement activities



Learning at Cigniti

The training initiatives through FY21 were classified into technical, behavioral, and process domains. The technical trainings are delivered at 3 levels of complexity. Cigniti also launched new courses such as the ‘Certified Internal Agilist’ that covers basic and advanced levels of technical and non-technical skills.



Cigniti Testing Professional Program – Australia

This is a meticulously crafted practical training program that covers basic to advanced testing techniques. It is designed by professionals with decades of experience and based on the demand for new-age software testing requirements of enterprises. Its participants can perform in all phases of the Design-Develop-Test-Release-Maintain software life cycle.



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. Subba Rao
Non-Executive Director (DIN: 01685123)

Mr. C Srikanth
Non-Executive Director (DIN:06441390)

CHIEF FINANCIAL OFFICER:

Mr. Krishnan Venkatachary

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mrs. A. Naga Vasudha

REGISTERED OFFICE:

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

GLOBAL DELIVERY CENTER:

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

CORPORATE IDENTITY NUMBER:

L72200TG1998PLC030081

STATUTORY AUDITORS:

S. R. Batliboi & Associates LLP

BANKERS:

Federal Bank Ltd
Secunderabad Branch

Axis Bank Ltd
Madhapur Branch, Hyderabad

HDFC Bank Ltd
Lakidikapool, Branch, Hyderabad

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

AUDIT COMMITTEE:

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

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

BUSINESS RESPONSIBILITY COMMITTEE:

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

REGISTRAR & SHARE TRANSFER AGENTS:

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

LISTED AT:

BSE Limited
National Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL & CDSL:

INE675C01017

WEBSITE:

www.cigniti.com

INVESTOR E-MAIL ID:

company.secretary@cigniti.com

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of M/s. Cigniti Technologies Limited will be held on Friday, 4th day of June, 2021 at 9.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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' 2021, 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. 2.50/- per equity share, for the year ended March 31, 2021.

Item No. 3 – Appointment of Mr. K. Ch. Subba Rao (DIN: 01685123) liable to retire by rotation

To appoint a director in place of Mr. K. Ch. Subba Rao (DIN: 01685123) who retires by rotation and being eligible, offers himself for re-appointment.

Explanation : Based on the terms of appointment, office of non-executive & non independent Directors are subject to retirement by rotation. Mr. K. Ch. Subba Rao, who was appointed on 30th July 2018 and whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment.

Therefore, members are requested to consider and if thought fit, to pass 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, be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESS:

Item No.4 -Grant of Stock options 1% or more of the issued share capital 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 as per the provisions of Section 62 of Companies Act 2013 read with the Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014 and Foreign Exchange Management Act, 1999 and any other rules, regulations and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable and subject to any approvals, permissions and sanctions of any / various authority(ies) as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and based on the recommendations of the Nomination and Remuneration Committee (NRC), and the Board of Directors of the Company in their respective meetings held on November 1, 2020, January 28, 2021 and April 29, 2021 the Company be and hereby accords its approval by a special resolution to grant 3,00,000 stock options (including 2,75,000 options already granted during financial year 2020-21 under the Cigniti Employees Stock option scheme 2014 and Cigniti Employee Stock Option scheme 2015) owing to 1.07% of the current issued share capital of the Company to Mr. Ganesh Ramamoorthy, Chief Revenue officer of Cigniti Technologies Inc; USA, a wholly owned subsidiary Company."

RESOLVED FURTHER THAT that Mr. C.V.Subramanyam, Chairman & Managing Director of the Company be and is hereby authorised to sign Stock option Agreement/ issue grant letter/s and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting stock options to the aforesaid employee of the Company.

5. Payment of one percent commission to Non-whole time Directors

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

"RESOLVED that pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in

respect of the profits of the Company for each year, for a period of three years, commencing April 1 2020.”

“RESOLVED further that Mr. C.V. Subramanyam, Chairman & Managing Director be and is hereby authorized to do all such deeds necessary and incidental there to including filing of requisite forms with Registrar of Companies, Hyderabad.”

For and on behalf of the Board
Cigniti Technologies Limited

C.V. Subramanyam

Place: Hyderabad Chairman & Managing Director

Date: 29.04.2021 DIN: 00071378

NOTES:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 13th January, 2021 read with circulars dated May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and 13th January 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.cigniti.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- 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.
- The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available electronically for inspection during the AGM.
- Corporate Members are requested to send to the Company’s Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing

their representative to attend and vote at the Annual General Meeting.

10. The Register of Members and Share Transfer Books of the Company will remain closed from 29.05.2021 to 04.06.2021 (both days inclusive).
11. Members may note that the Board of Directors, in its meeting held on April 29, 2021 has recommended a final dividend of 2.50/- per share for fiscal year 2020-21. The record date for the purpose of final dividend will be May 28, 2021. The final dividend, once approved by the members in the ensuing AGM will be paid on the fifth working day (i.e. June 11, 2021), 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 once the postal facility is available. 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.
12. 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 payout. 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.
13. 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. Aarathi Consultants Pvt. Ltd.)
14. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Aarathi Consultants Pvt. Ltd.**, Share Transfer Agents of the Company for their doing the needful.
15. As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
16. 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.
17. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

18. 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.
19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. Instructions for e-voting and joining the AGM are as follows:
- A. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
 - II. The remote e-voting period commences on Tuesday, June 1, 2021 (9:00 a.m. IST) and ends on Thursday, June 3, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, May 28, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
 - IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
 - V. The details of the process and manner for remote e-voting are explained herein below:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders tab
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have

not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address schid285@gmail.com and to the Company at the email address viz; company.secretary@cigniti.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

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

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

- (i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id viz; company.secretary@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

22. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.
23. 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.
24. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cigniti.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.

For and on behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: 29.04.2021

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

EXPLANATORY STATEMENT

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

Item No. 4:

Mr. Ganesh Ramamoorthy was appointed as Chief Revenue officer of Cigniti Technologies Inc; USA a wholly owned subsidiary Company. Considering the scale of business of the Company and the responsibilities, contribution, vast experience and on-going efforts of Mr Ganesh Ramamoorthy, Chief Revenue officer of Cigniti Technologies Inc; USA a wholly owned subsidiary Company, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee of the Company in their respective meetings held on 5th November 2020, 28th January 2021 and April 29, 2021 has recommended for approval of the shareholders, the grant of stock options exceeding 1% of the issued share capital of the Company, the details of which are mentioned in the proposed resolution as set out in Item No. 4 of this Notice.

As per the provisions of SEBI (share based employee benefits) Regulations, 2017 and other applicable provisions, grant of options exceeding 1% of the issued capital of the Company requires the approval of shareholders of the Company. Hence the resolution as set out in item no.4 of this Notice is recommended for your approval.

Brief profile of Mr. Ganesh Ramamoorthy:

Mr. Ganesh is a Mechanical Engineering Graduate from the College of Engineering, Guindy, Chennai, and holds an MBA from IIM Calcutta. He comes with over 28 years of experience as a technology leader with a proven track record of building global digital transformation business across industry verticals. Prior to joining Cigniti, Mr. Ganesh spent 20 years at HCL, led strategic relationships with Fortune 100 enterprise clients in Financial Services and Technology verticals and developed significant revenue streams across international markets. He also led the transformation of horizontal technology services offerings to consumer industry focused on digital and platform offerings in high growth markets.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 4 of this Notice.

Item No. 5:

Section 197 of the Companies Act, 2013, provides for payment of remuneration to the directors who are neither managing directors nor whole-time directors (i.e. non-executive directors) which shall not exceed 1% of the net profits of the Company. The Board of Directors of the Company, may propose to remunerate the non-executive directors (i.e. directors other than Managing Director and the Whole time Directors) not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

Non-executive & Independent Directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the versatile experience, and highly qualified profile of Non-executive & Independent Directors, enhanced role, responsibilities and duties of directors, it is considered appropriate that the Non-Executive & Independent Directors of the Company should be remunerated by the Company which should commensurate with their increased role, responsibilities and duties.

Accordingly, it is proposed that in terms of section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid, for each of the three consecutive financial years commencing April 1, 2020, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

None of the other Directors, Key Managerial Personnel of the Company / their relatives except Mr. Ram Krishna Agarwal, Ms. Nooraine Fazal and Mr. Srinath Batni is, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board accordingly commends the resolution set out at Item No. 5 of the Notice for your approval.

For and on behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: 29.04.2021

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, 2021.

FINANCIAL HIGHLIGHTS:

The performance during the period ended 31st March 2021 has been as under:

(Rs. In Lakhs)

Particulars	2020-2021		2019-2020	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from Operations	89,652.69	31,106.90	87,197.21	30,033.44
Other Income	1,345.27	1,268.42	2,162.95	1,941.04
Profit/loss before Depreciation, Finance Costs and Tax Expense	15,891.87	7,352.31	15,031.74	7,859.24
Less: Depreciation/ Amortisation/ Impairment	1,226.92	1,007.92	1,147.81	951.97
Profit /loss before Finance Costs and Tax Expense	14,664.95	6,344.39	13,883.93	6,907.24
Less: Finance Costs	559.19	379.35	799.64	418.36
Profit /loss before Tax Expense	14,105.76	5,965.04	13,084.29	6,488.91
Less: Tax Expense (Current & Deferred)	3571.26	521.02	924.30	523.44
Profit /loss for the year (1)	10,534.50	5,444.02	12,159.99	5,965.47
Total Comprehensive Income/(loss)(2)	(40.43)	(40.43)	(161.26)	(161.26)
Total (1+2)	10,494.07	5,403.59	11,998.73	5,804.21
Balance of profit /(loss) for earlier years	(4,268.90)	(2,576.70)	(16,267.63)	(7,730.79)
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	6,225.17	2,826.89	(4,268.90)	(2,576.70)

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. 89,652.69 lakhs as against Rs. 87,197.21 lakhs for the previous financial year. The company recorded a net profit of Rs. 10,534.50 lakhs for the financial year 2020-21 as against the net profit of Rs. 12,159.99 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2020-21 was Rs. 31,106.90 lakhs as against Rs. 30,033.44 lakhs for the previous financial year. The net profit for the financial year 2020-21 is Rs. 5,444.02 Lakhs as against the net profit of Rs. 5,965.47 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

The unprecedented pandemic has pushed organizations to adopt and adapt newer processes and technologies to survive and grow. Amidst this crisis, digital transformation, thus, is no longer a choice, but rather an imperative for businesses to achieve continuity.

As the reliance on real-time data & insights to assess risks and take quick informed decisions scales new heights, automation, AI, and ML are set to dominate the digital landscape for the next few years. Our AI-led IP, BlueSwan™, and our quality engineering and software testing approach provides a strongly differentiated value add to our clients, helping them accelerate their digital transformation initiatives. Our result-oriented, comprehensive services assure high-quality at high-speed, delivering the ultimate customer experience.

There was a slow growth in some of our primary industries (such as Travel, Hospitality, and Airlines) in the initial part of the last year. While continuing to run business-as-usual, we invested a lot of efforts and energies this year in researching and exploring our existing service offerings to identify newer growth areas and adjacencies. After a lot of discussions, we decided to expand our digital footprint further by venturing into newer and promising areas.

Even amidst such a global crisis, Cigniti was able to win 67 news logos primarily in high growth sectors like Banking, Financial Services & Insurance, Healthcare & Life Sciences, Retail & Ecommerce and Energy & Utilities. We have a very strong pipeline built in these sectors for the coming years. There were multiple client referrals that culminated into multimillion-dollar accounts. Continuing to get 4/4 on the Client Satisfaction Index from most of our customers demonstrated the strong trust they have on our capabilities.

As we grow into a digital transformation company, we are increasing relevant offerings in our portfolio such as RPA, IOT, Cloud, Cybersecurity, Hyper automation and more. As we expand our vision, customer centricity is at the core of this transformation. New age enterprises and legacy businesses can bank on our proficiency in providing state-of-the-art digital practices that can help them in actualizing their business goals.

Our focus is on increasing our deal size by winning new enterprise accounts and mining existing accounts. We have identified top 40 existing and highly potential accounts that we plan to explore

further for new business opportunities. Expanding our expertise in the next generation technologies is helping us continuously win new clients across industry, domains, and geographies, creating a very strong pipeline for the coming years, and further strengthening our leadership in assuring digital experience.

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. 2.50/- per equity share of Rs.10/- each for the year ended 31st March 2021. 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 4th June 2021, will result in cash outflow of Rs. 700.50 lakhs.

REVISION OF FINANCIAL STATEMENTS

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

SHARE CAPITAL

During the year, your Company has allotted 1,73,750 equity shares of Rs.10/- each to employees under Cigniti ESOP scheme. Consequently, the paid-up share capital of the Company stands increased to Rs.28,02,00,090/- divided into 2,80,20,009 equity shares of Rs.10/- each.

EMPLOYEE STOCK OPTION SCHEME

During the year, the company had granted options under Cigniti ESOP scheme 2014-I and Cigniti ESOP scheme 2015. Details of the options up to 31st March 2021 are set out in the **Annexure -IV** to this report, as required under clause 12 of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014.

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

There is no such amount of Un-paid or Unclaimed Dividend to be transferred to Investor Education and Protection Fund for the financial year ended 31st March 2021 as the Company has not declared any dividend for previous years.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Appointments/Re-appointments

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

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

Name	Mr. K. Ch. Subba Rao
DIN	01685123
Date of Birth	01/02/1956
Age	65 years
Profile	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.
Qualification	Master of Science
Experience and Expertise in specific function area	Business & General Administration
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.	Appointed w.e.f. 21 st May, 2018 as Non-Executive, Non Independent Director liable to retire by rotation as per the provisions of the Companies Act, 2013 (as amended)
Remuneration last drawn by such person	Nil
Date of first appointment on the Board	01/12/2003
Membership/ Chairmanship of Committees of the Board of Directors of the Company	Nil
Other Directorships and Membership of other Boards	Inspiria-Const & Developers Private Limited Pixetron Video Display Solutions Private Limited

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

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

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

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

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

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors 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 2020-21 are also disclosed on the Company's website at <https://www.cigniti.com/investors/familiarisation-programme>

BOARD MEETINGS

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

COMMITTEES OF THE BOARD

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee and Business Responsibility 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

Cigniti Technologies Ltd.

- (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.

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.

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, 2021 which forms part of the Annual Report.

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

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

Cigniti Technologies Inc., USA, (Foreign WOS)

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

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

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

Gallop Solutions Private Limited (Indian WOS)

Cigniti Technologies Limited, South Africa (Foreign Branch)

Cigniti Technologies Limited, Dubai (Foreign Branch)

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

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

PUBLIC DEPOSITS

The Company has not accepted any public deposits during the Financial Year ended March 31, 2021 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, 2021, 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 2020-21, 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 summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure- 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. 29,570.96 lakhs

Foreign Exchange Outgo: Rs.557.38 lakhs

RISK MANAGEMENT POLICY

The Board of Directors have constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks.

The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

STATUTORY AUDIT AND AUDITORS REPORT

The members of the Company at their Annual General Meeting held on 30th June, 2017 have appointed M/s. S R Batilibo & Associates, LLP, as statutory auditors of the Company to hold office until the conclusion of 24th Annual General meeting of the Company. The Auditors' Report for FY 2020-2021 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, 2021 from the statutory auditors of the Company.

During the Financial Year 2020-21, 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.

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 2020-21.

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, Practising Company Secretary (CP No. 2286) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2021.

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

Directors Explanation to Secretarial Audit observations:

1. 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.
2. The Company has issued the newspaper publication intimating the conducting the AGM through Video Conference (VC)/Other Audio Visual Means (OAVM) and the said notice contains all the important information. Further the Company is

also in the process of filing all the resolutions with the Registrar of Companies.

3. The Company is in the process of filing Annual Report for the Financial Year 2019-20 in XBRL form to the Stock Exchanges.

SECRETARIAL STANDARDS

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

ANNUAL RETURN

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

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Business Responsibility Report for 2020-21 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at **Annexure-XI** 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- X** 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

ACKNOWLEDGEMENTS:

The Board thanks all the customers, vendors, investors and bankers for their continued support during the year. It places on record its appreciation 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 in 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

Place: Hyderabad
Date: 29.04.2021

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

AOC-1

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

(Amount in INR)

Name of the Subsidiary	Cigniti Technologies Inc; USA	Cigniti Technologies (UK)Ltd	Cigniti Technologies (Australia) Pty Ltd	Cigniti Technologies (Canada)Ltd	Gallop Solutions Private Limited
Financial period ended	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021
Exchange Rate	73.15	100.76	55.67	58.03	1
Share Capital	29,482,355	86,153,321	48,158,066	58	100,000
Reserves & Surplus	416,531,166	(99,264,333)	(160,232,347)	36,539,152	5,860,084
Total Assets	1,827,429,560	162,964,593	40,190,626	138,510,573	6,020,084
Total Liabilities	1,381,416,039	176,075,605	152,264,907	101,971,363	60,000
Investments	-	-	-	-	-
Turnover	7,401,740,519	509,193,284	166,976,880	593,373,452	2,176.00
Profit/(Loss) before Tax	784,865,016	(38,084,558)	31,217,699	36,094,444	(21,993)
Provision for Taxation	296,491,918	(267,771)	-	8,799,255	-
Profit/(Loss) After Tax	488,373,098	(37,816,787)	31,217,699	27,295,189	(21,993)
Proposed Dividend	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%

Note: Turnover includes Other income and Other operating revenue. Profit/(Loss) figures do not include Other Comprehensive Income

Annexure-II

AOC-2

Particulars of contracts / arrangements made with related parties

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

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

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

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2021 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:	24,635.06
Cigniti Technologies (UK) Limited	Wholly Owned Subsidiary	Running contract		1,977.23
Cigniti Technologies (Australia) Pty Limited	Wholly Owned Subsidiary	Running contract	<ul style="list-style-type: none"> • Testing Services • Human resources services • Financial & Accounting support services • Legal & Compliance • Other: 	319.33
Cigniti Technologies (Canada) Inc	Wholly Owned Subsidiary	Running contract	Provision of any other services as may be agreed in writing between the Parties from time to time	1,073.18

(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 07.05.2020.

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	53.33 (Rs.598164 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	-
		Mr. C. Srikanth*	-
		Mr. Krishnan Venkatachary	-
		Mrs. Naga Vasudha	-

* Due to Covid 19 pandemic, no salary revisions were made to the employees for the financial year 2020-21.

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

iii. Percentage increase/ (decrease) in the median remuneration of employees in the financial year 2020-21 – 68.36%

iv. Number of permanent employees on the rolls of the company as on March 31, 2021: 2156

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:

Not Applicable as there was no revision in salaries of employees for the financial year 2020-21 due to covid-19 pandemic.

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: 65 Exp:22	01-08-1998	310.85	NA since founder of Cigniti
2.	Nanda Padmaraju	Senior Vice President, Sales	Age:47 Exp:23	02-05-2014	182.60	App Labs, AVP
3.	Krishnan Venkatachary	Chief Financial Officer	Age:55 Exp:35	08-06-2015	103.94	Yashoda Hospitals,CFO
4.	Jaya Raghuram K	Executive VP, Delivery	Age:47 Exp:23	20-08-2014	89.46	Accenture, Senior Manager
5.	Charles Antoine Roche	Senior Manager	Age:38 Exp:17	27-07-2015	84.46	J&J , Senior Manager
6.	R. Jagdish Kumar	Senior Vice President, ICT	Age:55 Exp:25	05-02-2015	68.19	JDA, Vice President
7.	Ramana Vemuri	VP - Process & Operations	Age:54 Exp:24	02-02-2012	66.09	App Labs, AVP
8.	Veera Reddy Patlolla	VP, Human Resources	Age:40 Exp:17	16-12-2019	65.12	VP, Genpact
9.	Sundar Rao B	VP, Finance	Age:56 Exp:23	05-04-2012	63.21	Cheminnova Pharmaceuticals Finance Manager
10.	M. Urmila	VP, Corporate Services	Age:54 Exp:22	01-08-1998	61.48	NA associated with Cigniti since its Inception

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

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

(iii) Particulars of employees drawing remuneration aggregating to Rs.1.02 crores per anum employed during the year 2020-21 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	310.85
2.	Nanda Padmaraju	Senior Vice President, Sales	182.60
3.	Krishnan Venkatachary	Chief Financial Officer	103.94

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, 2021 under company's Employee Stock Option Schemes are as under:

Sr. No.	Description	Esop Scheme 2011	Esop Scheme 2013	Esop Scheme 2014(I)	ESOP Scheme 2014(II)	ESOP Scheme 2015
1	No of options outstanding at the beginning of the period	-	-	8,750	1,25,000	1,32,500
2	Options granted during the year	-	-	25,000	Nil	250,000
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	-	-	-	1,25,000	40,000
5	Options exercised during the year	-	-	-	1,25,000	48,750
6	Total number of shares arising as a result of exercise of options	-	-	-	1,25,000	48,750
7	Options lapsed during the year	-	-	-	-	-
8	Variation in terms of options	N.A	-	N.A	N.A.	Nil
9	Money realized by exercise of options during the year	-	-	-	Rs.12,50,000	RS. 1,17,00,000
10	Total number of options outstanding at the end of the period	-	-	33,750	-	3,33,750
11	Total no. of options exercisable at the end of the period	Nil	-	8,750	Nil	8,750
12	Employee wise details of options granted during the year :					
(i)	Senior managerial personnel	Nil	Nil	Mr.Ganesh Ramamoorthy Chief revenue officer of Cigniti Technologies Inc; USA a wholly owned subsidiary Company	Nil	Mr.Ganesh Ramamoorthy 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	Nil	Nil	Nil
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil	Nil	Nil	Nil
13	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 – Earning per share.	-	-	Rs. 19.52	Rs. 19.52	Rs. 19.52
14	Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair value of the stock options.				

Sr. No.	Description	Esop Scheme 2011	Esop Scheme 2013	Esop Scheme 2014(I)	ESOP Scheme 2014(II)	ESOP Scheme 2015
15	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Nil	Nil	Nil	Nil	Nil
	The Impact of this difference on profits and on EPS of the Company	Not Applicable	-	Not Applicable	Not Applicable	Not Applicable
16	Weighted-average exercise prices and weighted-average fair values of options, whose exercise price either equals or exceeds or is less than the market price of the stock			The weighted Average exercise price is Rs. 10/- whereas the weighted average fair value is Rs. 395.28/-	The weighted Average exercise price is Rs. 10/- whereas the weighted average fair value is Rs. 394.47/-	The weighted Average exercise price is Rs. 394/- whereas the weighted average fair value is Rs. 149.16/-
17	Description of the method and significant assumptions used during the year to estimate the fair values of options.	The Black Scholes option pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.				
18	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:					
	Risk free interest rate (%)			4.31% to 5.39%		4.31% to 5.39%
	Expected life of options from the date(s) of grant			2-5 years		2-5 years
	Expected volatility (%)			42.98% - 46.66%		42.98% - 46.66%
	Dividend yield (%)	0%	0%	0%	0%	0%

MGT 9

Extract of Annual Return as on the Financial Year 31.03.2021

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	NAME AND DESCRIPTION OF MAIN PRODUCTS /SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Technical Testing & Analysis	71200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

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

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

i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				%Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total		% of Total Shares
A. Promoters									
(1) Indian									
Individual/ HUF	68,68,181	-	68,68,181	24.67	69,70,553	-	69,70,553	24.88	0.21
Central Govt	-	-	-	-	-	-	-	-	-
State Govt (s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	68,68,181	-	68,68,181	24.67	69,70,553	-	69,70,553	24.88	0.21
(2) Foreign									
a) NRIs - Individuals	34,60,019	-	34,60,019	12.42	34,60,019	-	34,60,019	12.35	(0.07)
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	34,60,019	-	34,60,019	12.42	34,60,019	-	34,60,019	12.35	(0.07)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,03,28,200	-	1,03,28,200	37.09	1,04,30,572	-	1,04,30,572	37.23	0.14
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	70354	-	70354	0.25	90	-	90	-	(0.25)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others Foreign Portfolio Investors Alternate Investment funds	8,436	-	8,436	0.03	1,28,628	0.46	1,28,628	0.46	0.43
SubTotal	78,790	-	78,790	0.28	1,28,718	-	1,28,718	0.46	0.18
2. Non Institutions									
a) Bodies Corp.									
i) Indian	12,74,369	-	12,74,369	4.58	6,69,281	-	6,69,281	2.39	(2.19)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2lakh	48,01,350	91,620	48,92,970	17.57	50,08,940	26,730	50,35,670	17.97	0.40
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1,07,14,879	65000	1,07,79,879	38.71	1,10,61,321	-	1,10,61,321	39.48	0.77

Cigniti Technologies Ltd.

c) Others (specify)									
Clearing Members	15,589	-	15,589	0.06	1,56,678	-	1,56,678	0.56	0.50
Non Resident Indians/ Foreign Nationals	4,70,201	1250	4,71,451	1.67	5,31,508	1250	5,32,758	1.90	0.23
NBFC	-	-	-	-	-	-	-	-	-
Trust	11	-	11	-	11	-	11	-	-
Employees	-	5000	5000	0.02	-	5000	5000	0.02	-
Sub-total (B)(2):-	1,72,76,399	1,62,870	1,74,39,269	62.63	1,74,27,739	32980	1,74,60,719	62.32	(0.31)
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,73,55,189	1,62,870	1,75,18,059	62.91	1,75,56,457	32980	1,75,89,437	62.77	(0.14)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,76,83,389	1,62,870	2,76,64,269	100%	2,80,20,009	2522139	2,80,20,009	100%	-

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change
1.	Pennam Sapna	3,4,58,892	-	34,58,892	12.42	34,58,892	-	34,58,892	12.34	(0.08)
2.	Chakkilam Venkata Subramanyam	30,53,833	-	30,53,833	10.97	31,56,205	-	31,56,205	11.26	0.29
3.	Chakkilam Srikanth	25,00,000	-	25,00,000	8.98	25,00,000	-	25,00,000	8.92	(0.06)
4.	C Rajeswari	13,14,348	-	13,14,348	4.72	13,14,348	-	13,14,348	4.69	(0.03)
5.	Pennam Sudhakar	1,127	-	1127	-	1127	-	1,127	-	-

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	Pennam Sapna					
		At the beginning of the year	34,58,892	12.42	34,58,892	12.34
		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc):	The difference in % of holding is due to allotment of shares on exercise of ESOPs by employees.			
	At the End of the year	34,58,892	12.42	34,58,892	12.34	
2.	C V Subramanyam					
		At the beginning of the year	3053833	10.97	3156205	11.26
		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc):	The difference in % of holding is due to purchase of shares for which adequate disclosures have been made to Stock Exchanges and also due to allotment of shares on exercise of ESOPs by employees.			
	At the End of the year	3053833	10.97	3156205	11.26	
3.	Chakkilam Srikanth					
		At the beginning of the year	2500000	8.98	2500000	8.92
		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	The difference in % of holding is due to allotment of shares on exercise of ESOPs by employees.			
	At the End of the year	2500000	8.98	2500000	8.92	
4.	C Rajeswari					
		At the beginning of the year	1314348	4.72	1314348	4.69
		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	The difference in % of holding is due to allotment of shares on exercise of ESOPs by employees.			
	At the End of the year	1314348	4.72	1314348	4.69	
5.	Pennam Sudhakar					
		At the beginning of the year	1127	-	1127	-
		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc):	Not Applicable			
	At the End of the year	1127	-	1127	-	

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
AT THE BEGINNING OF THE YEAR					
1.	Kukunuru Samba Siva Rao	10,50,000	3.77	10,50,000	3.75
2.	Venumanohar Rao Rangineni	8,87,526	3.19	1,94,697	0.69
3.	C Mithun Chand	7,11,359	2.55	5,26,822	1.88
4.	Kukunuru Madhava Lakshmi	5,79,954	2.08	5,79,954	2.07
5.	Northeast Broking Services Ltd	3,46,395	1.24	3,500	0.01
6.	Puttaha Mahesh Kumar .	21,761	-	2,20,799	0.79
7.	Kukunuru Kumar Bapuji	3,13,549	1.13	3,13,549	1.12
8.	Chennamaneni Sushmitha	2,46,368	0.88	2,29,058	0.82
9.	Anjana Bangad	2,41,406	0.87	2,64,718	0.94
10.	Shilpa Sriram	2,08,933	0.75	30,477	0.10
AT THE END OF THE YEAR					
1.	Kukunuru Samba Siva Rao	10,50,000	3.77	10,50,000	3.75
2.	Kukunuru Madhava Lakshmi	5,79,954	2.08	5,79,954	2.07
3.	C Mithun Chand	7,11,359	2.55	5,26,822	1.88
4.	Nagendra Ganpaa	-	0.00	4,03,463	1.44
5.	Kukunuru Kumar Bapuji	3,13,549	1.13	3,13,549	1.12
6.	Vanaja Devi Gundavaram	-	0.0	2,97,164	1.06
7.	Anjana Bangad	2,41,406	0.87	2,64,718	0.94
8.	Chennamaneni Sushmitha	2,46,368	0.88	2,29,058	0.81
9.	Puttaha Mahesh Kumar .	21,761	0.07	2,20,799	0.79
10.	Viswam Seeds Private Limited	1,64,579	0.59	2,13,479	0.76

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	C. V. Subramanyam					
		At the beginning of the year	30,53,833	10.97	31,56,205	11.26
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The difference in % of holding is due to purchase of shares for which adequate disclosures have been made to Stock Exchanges and also due to allotment of shares on exercise of ESOPs by employees			
	At the End of the year	30,53,833	10.97	31,56,205	11.26	
2.	C Srikanth					
		At the beginning of the year	25,00,000	8.98	25,00,000	8.92
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The difference in % of holding is due to allotment of shares on exercise of ESOPs by employees.			
	At the End of the year	25,00,000	8.98	25,00,000	8.92	

3. K.CH.Subba Rao	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	25,000	-	25,000	-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable			
At the End of the year	25,000	-	25,000	-
4. V.Krishnan	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	42,750	0.15	30,000	0.12
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The difference in % of holding is due to allotment of shares on exercise of ESOPs by employees.			
At the End of the year	42,750	0.15	30,000	0.12
5. Naga Vasudha	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	-	-	20,000	0.07
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shares allotted on exercise of esops during the year			
At the End of the year	-	-	20,000	0.07

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	13,36,37,152	-	-	13,36,37,152
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	13,36,37,152	-	-	13,36,37,152
Change in Indebtedness during the financial year				
Addition	2,74,88,805	-	-	2,74,88,805
Reduction	-	-	-	-
Net Change	2,74,88,805	-	-	2,74,88,805
Indebtedness at the end of the financial year				
i) Principal Amount	16,11,25,958	-	-	16,11,25,958
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16,11,25,958	-	-	16,11,25,958

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager: C.V. Subramanyam MD		Total Amount (in Rs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	2,53,49,996		2,53,49,996
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission - as % of profit - Others, specify...	57,35,205		57,35,000
5.	Others, please specify	-		
6.	Total (A)	3,10,85,201		3,10,85,201
7.	Ceiling as per the Act	3,17,35,205		3,17,35,205

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director					Total Amount (in RS)
		Ram Krishna Agarwal	Nooraine Fazal	Srinath Batni	Phaneesh Murthy	K.Ch.Subba Rao	
1.	Independent Directors						
	· Fee for attending board / committee meetings	12,00,000	12,00,000	12,00,000	-	-	36,00,000
	· Commission	21,00,000	21,00,000	21,00,000	-	-	63,00,000
	· Others, please specify						
	Total (1)	33,00,000	33,00,000	33,00,000	-	-	99,00,000
2.	Other Non-Executive Directors						
	· Fee for attending board / committee meetings	-	-	-	-	-	-
	· commission						
	· Others, please specify						
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	33,00,000	33,00,000	33,00,000	-	-	99,00,000
	Total Managerial Remuneration						4,09,85,201
	Overall Ceiling as per the Act						4,16,35,205

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary NagaVasudha	CFO Krishnan venkatachary	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	14,65,425	1,03,93,500	1,18,58,925
2.	Stock Option	-	20000 equity shares	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please Specify	-	-	-	-
6.	Total	-	14,65,425	1,03,93,500	1,18,58,925

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

FORM MR-3

SECRETARIAL AUDIT REPORT
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

I 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, 2021 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, 2021 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, 2018;
 - (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 2020. 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. It was observed that the Company has issued newspaper publication intimating conducting of AGM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), however the company had not strictly complied with the provisions of MCA Circular No.20/2020 dated 05th May, 2020 regarding the contents of newspaper publication. Further as per the said circular the Company was required to file within 60 days all the resolutions passed at annual general meeting with the Registrar of Companies, however the Company is yet to file the same.
3. The Company was required to file Annual Report for the financial year 2019-20 in XBRL Form to Stock exchanges, however the Company is yet to file the same.

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

Place: Hyderabad
Date: 29.04.2021

UDIN No: F003935C000201022

Annexure- A to Secretarial Audit Report

To
The Members of
M/s. Cigniti Technologies Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. 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.

Place: Hyderabad
Date: 29.04.2021

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286
UDIN No: F003935C000201022

Annexure-VII**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, 2021, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2020 to March 31, 2021.

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.

Place: Hyderabad
Date: 29.04.2021

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286
UDIN No: F003935C000205281

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

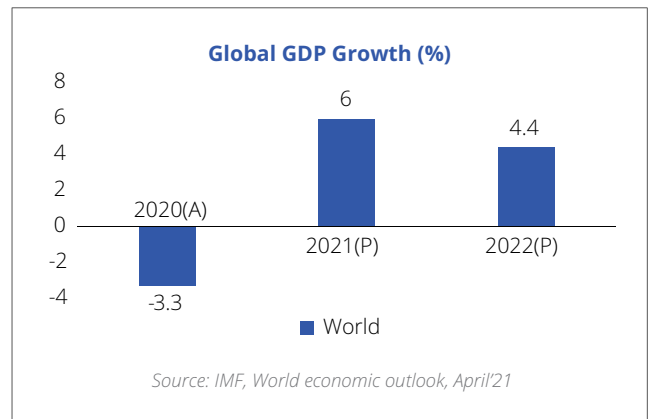
Cigniti Technologies Limited (Cigniti) is one of the world's leading players in the independent quality engineering & software testing services space. Cigniti is headquartered in Hyderabad, India with business operations spread across the US, UK, India, Australia and Canada. It is North America's largest independent software testing company. The company not only offers traditional QA testing services but also helps Organisations' across the sector to accelerate enterprise digital transformation by leveraging the power of AI into Agile & DevOps. Cigniti provides an IP-led approach to digital through its platform BlueSwan™, which is a key differentiator for the company.

Ever since its inception in 1998 Cigniti has evolved into a company that has played a vital role in enabling organizations to grow by streamlining their processes and handling mission-critical operations. Cigniti has developed expertise in various sectors such as Healthcare, BFSI, Retail and E-Commerce amongst others. Today Cigniti has 2500+ employees worldwide, 1900+ testers, 200+ active customers including 50+ Fortune 500 Customers and 32 million dollar accounts. Over the years the company has created a niche for itself in the testing space and has also been accredited by the likes of Gartner, Everest and NelsonHall.

World Economy: (Source IMF world economy update Apr'21)

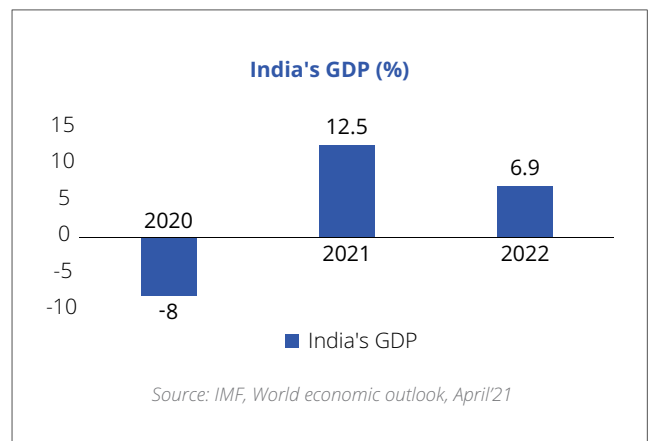
COVID-19 pandemic and subsequent lockdown had compelled governments across nations to quarantine their citizens at their homes during the initial months of FY 2020-21. The unprecedented event brought world trade to a halt and plunge global demand impacting the global GDP growth. The slow unlocking of the global economy along with stimulus packages introduced by the governments across countries to support its industries has facilitated growth recovery for the remaining part of FY 2020-21.

As per World Economic Outlook released by IMF in April 2021, Global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO. The government's additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility were the key factors for upward revision of growth.



Indian Economy

Compared with the global economies, the Indian economy has responded very well and made a strong rebound from one of the steepest falls witnessed in its GDP during the second quarter of the financial year 2020 -21. According to the latest IMF report, India's economy is expected to grow by 12.5 percent in the financial year 2021-22 and then moderate to 6.9 percent by the financial year 2022-23. As per the IMF forecast, India is poised to be the fastest-growing large economy in the world and the only economy that is projected to grow double-digit in the financial year 2021-22. The resurgence of COVID-19 cases in the country could be the only downside risk to India's GDP growth.



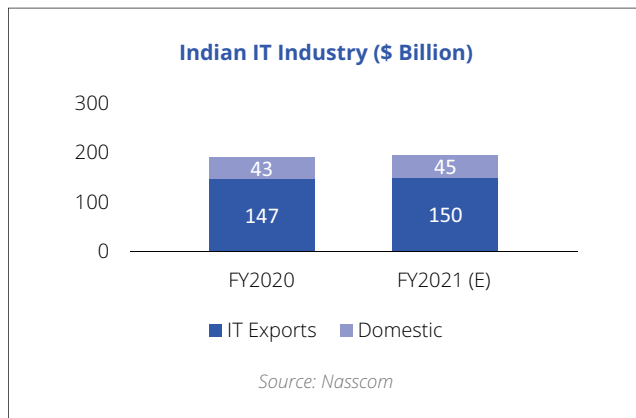
Global IT Industry

The global information technology market is expected to grow from \$7850.57 billion in 2020 to \$8370.95 billion in 2021 at a compound annual growth rate (CAGR) of 6.6%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact.

As per a Nasscom report, the addressable software testing market is expected to grow at a CAGR of 8% to USD 76 Billion by 2022, from USD 60 Billion in 2019. According to a 2018 Zion research report, the global test automation market was valued at approximately USD 24 billion in 2018 and is expected to reach approximately USD 55 billion by 2022, growing at a CAGR of 23% between 2018 and 2022.

Indian IT Industry

Even though the year was marred by pandemic-related declines in growth across industries, the Indian IT industry stood as an exception. According to estimates by Nasscom the Indian IT –ITES sector is expected to grow by 2.3% to \$194 billion in the financial year 2020-21 as compared to the previous year. As per the Nasscom report India's technology services industry could accelerate by two to four percent over the next five years and could reach the \$300 – 350 billion mark by 2025. Currently, the Indian IT industry contributes to over half of services export and 50 percent of foreign direct investment. The Indian IT sector currently contributes to about. The IT industry as a whole would benefit from the fact that digital transformation would be the topmost priority of firms across the globe. The Indian IT services sector can make use of deep technologies like cloud, AI, machine learning, IoT thereby contributing to the growth of the overall economy in the coming decade.



<https://timesofindia.indiatimes.com/business/india-business/it-industry-to-grow-2-3-to-194bn-in-fy21-nasscom/articleshow/80954964.cms>

COVID – 19: UNLEASING GROWTH OPPORTUNITY

The confluence of technology and the economy is inevitable as we live in a world where technology touches every aspect of our lives. Covid 19 pandemic has globally accelerated the digitalization process amongst organizations across sectors, fast-forwarding it by 2-3 years. Remote working and Work from home models. By the end of FY 2020-21, remote engagement models such as work from home

/ Hybrid working models were evolved into work from anywhere (WFX). WFX enabled both the employees and client to engage seamlessly making physical distance irrelevant. Similarly, businesses that were traditionally dominated by physical engagement model as part of the business continuity process creating growth opportunities for organizations across sectors.

Edtech is changing the way education services were provided. E-Commerce is changing the way business used to be transacted which has led to the immense growth of Fintech. Data has become the new gold and hence there is a growing need for cloud service providers as well as data center operators. There is a paradigm shift being witnessed in the way industries are beginning to function, automation and robotics are seen being adopted by various industries to ensure a smooth flow of work. The use of smart devices and applications has increased manifold which has led to accelerated release cycles of applications. In order to ensure the highest quality results, it is imperative for application developers to conduct security testing as early as possible in the application development life cycle. According to a UBS report at least 70 percent of consumers will spend their media time on digital by 2029.

The use of land will change invariably as the use of e-commerce and remote working measures are something that will stay in the post COVID era as it helps organizations cut down on infrastructure costs and also provides flexibility to employees. This trend would require a robust IT infrastructure, Cybersecurity preparedness along with excessive use of applications, thus providing huge scope for companies in the testing space as it would require continuous and automated testing to ensure smooth flow.

We feel that as the divide between the digital and physical world continues to blur a host of opportunities lie ahead for Cigniti. There are a lot of tech and non-tech firms that are investing heavily in technology as there is a belief that companies that are able to rapidly implement technology may be able to outperform the economy. COVID has also accelerated the need for data centers, AI, automation and faster data services. 5G is another technology that will aid this disruption as it will offer faster internet along with increased connectivity. 5G as a technology will not only be limited to handheld devices it will have a much larger impact on cars, industrial machinery, AR, VR which could witness a possible transformation by this new technology.

Retail & E-Commerce

COVID-19 and transformation in the digital space have completely changed the way people shop online and

have also changed customer expectations in physical stores. Tools like machine learning, data science, computer vision, augmented reality have already started making their mark in the industry. Cigniti has worked closely with companies in this sector and has the expertise which can help companies in this sector to build a digital ecosystem for themselves.

BFSI

Banking 4.0 which is “Banking Everywhere except at a Bank” is nothing about Banking, but all about emerging technologies that include artificial intelligence (AI), machine learning (ML), cloud computing, blockchain and robotic process automation (RPA). COVID-19 has led to an increase in the number of digital transactions across the BFSI spectrum as more and more clients have started making use of the same. As the entire industry is looking to make this shift to this digital world, Cigniti with its test centers of excellence and expertise in the domain is helping clients from this sector to achieve their goal of digitization.

Healthcare and Lifescience

Digital care, data-driven connected healthcare ecosystem, supply chain consolidation, and R&D innovation are the major pillars that are reframing the future of healthcare. The entire industry is in the need to move the needle to create strong frameworks to augment physical infrastructure, human infrastructure and technology capabilities for achieving the transformational journey in healthcare delivery in the post-COVID world. Cigniti is well placed to support companies in the healthcare & Life science space to achieve their growth goal in the post COVID world.

Manufacturing

For manufacturing companies, agility will be critical in 2021 and the post-pandemic era. For 2021 remote work and social distancing norms will continue and companies will need to find ways to get the product from the plant to the end-user seamlessly. Artificial intelligence and investment in a robust IT infrastructure will be the key to address these issues. Cigniti with its proprietary IP can provide AI-driven digital solutions to these manufacturing companies.

Digital Transformation Trends

(1) Transition to 5G networking: 5G provides a huge leap forward in speed, capacity and connectivity. This leap forward in connectivity will be key to the spread of artificial intelligence and machine learning that shall enable massive amounts of data to be collected from remote and mobile sensors and analyzed in real-time. 5G will introduce a range of new low-latency,

high-bandwidth services – be it high-speed video download, mission-critical or AR/ VR applications, or connecting billions of devices and sensors for IoT and Industry 4.0. These characteristics of 5G shall introduce new products, services, business models and entire industries in the next 5 years driving everything from home appliances that order groceries to autonomous vehicles and smart cities.

(2) Rise in Cloud Adoption: Cloud computing is considered one of the most disruptive forces in IT markets since the early days of the digital age. According to Gartner, more than 45% of IT spending on system infrastructure, infrastructure software, application software and business process outsourcing will shift from traditional solutions to the cloud by 2024. For an organization, the cloud provides benefits of lower cost of ownership, greater flexibility, and scalability. Cloud shall facilitate organizations to sail through the next major wave of technology disruption such as artificial intelligence (AI), IoT, edge computing and advanced data analytics. The next few years shall witness organizations shifting their approach from “cloud-first” to cloud smart”. During the next few years, “Cloud Smart” shall assist in balancing an organization’s unique circumstances with its goals and business value thereby facilitating the introduction of more potent digital services and products in the market.

(3) Edge Computing: Edge Computing tackles a growing demand to address lower latency, processing a growing amount of data on the edge and support resilience to network disconnection. Going forward, through the use of data, Edge can converge through artificial intelligence and machine learning in order to integrate insight into behavior that benefit companies and their consumers. This shall drive meaningful changes in providing personalized service offerings through new innovative customer engagement models. Due to these characteristics in the next 3-4 years, Edge Computing will open doors to innovation, improved security and enforcement, and automation when combined with artificial intelligence (AI).

(4) Automation: Robotic process automation and intelligent process automation will be required to keep a company moving when employees will be unable to be physically present in the company. According to Gartner global RPA software revenue is projected to reach \$1.89 billion in 2021, an increase of 19.5% from 2020. Gartner also predicts that 90 percent of large organizations globally will have adopted RPA in some form by 2022. In fact,

Hyperautomation which goes beyond RPA with AI-powered toolkits will be the new trend going forward. Artificial intelligence, machine learning, and intelligent automation are amongst the top ten Industry 4.0 technologies that may have the most profound impact on major organizations globally. Hyperautomation will enable companies to reimagine work typically done by employees with technology.

(5) Data Analytics & AI: Analytics is of huge importance and is widely recognized for its problem solving and predictive prowess. Today, data analytics has become a very essential navigation tool. Businesses that use and apply data analytics and AI faster than others will not only be ahead of others in addressing near-term challenges that the pandemic has raised but will also have a long-term advantage in terms of making faster decisions. We believe that data analytics will be the DNA of the new economy. According to a report by Nasscom data and artificial intelligence could \$450 – 500 billion to India's GDP by 2025, representing about 10 percent of the \$5 trillion economy aspiration of the Indian government. Data analytics and AI will have a key bearing on sectors like consumer goods, retail, BFSI, E-Commerce etc.

(6) Blockchain: Blockchain as a technology has emerged as a transformative force for both government and private operations. Its potential has been recognized globally by international organizations and technology companies highlighting the benefits of its application in reducing costs of operation and compliance, as well as in improving efficiencies. Blockchain can enable ease of collaboration for enterprises and the ease of living for our citizens by bringing in transparency across government and private sector interfaces. The World Economic Forum (WEF) anticipates that 10% of the global GDP will be stored on blockchain by 2025 and lists blockchain as one of 7 technologies that are anticipated to revolutionize various aspects of our lives.

Software Testing Industry:

Customization of new-age technologies is expected to drive digitalization such as Mobility, Big data, Cloud computing, AI, Machine Learning in the new normal. Digitalization has also benefited Quality Assurance (QA) & Testing as adoption of Agile and DevOps continues to gain traction along with usage of AI and ML. Test automation is accelerating to become more intelligent and comprehensive. Overall the moment has been encouraging during the year, despite

challenges arising from legacy practices, budget constraints and skill gaps.

Circumstances of the Covid pandemic have also expedited the pace of change with faster adoption of distributed agile, more widespread use of collaboration tools, greater use of data masking and real-time status monitoring across the whole QA function.

Key trends that were witnessed during the year related to Test Environment Management (TEM) and Test Data Environment (TDE) are –

- (I) Most organizations are adopting cloud and cloud-based technology for managing their TEM and TDE needs. They are also implementing tools for test data management.
- (II) Service and data virtualization techniques are also becoming mainstream and are being used for TEM and TDM.

The year also witnessed Covid-19 related QA implications in the area of security. While the nature of security issues as far as consumers are concerned hasn't changed, the scale certainly has. The incidence of a breach has gone up significantly as organizations have shifted to remote operations. Similarly, as more transactions and work gets online, the risk of cybercriminals launching sophisticated attacks proportionally increases. These have increased application security over the last 12 months and therefore there is a demand for security testing.

According to UBS Investor Survey, Cybersecurity is ranked as one of the top three concerns for investors and business owners. Globally, Cybersecurity incidents are rising by 20%–30% every year. And cybercrime has broader consequences than merely exposing the vulnerabilities of the affected party – it also damages trade, competitiveness, and innovation at the macro level.

Given the intensity of Cybersecurity and the need for Quality Assurance & Testing amongst organizations across the sector, a knowledge-based team with practical know-how needs to be deployed. Independent software testing teams like Cigniti are likely to gain from the current scenario. External QA via independent software testing services brings the advantage of a dedicated testing team sans the challenges of maintaining such a team.

1. Quality of testing: An independent testing team gives an impartial, third-party view of the software leading to efficient and uninfluenced (assumption-free) testing that meets customer expectations. Independent testing finds more defects compared to testing performed by the project team. The

testing cycle is not compromised due to a lack of time or budget. Independent testers adhere strictly to the customer goals and objectives and are immune to management pressure.

- 2. Less Management Effort:** With an independent testing team, the hassle of hiring and training testers is eliminated. Managers need not worry about dealing with surplus staff. Testers can be engaged on demand and they come with knowledge of industry standards and compliance. This eliminates cross-training needs whenever a tester moves from one domain to the other. Businesses can react and respond quickly to market changes and stay ahead of the competition.
- 3. Access to the best testing talent:** Independent testing organizations give a business access to the latest testing practices and resources skilled in new technologies. Most testing services have their own test centers of excellence and boast partnerships with leading tool vendors for the latest in testing tools. They bring the advantage of a large knowledge base built from years of cross-industry testing experience.
- 4. Total cost of ownership:** Partnering with an independent testing services company eliminates the need to set up hardware and software required for testing. Businesses do not need to maintain testing practices or test environments and tools. Access to specialized resources reduces rework. Automation expertise also helps to cut down testing efforts. All of these greatly reduce the total cost of ownership of the product.
- 5. Time to Market:** Independent testers bring the advantage of tried and tested testing processes. People with the right skills are engaged from the beginning of the project. This ensures a faster turnaround time, thereby reducing the time to market.

Cigniti in the midst of change in technology

Cigniti Technologies limited is not only the world's largest independent software testing vendor but has also created a niche for itself in the quality assurance (QA) as well as the quality engineering (QE) space. We at Cigniti believe that having gained the expertise in the QA as well as QE space, we can now look to explore opportunities beyond software testing and the good side about COVID-19 is that it has opened up a host of opportunities in multiple areas. Cigniti Technologies Limited is looking to fast transform itself into a fast-growing digital transformation services company.

As we at Cigniti are looking to transform ourselves into a digital transformation company, the upcoming

year will be a year where we will be looking to make investments for Cigniti as the company aims for higher growth and to become more relevant in the IT landscape. The company has started making the necessary strides towards increasing the offerings in its portfolio. Cigniti has started working towards adjacencies such as RPA, Cybersecurity, DevOps as there lies a huge opportunity in that space.

The management has chalked out a strategy to increase its revenue and has also started making strides towards the same. Apart from building capabilities, the management has hired a new Chief Revenue Officer (CRO) and has also focused on mining. Cigniti has hired Mr. Ganesh Ramamoorthy as the new CRO, he has spent two decades at HCL where he led strategic relationships with Fortune 100 companies and developed significant revenue streams. The new CRO will be solely responsible for accelerating the revenue for the company and also helping Cigniti make the shift towards the digital assurance stage. Another thing that the organization is looking to focus on is mining, there is an existing portfolio of over 200 accounts out of which the management has identified few top accounts which have the potential to grow. Significant strides have been made by the company in terms of mining existing accounts and increase the share of wallet from these top accounts.

Keeping in mind the impact of COVID on various sectors we at Cigniti have made a conscious decision to focus less on sectors that have been adversely impacted by the pandemic. This can be witnessed from the fact that the company travel and hospitality is no more the highest contributor to our revenue. The management has made an effort to increase revenue share from sectors such as healthcare, 5G, telecom and retail as there is going to be a huge digitization boom there. We are looking to increase the depth of our offerings in these spaces and will look at increasing more realization per account along with looking to tap new business.

Cigniti Technologies Limited as a company is differentiated amongst its peers through a strong focus on R&D, IP creation and Next-Gen automation platform. A key factor for Cigniti is its IP-led approach to software testing services through the BlueSwan™ platform. This platform is Cigniti's proprietary IP that provides AI-driven solutions for digital enterprises. This Next Generation Testing Platform is capable of servicing clients across domains. Blue Swan as a platform not only helps clients achieve growth but also helps establish brand Cigniti. It also helps in bringing product differentiation and ensures recurring revenues.

Discussion on financial performance with respect to operational performance.

Revenue

Revenue for the current year was at Rs. 89,653 Lakh, a growth of 3% as compared to the FY 2019-20.

EBITDA

The EBITDA for the year stood at Rs. 14,547 Lakh as against Rs. 12,869 Lakhs in in the previous year, increased by 13%

Profit After Tax

The Company has reported Profit After Tax (PAT) of Rs. 10,535 Lakh in the FY 2020-21 as against Rs. 12,160 Lakh in the previous year.

Earnings per Share

The EPS(Basic) of the company stood at Rs. 37.77 in FY 2020-21 as against Rs. 43.87 in FY 2019-20.

Financial Ratios

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

Sl No.	Ratio description	March 31, 2021	March 31, 2020	Change %	Explanation
1	Debtors Turnover (in days)	64	69	-7%	Realization of trade receivable has been improved
2	Inventory Turnover (in days)	-	-	-	Not relevant, as Compay do not have any inventory.
3	Interest coverage ratio	-	-	-	Company do not have any debt other than working capital loan. Refer note 15
4	Current Ratios	3.38	2.12	59%	Reduction in current liability improved the current ratio
5	Debt Equity ratio	-	-	-	Company do not have any debt other than working capital loan. Refer note 15
6	Operating margin (%)	14.9%	13.4%	11%	
7	Net profit margin	11.8%	13.9%	-15%	Net profit for the current year is low, as tax provision is made under normal tax rates
8	Return on Net Worth (%)	28%	46%	-39%	Refer note 14 - Other Equity

BUSINESS RESPONSIBILITY REPORT

Annexure-VIII

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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

L72200TG1998PLC030081

2. Name of the Company: Cigniti Technologies Limited

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

4. Website: www.cigniti.com

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

6. Financial Year reported: 1 April, 2020 - 31 March, 2021

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

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

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

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

Full list forms part of this Annual Report

a Number of International Locations (Provide details of major 5): Dallas - USA; Philadelphia - USA, London -UK;

Ontario - Canada; Melbourne -Australia;

b Number of National Locations: 9 Locations

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (Rs.): 28,02,00,090

2. Total Turnover (Rs.): 311,06,90,052

3. Total profit after taxes (Rs.): 54,44,01,772

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

a. Average net profit of the Company for last three financial years (Rs.): 53,43,40,000

b. Prescribed CSR Expenditure (two per cent of the amount as in Sl. No. 4(a) above) (Rs.): 1,06,87,000/-

c. Total amount spent for the Financial Year: (Rs.): 30,00,000/-

5. List of activities in which expenditure in 4 above has been incurred:

Cigniti has associated with GMR Varalakshmi Foundation, a CSR arm of GMR Group to provide quality education to the underprivileged children and support in building better infrastructure at schools run by local governments.

a. Rs. 30 Lakh contribution to GMR Varalakshmi Foundation school infrastructure developments

SECTION C: OTHER DETAILS

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

Yes. The following are the subsidiary Companies:

Cigniti Technologies Inc., USA

Cigniti Technologies (Canada) Inc., Canada

Cigniti Technologies (UK) Limited, UK

Cigniti Technologies (Australia) Pty. Limited, Australia

Gallop Solutions Private Limited (Indian WOS)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s): No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR.

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

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

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	DIN No: 00071378
2	Name	Mr. C V Subramanyam
3	Designation	Chairman & Managing Director
4	Telephone number	+91-40-4038-2255
5	E-mail id	subramanyam@cigniti.com

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

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

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

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

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

No.	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6 (Refer Note)	P7	P8 (Refer Note)	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	The policies are based on National Voluntary Guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies are available only on the Company's intranet. i.e www.cigniti.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?#	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note:

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

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

* The consultations are conducted as required and where relevant.

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

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

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

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the company is assessed every annually.

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

The company publishes the Business Responsibility Report annually in the Annual Report. Hyperlink: <https://www.cigniti.com/annual-reports/>

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

Our Values

Cigniti Technologies Limited is guided by the values Collaborative, Assertive, Passionate, Innovative, Transparent, Accountable & Learning (CAPITAL) across all our relationships with clients, stakeholders and associates. We strongly believe that our vision of 'to help companies improve the quality of software being delivered worldwide' can be achieved by maintaining highest standards of corporate ethics and good governance practices keeping our core values intact

Code of Conduct

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

Cigniti Code of Business Conduct and Ethics (CCOBC)

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

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

Whistle Blower Policy

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

Data Privacy

We acknowledge the needs of the client in protecting their personal and confidential data during their dealing with us. Cigniti's information security policy strives to protect its own data and client's intellectual property and provide seamless services in the areas of consulting, software product development and software testing.

We accomplish this by addressing the following objectives:

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

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

Grievance Mechanism

Cigniti Technologies Limited has a transparent grievance mechanism and details of the investor complaints and disposals are discussed in the company's Report on Corporate Governance. During the financial year, no complaints were received.

Modern Slavery

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

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

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

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

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

Principle 3: Businesses should promote well-being of employees

Cigniti Technologies is an employee-centric organization which focuses on creating a work environment that provides new learning and growth opportunities to our talent along with ensuring their health and safety at workplace. We provide our associates with clean and hygienic workspaces with a well-defined access control system.

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

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

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

Total Head Count : 2189

Full-time Employees: 2156

Contract Employees : 33

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

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

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

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

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

There are no stakeholder complaints received in the FY 2020-21.

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

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

Various surveys like customer satisfaction surveys, client satisfaction surveys are conducted at regular

intervals every year in order to assess and gauge the feedback of the respective stakeholders. Thorough analysis on the information gathered is then assessed carefully to ensure further improvement.

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

Principle 5: Businesses should respect and promote human rights

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

Mechanisms to promote human rights

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

Policy on Sexual harassment

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

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

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

involved in different areas of environmental responsibility. Protecting the environment is the responsibility of every employee in the organization.

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

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

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

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

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

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

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

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

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

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

The company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability. We consistently strive forth to

ensure higher customer satisfaction and providing them great value for money via our efforts in product innovation, R&D activities and ensuring enhanced life-cycle of the product. Our efforts in ensuring good cost to benefit ratio along with reduction in time consumption, we use our knowledge and skills to create solutions that are future facing, imaginative and practical for our customers.

We stand firm to our reputation for providing our clients with world class quality through an effective Quality Management system in place and best practices

that are aligned with the internationally renowned quality standards and models like ISO 9001:2015, ISO 27001:2013, AS 9100 D, ISO 13485:2003, ISO 22163:

2017 (IRIS), TL 9000 R 5.5, ISO 14001:2015, BS-OHSAS

18001-2007 and CMMI-DEV Version 1.3 Level 5.

All interactions with our customers are based on a strong foundation of our 'CAPITAL' Values philosophy of Collaborative, Assertive, Passionate, Innovative, Transparent, Accountable, Learning. We carry out Customer Satisfaction Surveys on annual basis. This provides valuable feedback for the Company for providing the best possible service to customers and continuously improve our engagement with them.

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, 2021. The Report is updated as on the date of the report wherever applicable.

1. BOARD COMPOSITION AND CATEGORY OF DIRECTORS

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors are as follows:

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

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

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

A. Number of meetings of Board

During the year, the Board of Directors duly met 4 (Four) times on 07.05.2020, 04.08.2020, 05.11.2020, and 28.01.2021 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

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

S.No	Name of the Director	Designation	Attendance of meetings held on				Attendance at last AGM held on 03.08.2020	No of equity shares held
			07.05.2020	04.08.2020	05.11.2020	28.01.2021		
1	Mr.C.V.Subramanyam	Promoter Chairman & MD	Y	Y	Y	Y	Y	3156205
2	Mr. C. Srikanth	Promoter Non-executive Director	Y	Y	Y	Y	Y	2500000
3	Mr. Ram Krishna Agarwal	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
4	Mr. Phaneesh Murthy	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
5	Ms. Nooraine Fazal	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
6	Mr. Srinath Batni	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
7	Mr. K. Ch. SubbaRao	Non-Independent & Non-executive Director	Y	Y	Y	N	Y	25000

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

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

Cigniti Technologies Ltd.

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

D. The number of directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

Name	No. of other Directorships and Committee Membership / Chairmanship			
	Board#		Committee**	
	Chairmanship	Directorships*	Chairmanship	Membership
Mr.C.V.Subramanyam	Nil	Nil	Nil	Nil
Mr. C. Srikanth	Nil	Nil	Nil	Nil
Mr. Ram Krishna Agarwal	Nil	2	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	Srei Infrastructure Finance 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 2020-21, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before the Board for its consideration.

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 29.04.2021 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 2020-21, 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	07.05.2020
Mr. Phaneesh Murthy (member)	Independent Non-Executive	4	03.08.2020
Mr.C.V.Subramanyam (member)	Managing Director	4	05.11.2020
Mr. Srinath Batni (member)	Independent Non-Executive	4	28.01.2021

C. Previous Annual General Meeting of the Company was held on 3rd August, 2020 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	4	
Mr. Phaneesh Murthy (member)	Independent & Non-Executive	4	07.05.2020
Ms. Nooraine Fazal (member)	Independent & Non-Executive	4	03.08.2020
Mr.C.V.Subramanyam (Member)	Promoter & Executive	4	05.11.2020
Mr. C. Srikanth (Member)	Promoter & Non-Executive	4	28.01.2021

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 be 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 Officer 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	253.50	57.35	-	310.85

(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	12.00	21.00
Ms. Nooraine Fazal	12.00	21.00
Mr. Srinath Batni	12.00	21.00

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

E. MECHANISM FOR EVALUATION OF THE BOARD

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

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

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

An IDs’ meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on April 29, 2021, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

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

- (i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

- (iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- (v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

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

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director.

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

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

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

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

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii. Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- i. Review of measures taken for effective exercise of voting rights by shareholders.
- ii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iii. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

A. Composition and Attendance for Meetings

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Ms. Nooraine Fazal (Chairperson)	Independent & Non-Executive	4	07.05.2020
Mr. Ram Krishna Agarwal(member)	Independent & Non-Executive	4	03.08.2020
Mr. C. Srikanth(member)	Promoter & Non-Executive	4	05.11.2020 28.01.2021

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

Particulars	Number of Complaints
Complaints as on 1 April, 2020	Nil
Received during the year	Nil
Resolved during the year	Nil
Number of pending complaints as on 31 March 2021	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 two executive Directors.

Composition of the committee during the year 2020-21 is as follows:

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

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

6) RISK MANAGEMENT COMMITTEE

A) COMPOSITION:

The Details of composition of the Committee are given below:

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

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

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all 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
22 nd AGM 2019-20	03-08-2020	VC/OAVM	10.00 A.M.	Yes
21 st AGM 2018-19	24.07.2019	Hall 5 & 6, Novotel & HICC Complex, (Near Hitec City), P.O. Bag 1101, Cyberabad Post Office, Hyderabad - 500 081, INDIA	10.00 A.M.	No
20 th AGM 2017-18	30.07.2018	Hall 5 & 6, Novotel & HICC Complex, (Near Hitec City), P.O. Bag 1101, Cyberabad Post Office, Hyderabad - 500 081, INDIA	10.00 A.M.	Yes

(B) Extraordinary General Meeting

No Extra-ordinary General Meetings were held during the year 2020-21.

(C) Postal Ballot

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

(D) Procedure for postal ballot

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

8. MEANS OF COMMUNICATION**A. Publication of results in newspapers**

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

B. Website and News Release

The financial results of the company are available on the website of the company i.e. www.cigniti.com. Official news releases, detailed presentations made to media, analysts, institutional investors, etc., are sent to BSE Limited and National Stock Exchange of India Limited and also made available on the website of the company i.e. www.cigniti.com. Your company also makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI (LODR) Regulations, 2015 and other rules and regulations issued by the Securities and Exchange Board of India.

C. Channels of Communication with the investors

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

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

9. General Shareholder Information

The following information would be useful to the shareholders:

A. Annual General Meeting:

Date & Time : 4th June, 2021

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 13th January 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

B. Financial Calendar

Financial Year - 1 April 2020 to 31 March 2021
Tentative calendar for declaration of financial results in financial year 2021-22

Results for the quarter ended Tentative Dates

30 June 2021 22 July 2021
30 September 2021 21 October 2021
31 December 2021 20 January 2022
31 March 2022 02 May 2022

C. Book Closure dates and Record date

The dates for book closure are from 29th May, 2021 to 4th June, 2021 (both days inclusive). The record date shall be 28th May 2021 for the purpose of payment of Dividend.

D. Listing on Stock Exchanges & Stock Code:

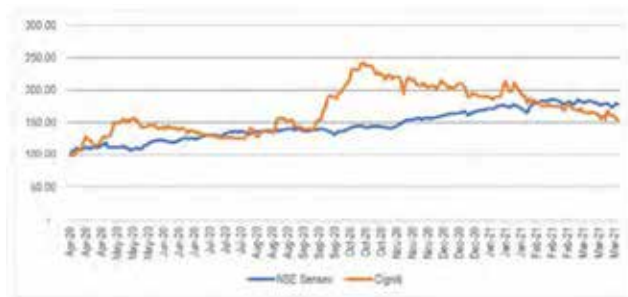
The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd.

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

The Company has paid annual listing fees for the financial year 2020-21 to the BSE and NSE within stipulated time.

E. Dividend Payment Date: on or after 11th June 2021 if declared at Annual General meeting held on June 4 2021

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



G. Electronic Connectivity

Demat ISIN number: INE675C01017
NATIONAL SECURITIES DEPOSITORY LIMITED
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013
CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
25th Floor, A Wing, Marathon Futurex,
Mafatlal Mills Compound, NM Joshi Marg,
Lower Parel (E), Mumbai - 400 013.

H. Market Price Data

The monthly high / low prices of shares of the Company from April, 2020 to March, 2021 at BSE and NSE:

MONTH	BSE		NSE	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April 2020	267.00	175.10	267.85	189.05
May 2020	343.00	246.90	327.85	246.00
June 2020	305.75	266.80	317.00	265.05
July 2020	282.95	250.00	282.95	253.00
August 2020	334.60	250.10	334.10	259.85
September 2020	416.00	278.50	417.00	281.50
October 2020	506.00	417.00	504.90	418.00
November 2020	470.00	391.00	461.80	390.60
December 2020	445.70	375.00	449.40	366.80
January 2021	446.95	357.00	446.95	352.35
February 2021	394.75	339.25	394.70	338.80
March 2021	359.20	310.60	360.00	310.25

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

J. Registrars and Transfer Agents

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

K. 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.

L. Shareholding pattern as on 31.03.2021

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	69,70,553	24.88	--	--
a.	Individuals/Hindu Undivided Family	69,70,553	24.88	--	--
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	Sub Total (A)(1)	69,70,553	24.88	--	--
(2)	Foreign	34,60,019	12.35	--	--
a.	Individuals (Non Resident Individuals/Foreign Individuals)	34,60,019	12.35	--	--
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others :-	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)			--	--
	Total Shareholding of Promoter and Promoter Group	34,60,019	12.35	--	--
	(A)=(A)(1)+(A)(2)	1,04,30,572	37.23	--	--
(B)	Public Shareholding			--	--
(1)	Institutions	1,28,718	0.46	--	--
a.	Mutual Funds/UTI	--	--	--	--
b.	Financial Institutions/Banks	90	0.00	--	--
c.	Central Government/State Government(s)	--	--	--	--
d.	Venture Capital Funds	--	--	--	--
e.	Insurance Companies	--	--	--	--
f.	Foreign Institutional Investors/Foreign Portfolio Investors	69,628	0.25	--	--
g.	Foreign Venture Capital Investors	--	--	--	--
h.	Foreign Companies	--	--	--	--
i.	Alternate Investment fund	59,000	0.21	--	--
	Sub Total (B)(1)	1,28,718	0.46	--	--
(2)	Non-Institutions	1,74,60,719	62.32	--	--
a.	Bodies Corporate	6,69,281	2.39	--	--
b.	Individuals				

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
	i)Individual shareholders holding nominal share capital up to Rs.2 lakh	50,35,670	17.97	--	--
	ii)Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1,10,61,321	39.48	--	--
c.	Any Others : -				
	i)Non Resident Individuals	5,07,758	1.81	--	--
	ii)Overseas Corporate Bodies	--	--	--	--
	iii)Trusts	11	0	--	--
	iv)Employees	5,000	0.02	--	--
	v)Clearing Members	1,56,678	0.56	--	--
	vi)Foreign Nationals	25,000	0.09	--	--
	Sub Total (B)(2)	1,74,60,719	62.32	--	--
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,75,89,437	62.77	--	--
	Total (A)+(B)	2,80,20,009	100	--	--
(C)	Shares held by Custodians and against Depository Receipts have been Issued	--	--	--	--
	Grand Total (A)+(B)+(C)	2,80,20,009	100	--	--

M. Distribution of Shareholding as on 31.03.2021

Range (Rs.)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	6446	80.51	5,86,721	2.09
5001 - 10000	458	5.72	3,61,873	1.29
10001 - 20000	295	3.68	4,46,670	1.59
20001 - 30000	152	1.9	3,83,842	1.37
30001 - 40000	91	1.14	3,19,241	1.14
40001 - 50000	76	0.95	3,51,590	1.25
50001 - 100000	191	2.39	13,70,216	4.89
100001 & Above	297	3.71	2,41,99,856	86.37
TOTAL	8006	100	2,80,20,009	100

N. Dematerialisation & Liquidity of Shares

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE675C01017. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the Company are actively traded in BSE Limited and NSE. Hence 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	1,10,57,016	39.46
CDSL	1,69,30,013	60.42
PHYSICAL	32,980	0.12
Total	2,80,20,009	100

O. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

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

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

Q. Global Delivery Centre

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

R. 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

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.

F. 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

G. Policy on Related Party Transactions

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

H. 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 2021, there were no proceeds from public issues, rights issues, preferential issues etc.

I. 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.**J. Recommendations of Committees of the Board**

There were no instances during the financial year 2020-21 wherein the Board had not accepted the recommendations made by any Committee of the Board.

- K. 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	53,00,000
Limited Review	45,00,000
Certification & other attest services	800,000
Non-audit services	15,50,000
Outlays and Taxes	1,18,241

- L. 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

- M. Non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V:**

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

- N. 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.

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

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

- P. Disclosure with respect to Demat suspense account/unclaimed suspense account**

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

- Q. 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

R. 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.

S. 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.

T. 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.

U. 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: 29.04.2021

Declaration on Code of Conduct for the year 2020-21

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, 2021 as envisaged in Regulation 26(3) of the Listing Regulations.

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

Place: Hyderabad

Date: 29.04.2021

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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. 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.

Place: Hyderabad
Date: 29.04.2021

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286
UDIN: F003935C000205268

Annexure-VIII

Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Section 135 of Companies Act 2013 read 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>

2. 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	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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: The Company has constituted CSR committee, CSR policy in accordance with provisions of Companies Act, 2013 read with Companies(Corporate Social Responsibility) Rules, 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>

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

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

6. Average net profit of the company as per section 135(5): Rs.5,343.40 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.106.87 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+7b7c): Rs. 106.87 lakhs

8. (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.
30,00,000	76,87,000	27-04-2021	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
1	Project cignificance	Education	Yes	Telangana	R.R. District	3 yrs	106.87 lakhs	30 lakhs	76.87 lakhs	No	GMR Varalakshmi Foundation	CSR00000851

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

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

(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): 30,00,000

(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)	106.87
(ii)	Total amount spent for the Financial Year	30.00
(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)]	76.87

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.	
-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.
-Nil-								

- 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).**

The Company has chosen a long-term project which got delayed due to impending global pandemic. During the year the Company has spent Rs.30 lakhs out of Rs.106.87 lakhs and transferred the unspent amount of Rs.76.87 lakhs to a separate bank account in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated 22nd January 2021.

Place: Hyderabad
Date: 29.04.2021

C.V.Subramanyam
Managing Director

Nooraine Fazal
Chairperson of CSR Committee

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 2021 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,

Place : Hyderabad
Date : 29.04.2021

C.Srikanth
Director & CEO
Cigniti Tech Inc; USA

Krishnan Venkatachary
Chief Financial Officer

Annexure XII

DECLARATION FROM INDEPENDENT DIRECTORS

To
The Board of Directors
M/s. Cigniti Technologies Limited

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

I, Ram Krishna Agarwal, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Neither me nor my relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
6. None of my relatives-
 - (i) hold any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
 - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
 - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).
7. I am not less than 21 years of age.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Thanking you,
Yours faithfully,
Director: Ram Krishna Agarwal
DIN: 00416964
Date: 29.04.2021

DECLARATION FROM INDEPENDENT DIRECTORS

To
The Board of Directors
M/s. Cigniti Technologies Limited

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

I, Phaneesh Murthy, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
 2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
 3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
 4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 5. Neither me nor my relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - (c) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (d) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - (iii) holds together with my relatives 2% or more of the total voting power of the company;
 - (vi) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
 - (vii) is a material supplier, service provider or customer or a lessor or lessee of the company;
 6. None of my relatives–
 - (i) hold any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
 - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
 - (v) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).
 7. I am not less than 21 years of age.
 8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.
- and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Thanking you,
Yours faithfully,
Director: Phaneesh Murthy
DIN: 00388525
Date: 29.04.2021

DECLARATION FROM INDEPENDENT DIRECTORS

To
The Board of Directors
M/s. Cigniti Technologies Limited

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

I, Nooraine Fazal, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Neither me nor my relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - (iii) holds together with my relatives 2% or more of the total voting power of the company;
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
6. None of my relatives-
 - (i) hold any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
 - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
 - (viii) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).
7. I am not less than 21 years of age.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director

and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Thanking you,
Yours faithfully,
Director: Nooraine Fazal
DIN: 03110948
Date: 29.04.2021

DECLARATION FROM INDEPENDENT DIRECTORS

To
The Board of Directors
M/s. Cigniti Technologies Limited

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

I, Srinath Batni, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
 2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
 3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
 4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 5. Neither me nor my relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - (iii) holds together with my relatives 2% or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
 6. None of my relatives—
 - (i) hold any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
 - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
 - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).
 7. I am not less than 21 years of age.
 8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director
- and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Thanking you,
Yours faithfully,
Director: Srinath Batni
DIN: 00041394
Date: 29.04.2021

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, 2021, 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, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p>Goodwill Impairment Assessment (as described in note 3.1 of the Consolidated Financial Statements)</p> <p>As at March 31, 2021, the Group has goodwill amounting to Rs. 5,486.22 lakhs on consolidation pertaining to historical acquisitions of Cigniti Inc. and Gallop Solutions Inc. including their subsidiaries.</p> <p>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.</p> <p>The inputs to the impairment testing model include:</p> <ul style="list-style-type: none"> • Projected revenue growth, operating margins and operating cash-flows in the years 1-5; • Stable long-term growth rates beyond five years and in perpetuity; and • Discount rates that represent the current market assessment of the risks specific to CGU, taking into consideration the time value of money. <p>The impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate.</p> <p>The annual impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the financial statements as a whole.</p>	<p>3.1 of the Consolidated Financial Statements)</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operative effectiveness of management's key internal controls over goodwill impairment assessment; • We assessed the Group's methodology and judgements applied in determining the CGU to which goodwill is allocated and impairment analysis. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process; • With the assistance of a specialist, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; in consideration of the current and estimated future economic conditions; • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • 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.
<p>Allowance for credit losses for trade receivables including unbilled revenue (as described in note 37A of the Consolidated Financial Statements)</p> <p>As at March 31, 2021 the Group has outstanding trade receivables and unbilled revenue of Rs. 17,381.05 lakhs. The Group has determined the allowance for credit losses based on the ageing status and historical loss experience adjusted to reflect current and estimated future economic conditions.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimate and judgements as stated above.</p>	<p>37A of the Consolidated Financial Statements)</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operative effectiveness of management's key internal controls over allowance for credit losses • We assessed the completeness and accuracy of the information used in the estimation of probability of default and tested historical payment records, correspondences with customers and subsequent collection of the customers' balances; and <p>We performed procedures to test the ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses and assessed the allowance for expected credit loss made by the management.</p>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (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;

Cigniti Technologies Ltd.

- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on March 31, 2021, and taken on record by the respective board of directors, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, refer to our separate Report in "Annexure 2" to this report. According to the information and explanations given by the Management, the provisions of the section 143(3)(i) are not applicable to its subsidiary company incorporated in India;
- (g) In our opinion the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiary company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group discloses 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, 2021 for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2021.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan

Partner

Membership Number.: 213271

UDIN: 21213271AAAAABH2023

Place of Signature: Hyderabad

Date: April 29, 2021

Annexure 1 to the Independent auditor's report of even date on the Consolidated Financial Statements of Cigniti Technologies Limited

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

In conjunction with our audit of the consolidated financial statements of Cigniti Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Cigniti Technologies Limited as of that date. According to the information and explanations given by the Management, the provisions of the Section 143(3) (i) are not applicable to its subsidiary company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 Act.

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 31,2021, 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: 21213271AAAAABH2023

Place of Signature: Hyderabad

Date: April 29, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	1,671.05	1,719.48
Other intangible assets	3	-	-
Right-to-use asset	38(a)	2,165.75	2,989.92
Goodwill	3	5,486.22	5,486.22
Deferred tax asset, net	12	529.17	-
Financial assets			
Loans	5	507.55	515.54
Other non-current financial assets	6	-	350.00
		10,359.74	11,061.16
Current assets			
Financial assets			
Investments	4	8,046.27	4,889.19
Loans	5	64.06	64.15
Trade receivables	7	15,771.84	16,441.01
Cash and cash equivalents	8	2,561.22	762.20
Bank balances other than cash and cash equivalents	9	10,230.40	7,950.37
Other current financial assets	6	4,659.04	4,899.94
Current tax assets, net	10	259.22	262.82
Other current assets	11	1,258.36	1,659.95
		42,850.41	36,929.63
Total assets		53,210.15	47,990.79
Equity and liabilities			
Equity			
Equity share capital	13	2,802.00	2,784.63
Other equity	14	34,432.73	23,939.09
		37,234.73	26,723.72
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease obligation	17	2,048.56	2,953.48
Long term provisions	19	1,234.54	900.90
		3,283.10	3,854.38
Current liabilities			
Financial liabilities			
Borrowings	15	1,611.26	8,377.26
Trade payables	16	-	-
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,265.88	6,014.39
Lease obligation	17	907.82	816.75
Other current financial liabilities	18	287.79	139.58
Short term provisions	19	255.81	285.13
Current tax liability, net	20	1,833.64	493.85
Other current liabilities	21	1,530.12	1,285.73
		12,692.32	17,412.69
Total equity and liabilities		53,210.15	47,990.79
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: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	22	89,652.69	87,197.21
Other income	23	359.95	1,577.89
Finance income	24	985.32	585.06
Total income		90,997.96	89,360.16
Expenses			
Employee benefits expense	25	52,158.27	51,896.38
Other expenses	26	22,947.82	22,432.04
Depreciation and amortisation expense	27	1,226.92	1,147.81
Finance costs	28	559.19	799.64
Total expenses		76,892.20	76,275.87
Profit before tax		14,105.76	13,084.29
Tax expenses	29		
Current tax		3,205.78	971.38
Taxes for earlier years		894.65	(47.08)
Deferred tax credit		(529.17)	-
Total tax expense		3,571.26	924.30
Net profit for the year		10,534.50	12,159.99
Other Comprehensive Income (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations, net of tax		(269.39)	(58.45)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (losses)/gains on employee defined benefit plans, net of tax		(40.43)	(161.26)
Total other comprehensive income/(loss) for the year, net of tax		(309.82)	(219.71)
Total comprehensive income for the year, net of tax		10,224.68	11,940.28
Earnings per share (Nominal value of equity share is Rs. 10/- each)	30		
Basic, computed on the basis of profit attributable to equity holders		37.77	43.87
Diluted, computed on the basis of profit attributable to equity holders		37.77	43.69
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: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(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, 2019	276.64	2,766.43
Add: Issued during the year (refer note 13)	1.82	18.20
As at March 31, 2020	278.46	2,784.63
Add: Issued during the year (refer note 13)	1.74	17.37
As at March 31, 2021	280.20	2,802.00

b. Other equity

	Other components of equity				Total
	Securities premium	Share based payment reserve	Retained earnings	Foreign currency translation reserve	
As at April 1, 2019	27,930.49	877.65	(15,607.01)	(893.25)	12,307.88
Impact of adoption of new accounting standard	-	-	(660.62)	-	(660.62)
Profit for the year	-	-	12,159.99	-	12,159.99
Exchange differences on translation of foreign operations	-	-	-	(58.45)	(58.45)
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	(161.26)	-	(161.26)
Issue of equity shares on exercise of options	703.27	(657.27)	-	-	46.00
Share-based payment expense	-	305.55	-	-	305.55
As at March 31, 2020	28,633.76	525.93	(4,268.90)	(951.70)	23,939.09
Profit for the year	-	-	10,534.50	-	10,534.50
Exchange differences on translation of foreign operations	-	-	-	(269.39)	(269.39)
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	(40.43)	-	(40.43)
Issue of equity shares on exercise of options	650.00	(537.88)	-	-	112.12
Share-based payment expense	-	156.84	-	-	156.84
As at March 31, 2021	29,283.76	144.89	6,225.17	(1,221.09)	34,432.73

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: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

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

		Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit before tax		14,105.76	13,084.29
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		1,226.92	1,147.81
Interest income on bank deposits		(536.53)	(439.47)
Income on fair valuation of mutual funds		(431.45)	(145.59)
Interest income on income tax refund		(17.34)	-
Interest expense, other borrowing cost and factoring charges		559.19	799.64
Unrealised foreign exchange loss/ (gain), net		7.78	(0.81)
Share based payment expense		156.84	305.55
Provision for /(recoveries of) doubtful trade receivables, net		21.02	(260.65)
Liabilities no longer required written back, net		(92.98)	(254.46)
Bad debts written off		38.12	5.19
Operating profit before working capital changes		15,037.33	14,241.50
Movements in working capital			
Increase in trade payables		344.47	600.20
Increase/ (decrease) in financial liabilities		133.26	(69.58)
Increase/ (decrease) in other liabilities		244.39	(39.19)
Increase/ (decrease) in provisions		263.89	(16.31)
Decrease/ (increase) in trade receivables		602.25	(3,815.74)
Decrease/ (increase) in financial asset		207.64	(1,446.95)
Decrease/ (increase) in other assets		401.59	(389.08)
Decrease/ (increase) in loans		8.08	(53.46)
Cash generated from operations		17,242.90	9,011.39
Income taxes paid (net of refunds)		(2,757.04)	(351.00)
Net cash generated from operating activities	(A)	14,485.86	8,660.39
Cash flows used in investing activities			
Purchase of property, plant and equipment		(318.47)	(701.65)
Investments in mutual funds and debentures		(10,535.98)	(4,743.60)
Redemption of mutual funds and debentures		7,810.35	-
Investment in bank deposits		(6,148.52)	(10,959.15)
Redemption of bank deposits		4,218.49	2,672.10
Interest received		587.13	114.87
Net cash used in investing activities	(B)	(4,387.00)	(13,617.43)
Cash flows used in financing activities			
Proceeds from exercise of employee stock options		129.50	64.20
Payment towards lease obligation		(815.65)	(1,096.37)
Interest, other borrowing cost and factoring charges paid		(578.30)	(395.23)
Bill discounting with bank, net		(169.19)	169.19
Net cash used in financing activities	(C)	(1,433.64)	(1,258.21)
Net increase/ (decrease) in cash and cash equivalents	(A+B+C)	8,665.22	(6,215.25)
Exchange differences on translation of foreign currency balances		(269.39)	(58.45)
Cash and cash equivalents at the beginning of the year		(7,445.87)	(1,172.17)
Cash and cash equivalents at the end of the year		949.96	(7,445.87)
Components of cash and cash equivalents			
Balances with banks			
- On current accounts		2,561.15	716.27
- Remittance in transit		-	45.88
Cash on hand		0.07	0.05
Cash credit facility		(1,611.26)	(8,208.07)
Total cash and cash equivalents (refer note 8.1)		949.96	(7,445.87)

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: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(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, 2021. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Dwarakapuri Colony, Panjagutta, Hyderabad. The Group is principally engaged in providing software testing services across the world.

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on April 29, 2021.

The World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Group has taken measures to enable employees to work from home by mobilizing laptops and desktops with access to secure virtual work environment wherever necessary.

The Group has made a detailed assessment of its liquidity position for the next year and the carrying value of all its assets. Based on current indicators of future economic conditions and considering the various measures announced by the government to support businesses, the Group expects to fully recover the carrying amount of these assets. The potential future impact of the COVID-19 may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes in future economic conditions and assess the impact on its business.

2. Significant Accounting Policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind

AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on a historical cost basis and consistent with previous year subject to changes in accounting policies. The Consolidated Financial Statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate

that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For

this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (b) Offset /eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Group Information:

Information about subsidiaries

The consolidated financial statements of the Group include subsidiaries listed in the table below:

Name	Principal activities	Place and Country of operation	% equity interest	
			March 31, 2021	March 31, 2020
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%

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, are described in note 34. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In assessing the recoverability of assets including trade receivables, unbilled receivables and investments, the Group has considered internal and external information upto the date of approval of these consolidated financial statements including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

(b) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an

acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is

re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating

unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts 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 recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at

the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

(e) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(f) Revenue from contracts with customer

The Group derives revenue primarily from software testing services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Rendering of services

The method for recognizing revenues and costs depends on the nature of services rendered as mentioned below:

- Time and material: Revenue from time and material contracts are 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 (Unbilled revenue)**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is 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 recognised on expected realisable value based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS scrips are classified as 'Other financial assets' as "Export incentive receivable"

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.
- Income 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 recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an

asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based

on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The Group recognizes deferred tax asset for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(h) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, and the related advances are shown as loans and advances.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has made technical assessment of the useful lives of the following classes of assets which coincides with the lives prescribed under Schedule II of the Companies Act, 2013:

Asset	Useful lives estimated by the management (years)
Buildings	60
Electrical equipment	10
Leasehold improvements	Over the period of lease
Furniture and fixtures	10
Office equipments	5
Computer and computer equipments	3
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives
Software licenses	Finite (3 years)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

ROU	Useful lives
Office Premises	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's

recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. After impairment, amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(m) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is

recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liability

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Group does not 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.

(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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(o) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share-Based Payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at Fair Value through Profit or Loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at FVTOCI
- Debt instruments, derivatives and equity instruments at FVTPL
- Equity instruments measured at FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are 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 recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in OCI subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are 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 derecognised (i.e. removed from the Group's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Group has transferred its rights to receive cash flows from the asset, and
 - i. the Group has transferred substantially all the risks and rewards of the asset, or
 - ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- Other financial assets

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts and cash credits.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are 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 recognised in the statement of profit or loss. The group has not designated any financial liability as at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on

acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(r) Segment information

The Group has only one reportable business segment, which is rendering of software testing services. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment.

(s) Corporate Social Responsibility

The Group charges its Corporate Social Responsibility expenditure to the statement of profit and loss.

(t) 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 recognised 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

i. Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. This amendment had no impact on the consolidated financial statements of the Group.

ii. Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. This amendment had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

iii. Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

iv. Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. This amendment had no impact on the consolidated financial statements of the Group.

3. Property, plant and equipment, goodwill and other intangible assets

	Property, plant and equipment										Goodwill	Other intangible assets	
	Buildings	Electrical equipments	Leasehold improvements	Furniture and fixtures	Office equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment	Goodwill (refer note 3.1)	Software License			Total other intangible assets
Cost													
As at April 1, 2019	193.53	404.36	317.10	529.99	345.80	338.31	10.98	2,140.07	5,486.22	246.66	246.66		
Additions	-	87.70	-	24.62	10.35	401.62	173.76	698.05	-	-	-		
Exchange differences	-	-	-	17.54	0.51	19.43	2.72	40.20	-	-	-		
As at March 31, 2020	193.53	492.06	317.10	572.15	356.66	759.36	187.46	2,878.32	5,486.22	246.66	246.66		
Additions	-	33.36	-	0.50	4.14	312.98	-	350.98	-	-	-		
Exchange differences	-	-	-	(3.38)	(0.06)	1.20	(0.80)	(3.04)	-	-	-		
As at March 31, 2021	193.53	525.42	317.10	569.27	360.74	1,073.54	186.66	3,226.26	5,486.22	246.66	246.66		
Depreciation and amortisation													
As at April 1, 2019	12.36	75.54	113.44	278.14	119.18	174.76	4.89	778.31	-	246.66	246.66		
Charge for the year	4.27	48.71	21.54	47.07	55.35	152.04	13.42	342.40	-	-	-		
Exchange differences	-	-	-	17.05	0.40	18.14	2.54	38.13	-	-	-		
As at March 31, 2020	16.63	124.25	134.98	342.26	174.93	344.94	20.85	1,158.84	-	246.66	246.66		
Charge for the year	4.25	55.05	21.48	31.10	54.81	211.08	23.18	400.95	-	-	-		
Exchange differences	-	-	-	(3.49)	(0.07)	(0.20)	(0.82)	(4.58)	-	-	-		
As at March 31, 2021	20.88	179.30	156.46	369.87	229.67	555.82	43.21	1,555.21	-	246.66	246.66		
Net book value													
As at March 31, 2020	176.90	367.81	182.12	229.89	181.73	414.42	166.61	1,719.48	5,486.22	-	-		
As at March 31, 2021	172.65	346.12	160.64	199.40	131.07	517.72	143.45	1,671.05	5,486.22	-	-		

Pledge on property, plant and equipment:

Property, plant and equipment with a carrying amount of Rs. 1,553.22 (March 31, 2020: Rs. 1,569.59) are subject to charge to secure cash credit facility from bank.

3.1 Impairment testing of goodwill

Goodwill acquired through business combinations of Cigniti Inc, Gallop Solutions Inc, Cigniti Software Services Private Limited and Gallop Solutions Private Limited has been allocated to its single Cash Generating Unit (CGU) i.e. Software Testing for impairment testing.

Carrying amount of goodwill

	March 31, 2021	March 31, 2020
Software testing CGU	5,486.22	5,486.22

The Group performed its annual impairment test as at March 31, 2021 and March 31, 2020. 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 19.85% (March 31, 2020: 17.28%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (March 31, 2020: 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 recognised any impairment charge for the year ended March 31, 2021.

Key assumptions used for value in use calculations

The calculation of value in use for the units is most sensitive to the following assumptions:

- Revenue growth and EBITDA Margins
- Discount rates
- 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. EBITDA margins

Decrease in revenue growth projections and EBITDA margin by 2% would not result in any impairment in the Software testing CGU.

b. Discount rates

A rise in post-tax discount rate by 2% in the Software testing CGU would not result in impairment.

c. Growth rate assumption

The management 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 2.5% for Software testing CGU. A reduction to 1.5% in the long-term growth rate in Software testing CGU would not result in impairment.

Financial assets

There are no loans or deposits given, covered under section 186(4) of Companies Act, 2013.

4 Current investments

	March 31, 2021	March 31, 2020
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	4,498.62	832.27
Investment in debentures, quoted		
Unsecured, considered good	2,225.53	1,992.28
Investment in mutual funds, quoted		
Unsecured, considered good	1,322.12	2,064.64
	8,046.27	4,889.19

	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
Bonds				
Bharat Bond ETF - April 2030 Regular Growth	80,000.00	904.00	80,000.00	832.27
Shriram Transport Finance Company Ltd.	55.00	556.22	-	-
Bank of Baroda	60.00	604.38	-	-
Axis Bank Limited	50.00	506.60	-	-
State Bank of India	50.00	504.60	-	-
M&M Financial Services Limited	50.00	562.84	-	-
Tata Capital Financial Services Limited	30.00	356.13	-	-
IIFL Home Finance Limited	50.00	503.85	-	-
Debentures				
Non-convertible debentures of ECAP Equities Limited	1,775.00	2,225.54	1,775.00	1,992.28
Mutual Funds				
HDFC Liquid Fund- Growth	-	-	13,237.80	514.11
HDFC Ultra Short Term Fund - Regular Plan Growth	-	-	2,302,789.10	258.04
DSP Ultra Short Fund- Regular Plan Growth	-	-	9,902.40	257.32
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan	138,826.44	766.42	100,918.64	518.29
ICICI Prudential Savings Fund- Direct Plan	132,407.63	555.70	132,407.63	516.88
		8,046.27		4,889.19

5 Loans

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unsecured, considered good				
Security deposits	507.55	515.54	64.06	64.15
	507.55	515.54	64.06	64.15

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

6 Other financial assets

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Bank balances (having original maturity of more than twelve months)	-	350.00	-	-
Unsecured, considered good				
Interest receivable	-	-	302.42	335.68
Grant receivable	-	-	2.52	-
Export incentive receivable (refer note 38(c)(ii))	-	-	2,744.89	2,744.89
Unbilled receivables	-	-	1,609.21	1,819.37
	-	350.00	4,659.04	4,899.94

7 Trade receivables

	March 31, 2021	March 31, 2020
Unsecured, considered good	15,771.85	16,441.01
Unsecured, considered doubtful	224.07	241.48
Less: Allowance for credit losses	(224.07)	(241.48)
	15,771.84	16,441.01

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally with the credit term of 30 to 90 days.

8 Cash and cash equivalents

	March 31, 2021	March 31, 2020
Balance with banks		
- On current accounts	2,561.15	716.27
- Remittance in transit	-	45.88
Cash on hand	0.07	0.05
	2,561.22	762.20

8.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2021	March 31, 2020
Cash and cash equivalents (refer note 8)	2,561.22	762.20
Less: Cash credit facility (refer note 15)	(1,611.26)	(8,208.07)
	949.96	(7,445.87)

9 Bank balances other than cash and cash equivalents

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Other deposit accounts				
Deposits with original maturity for more than 3 months	-	350.00	10,230.40	7,950.37
Less: Amount disclosed under other financial assets (refer note 6)	-	(350.00)	-	-
	-	-	10,230.40	7,950.37

10 Current tax assets, net

	March 31, 2021	March 31, 2020
Income tax receivable (net of provision for tax)	259.22	262.82
	259.22	262.82

11 Other current assets

	March 31, 2021	March 31, 2020
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	21.49	2.44
Staff advances	56.25	37.72
Prepaid expenses	428.02	329.87
Balance with government authorities	752.61	1,289.92
	1,258.36	1,659.95

No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

12 Deferred tax asset, net

	March 31, 2021	March 31, 2020
Deferred tax asset		
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation/amortisation charged to financial reporting	22.38	-
Provision for employee benefits	350.74	-
Provision for doubtful debts	31.88	-
Right to use assets/lease obligation	197.42	-
Gross deferred tax asset	602.42	-
Deferred tax liability		
Revaluations of current investments to fair value	(73.25)	-
Gross deferred tax liability	(73.25)	-
	529.17	-

March 31, 2021	Opening balance	Recognised in the statement of profit and loss	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	22.38
Provision for employee benefits	-	350.74	350.74
Provision for doubtful debts	-	31.88	31.88
Right to use assets/lease obligation	-	197.42	197.42
Revaluations of current investments to fair value	-	(73.25)	(73.25)
	-	529.17	529.17

March 31, 2020	Opening balance	Recognised in the statement of profit and loss	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	-	-	-
Provision for employee benefits	-	-	-
Provision for doubtful debts	-	-	-
Right to use assets/lease obligation	-	-	-
Revaluations of current investments to fair value	-	-	-
	-	-	-

During the current year, the Company has utilised its carried forward tax losses and MAT credit and has assessed that taxable profit in foreseeable will be available against which the deductible temporary difference can be utilised and has accordingly recognised deferred tax on such deductible temporary differences. Refer note 29 for further details.

13 Equity share capital

	March 31, 2021	March 31, 2020
Authorized share capital		
36,000,000 (March 31, 2020: 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
28,020,009 (March 31, 2020: 27,846,259) equity shares of Rs. 10/- each fully paid-up	2,802.00	2,784.63
Total issued, subscribed and fully paid-up share capital	2,802.00	2,784.63

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2021		March 31, 2020	
	No's	Amount	No's	Amount
At the beginning of the year	278.46	2,784.63	276.64	2,766.43
Shares issued during the year against stock options	1.74	17.37	1.82	18.20
Outstanding at the end of the year	280.20	2,802.00	278.46	2,784.63

(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, 2021		March 31, 2020	
	No's	% holding	No's	% holding
P. Sapna	34.59	12.34%	34.59	12.42%
C. V. Subramanyam	31.56	11.26%	30.54	10.97%
C. Srikanth	25.00	8.92%	25.00	8.98%

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) Proposed dividend

The Board of Directors at their meeting held on April 29, 2021 proposed dividend of Rs. 2.50/- per share on face value of Rs. 10/- each, total aggregating to Rs. 700.50 lakhs. Proposed dividend on equity shares is subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2021.

14 Other equity

	March 31, 2021	March 31, 2020
Securities premium		
Opening balance	28,633.76	27,930.49
Add: Issue of equity shares on exercise of employee stock options	650.00	703.27
Closing balance	29,283.76	28,633.76
Share based payment reserve		
Opening balance	525.93	877.65
Less: Issue of equity shares on exercise of employee stock options	(537.88)	(657.27)
Add: Share-based payment expense	156.84	305.55
Closing balance	144.89	525.93
Retained earnings		
Opening balance	(4,268.90)	(15,607.01)
Less: Impact of adoption of new accounting standard	-	(660.62)
Add: Profit during the year	10,534.50	12,159.99
Items recognised directly in other comprehensive income		
Re-measurement losses on employee defined benefit plans (net of tax)	(40.43)	(161.26)
	6,225.17	(4,268.90)
Foreign currency translation reserve		
Opening balance	(951.70)	(893.25)
Add: Arisen during the year	(269.39)	(58.45)
Closing balance	(1,221.09)	(951.70)
	34,432.73	23,939.09

Nature and purpose of reserves

14.1 Security premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14.2 Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer to note 32 for further details of these plans.

14.3 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

14.4 Retained earnings

Retained earnings comprises of prior year’s undistributed earnings after taxes along with current year profit.

15 Short term borrowings

	March 31, 2021	March 31, 2020
Secured		
Cash credit from banks (refer note (a) and (b) below)	1,611.26	8,208.07
Bills discounting with bank (refer note (c) below)	-	169.19
	1,611.26	8,377.26

(a) Cash credit from banks of Rs. 1,611.26 lakhs (March 31, 2020: Rs 1,336.37 lakhs) is secured by hypothecation of property, plant and equipment, trade receivables of the Company and immovable property of Mr. C.V Subramanyam, Managing Director and his relative. The cash credit is also secured by personal guarantee of the directors, Mr. C.V Subramanyam, Managing Director and Mr. C. Srikanth, Director and their relatives. It is repayable on demand and carries floating interest rate of 8.20%p.a. (March 31, 2020: 10.72% p.a.). The Company had available Rs. 888.74 lakhs of undrawn committed borrowing facilities as at March 31, 2021 (March 31, 2020: Rs. 163.63 lakhs).

(b) Cash credit from bank obtained by Cigniti Technologies Inc., USA (“CTI”) of Nil (March 31, 2020: USD 91.94 lakh equivalent to Rs. 6,871.70 lakhs) is secured by hypothecation of trade receivables of the Company. It is repayable on demand and carries floating interest rate of LIBOR+2.5% p.a. (March 31, 2020: LIBOR+2.5% p.a.) on utilised amounts and carrying fixed interest rate of 0.25% p.a (March 31, 2020: 0.25%) on un-utilised amounts. CTI had available USD 150 lakhs equivalent to Rs. 10,972.35 lakhs (March 31,2020: USD 58.06 lakhs equivalent to Rs. 4,339.47 lakhs) of undrawn committed borrowing facilities as at March 31, 2021.

(c) The bill discounting with bank is with recourse. The eligible accounts were discounted at 2.5% of the face value of the purchased accounts. The closing balance of bills discounting pertains to Cigniti Technologies UK Limited (“CT UK”) amounting to Nil (March 31, 2020: GBP 1.82 lakhs equivalent to Rs. 169.19 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.

16 Trade payables

	March 31, 2021	March 31, 2020
- Outstanding dues to related parties (refer note 34)	297.94	356.22
- Outstanding dues to other parties	5,967.93	5,658.17
	6,265.88	6,014.39

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.

17 Lease obligation

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Lease obligation (refer note 38(a))	2,048.56	2,953.48	907.82	816.75
	2,048.56	2,953.48	907.82	816.75

18 Other current financial liabilities

	March 31, 2021	March 31, 2020
At amortised cost		
Interest accrued but not due on borrowings (refer note below)	4.32	23.43
Capital creditors	66.76	32.71
Advance from customers	216.71	29.98
Contract liability	-	53.46
	287.79	139.58

Interest payable is normally settled monthly/quarterly throughout the financial year.

Changes in liabilities arising from financing activities

	April 1, 2020	Cashflows	Others	March 31, 2021
Short-term borrowings (excluding cash credit facility)	169.19	(169.19)	-	-
Total liabilities from financing activities	169.19	(169.19)	-	-
	April 1, 2019	Cashflows	Others	March 31, 2020
Short-term borrowings (excluding cash credit facility)	50.26	169.19	(50.26)	169.19
Total liabilities from financing activities	50.26	169.19	(50.26)	169.19

Other includes reclassification of borrowings to trade payables.

19 Provisions

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provisions for employee benefits				
Provision for gratuity	1,234.54	900.90	-	-
Provision for leave benefits	-	-	255.81	285.13
	1,234.54	900.90	255.81	285.13

20 Current tax liability, net

	March 31, 2021	March 31, 2020
Provision for taxation (net of advance tax)	1,833.64	493.85
	1,833.64	493.85

21 Other current liabilities

	March 31, 2021	March 31, 2020
Statutory dues	1,530.12	1,285.73
	1,530.12	1,285.73

22 Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from software testing services	89,652.69	87,197.21

22.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended March 31, 2021	Year ended March 31, 2020
Geographical region		
US	73,924.42	69,211.49
Rest of the world	15,728.27	17,985.72
Total revenue from contracts with customers	89,652.69	87,197.21

22.2 Contract balances

	March 31, 2021	March 31, 2020
Contract assets		
Trade receivables, net	15,771.84	16,441.01
Unbilled revenue	1,609.21	1,819.37
Contract liabilities		
Advance from customers	216.71	29.98
Contract liabilities	-	53.46

Unbilled revenue are initially recognised for the revenue earned in excess of amounts billed to clients as at the balance sheet date. Upon completion of acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities represents the obligation of the Group to perform services for which the entity has received consideration from the customer. This majorly pertains to unearned revenue on account of straight-lining of the contract price over the life of the contract.

22.3 Performance obligation

The Group has arrangements with the customer which are "time and material" basis. The performance obligation in case of time and material contracts is satisfied over time. Revenue is recognised as and when the services are performed.

The Group also performs work under "fixed-price" arrangements. Revenue from fixed-price contracts is 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 unrecognised 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.

23 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Export incentives	-	1,127.26
Exchange differences, net	218.70	(82.62)
Recoveries of bad and doubtful receivables	(21.02)	260.65
Liabilities no longer required written back	92.98	254.46
Miscellaneous income	69.28	18.14
	359.95	1,577.89

24 Finance income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on bank deposits	536.53	439.47
Income on fair valuation of investments through profit and loss	431.45	145.59
Interest income on income tax refund	17.34	-
	985.32	585.06

25 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	49,760.27	49,402.73
Contribution to provident and other funds (refer note 31)	548.48	448.34
Share based payment expense	156.84	305.55
Gratuity expense (refer note 31)	477.09	392.16
Staff welfare expenses	1,215.59	1,347.60
	52,158.27	51,896.38

26 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	318.60	386.61
Rent	401.94	389.49
Rates and taxes	159.90	133.75
Insurance	120.39	77.58
Repairs and maintenance	44.44	38.39
Advertising, marketing and sales promotion	1,942.88	1,804.96
Office maintenance	247.66	402.69
Travelling and conveyance	629.92	3,589.66
Communication costs	366.61	358.70
Sub-contracting charges	14,167.18	11,713.81
Legal and professional fees	2,082.59	1,697.06
Payment to auditor (refer note below)	107.18	83.22
Bad debts written off	-	5.19
Software licensing cost	1,638.38	1,250.41
Printing and stationery	51.45	57.31
Relocation expenses	18.06	57.43
Recruitment expenses	537.77	286.64
Corporate social responsibility expenditure (refer note below)	106.87	90.00
Miscellaneous expenses	6.00	9.14
	22,947.82	22,432.04

Payment to Auditor

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fee	53.00	50.00
Limited review	45.00	30.00
In other capacity		
Certification services	8.00	-
Reimbursement of expenses	1.18	3.22
	107.18	83.22

Details of corporate social responsibility expenditure

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Group during the year	106.87	71.47
(b) Amount spent during the year	Paid in cash	Paid in cash
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	30.00	90.00

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred the unspent amount of Rs.76.87 lakhs to a separate bank account subsequent to the balance sheet date.

27 Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	400.95	342.40
Amortisation of Right-to-use-assets (refer note 38(a))	825.97	805.41
	1,226.92	1,147.81

28 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	114.60	308.15
Interest on lease obligation	360.21	410.66
Other borrowing cost	14.60	7.50
Factoring and bank charges	69.78	73.33
	559.19	799.64

29 Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2021 and for the year ended March 31, 2020 are:

	Year ended March 31, 2021	Year ended March 31, 2020
Adjustment of current tax relating to earlier years*	894.65	(47.08)
Current income tax		
Current income tax charge	3,205.78	971.38
Deferred tax credit		
Relating to origination and reversal of temporary differences	(529.17)	-
Total income tax expense recognised in statement of profit and loss relating to current year	2,676.61	971.38

* Year ended March 31, 2021 - Taxes for earlier years represents provisions made for demands (including consequential impacts) received during the year pertaining to earlier years of Cigniti Technologies Inc., USA subsidiary of Cigniti Technologies Limited.

Year ended March 31, 2020 - Pertains to tax credits of earlier years received by Cigniti Technologies Inc., USA subsidiary of Cigniti Technologies Limited in the previous year.

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax (A)	14,105.76	13,084.29
Enacted tax rate in India (B)	29.12%	29.12%
Expected tax expenses (C = A*B)	4,107.60	3,810.15
Reconciling items:		
On account of difference in tax rates in other subsidiaries	93.10	52.89
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(926.64)	(3,443.22)
MAT credit utilised	(625.95)	-
Tax on expenses not tax deductible	28.50	28.12
Minimum Alternate Tax (MAT) expense	-	523.44
Total (D)	2,676.61	971.38
Effective tax rate	18.98%	7.42%

The Group continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit, losses and other benefits under the Income Tax Act, 1961. The Group plans to opt for lower tax regime once these benefits are utilised.

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, 2021	Year ended March 31, 2020
Profit attributable to equity shareholders for basic earnings	10,534.50	12,159.99
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	278.90	277.16
Add: Effect of dilution:		
Employee stock options (No. in lakhs)*	-	1.14
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	278.90	278.30
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	37.77	43.87
- Diluted (Rs.)	37.77	43.69

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.

*The effect of stock options issued is anti-dilutive and hence not considered for computation of diluted earnings per share.

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 recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in Employee benefits expenses)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	426.23	340.10
Interest cost	85.57	70.24
Expected return on plan assets	(34.71)	(18.18)
Net employee benefit expenses	477.09	392.16
Actual return on plan asset	34.71	18.18

B) Amount recognised in the Balance Sheet

	March 31, 2021	March 31, 2020
Defined benefit obligation	1,964.07	1,515.63
Fair value of plan assets	729.53	614.73
	1,234.54	900.90

C) Changes in the present value of the defined benefit obligation

	March 31, 2021	March 31, 2020
Opening defined benefit obligation	1,515.63	1,008.45
Current service cost	426.23	340.10
Interest cost	85.57	70.24
Benefits paid	(76.15)	(64.42)
Net actuarial losses/(gains) on obligation for the year recognised under OCI	12.79	161.26
Closing defined benefit obligation	1,964.07	1,515.63

D) Change in the fair value of plan assets

	March 31, 2021	March 31, 2020
Opening fair value of plan assets	614.73	260.98
Investment income	34.71	18.18
Employer's contribution	190.00	377.00
Benefits paid	(82.27)	(41.43)
Return on plan assets, excluding amount recognised in net interest expense	(27.64)	-
Closing fair value of plan assets	729.53	614.73

The Company expects to contribute Rs. 500.00 lakhs to the gratuity fund in the next year (March 31, 2020: Rs. 350.00 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2021	March 31, 2020
Investments with LIC	100.00%	100.00%

E) Remeasurement adjustments:

	Year ended March 31, 2021	Year ended March 31, 2020
Experience loss/ (gain) on plan liabilities	12.79	50.67
Financial loss/ (gain) on plan liabilities	-	110.58
Actuarial loss on plan assets	27.64	-
Remeasurement losses recognised in other comprehensive income:	40.43	161.26

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2021	March 31, 2020
Discount rate	5.65%	5.65%
Expected rate of return on assets	5.65%	6.97%
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, 2021	March 31, 2020
Expected benefit payments for the year ending:		
1 year	280.89	198.25
2-5 years	1,012.77	770.23
6-10 years	792.89	639.31
More than 10 years	798.27	637.10

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2020: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Year ended	March 31, 2021	March 31, 2020
(a) Effect of 1% change in assumed discount rate		
- 1% increase	109.76	86.50
- 1% decrease	(122.06)	(96.32)
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	(101.11)	(80.15)
- 1% decrease	96.45	76.30
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	261.65	222.05
- decrease by 50% of the attrition rate	(624.89)	(524.02)

II Defined contribution plan

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident and other funds	548.48	448.34

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 4 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2021	Year ended March 31, 2020
Expense arising from equity-settled share-based payment transactions	156.84	305.55

Movements during the year: The following table contains movements in share options during the year:

Particulars	March 31, 2021						March 31, 2020			
	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015
Total No. of options under the grant	15.00	10.00	20.00	5.00	5.00	15.00	10.00	20.00	5.00	5.00
Outstanding at April 1	-	-	0.09	1.25	1.33	0.07	-	0.39	2.50	1.60
Granted during the year	-	-	0.25	-	2.50	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	0.07
Exercised during the year	-	-	-	1.25	0.49	0.07	-	0.30	1.25	0.20
Outstanding at March 31	-	-	0.34	-	3.34	-	-	0.09	1.25	1.33
Exercisable at March 31	-	-	0.09	-	0.09	-	-	0.09	-	0.03

The weighted average share price at the date of exercise of these options was Rs 328.95 (March 31, 2020: Rs 288.80)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2021 and as at March 31, 2020

Particulars	March 31, 2021	March 31, 2020
Grant 2014-I	5.05	2.38
Grant 2014-II	-	4.76
Grant 2015	3.87	2.84

The weighted average fair value of options granted during the year ended March 31, 2021 was Rs 170.61. There were no options granted during the previous year.

The range of exercise prices for the options outstanding at the beginning, forfeited, exercised, expired and outstanding at the end of the year is Rs 10- Rs 393 (March 31, 2020: Rs 10 - Rs 240).

The following tables list the inputs to the models used for the year ended March 31, 2021. There were no grants during the previous year.

Particulars	March 31, 2021	
	Grant 2014-I	Grant 2015
Dividend yield	0%	0%
Expected volatility	42.98% - 46.66%	42.98% - 46.66%
Risk-free interest rate	4.31% - 5.39%	4.31% - 5.39%
Expected life of options granted in years	2 - 5 years	2 - 5 years
Weighted average share price	393.55	393.55
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, 2021	Year ended March 31, 2020
US	73,924.42	69,211.49
Rest of the world	15,728.27	17,985.72

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	Independent director

Transactions/balances with the above parties

March 31, 2021

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal
Transactions during the year								
Professional fees	218.62	-	-	-	-	-	-	-
Remuneration	-	310.85	430.67	103.94	14.65	21.00	21.00	21.00
Director sitting fees	-	-	-	-	-	12.00	12.00	12.00
Reimbursement of expenses	4.28	-	8.91	-	-	-	-	-
Balances receivable/(payable):								
Remuneration payable	-	(57.35)	(157.27)	(1.65)	(0.38)	(21.00)	(21.00)	(21.00)
Trade payables	(18.29)	-	-	-	-	-	-	-

March 31, 2020

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal
Transactions during the year								
Professional fees	224.23	-	-	-	-	-	-	-
Remuneration	-	330.00	448.46	106.60	15.03	22.00	22.00	22.00
Director sitting fees	-	-	-	-	-	13.00	12.00	12.00
Reimbursement of expenses	23.54	-	5.97	-	-	-	-	-
Balances receivable/(payable):								
Remuneration payable	-	(110.00)	(158.69)	(1.65)	(0.38)	(22.00)	(22.00)	(22.00)
Trade payables	(19.49)	-	-	-	-	-	-	-

Key management personnel (Mr. C.V Subramanyam and Mr. C. Srikanth) have given personal guarantees and personal property as collateral security in favour of bankers in connection with cash credit facility whose closing balance in total is Rs. 1,611.26 lakhs (March 31, 2020: Rs. 1,336.37 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).

The Group included the renewal period as part of the lease term for leases of office premises with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on Group's operations if a replacement asset is not readily available.

Refer to Note 38 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 3.1.

(ii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (refer note 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 and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Investments	8,046.27	4,889.19	8,046.27	4,889.19
Loans	571.61	579.69	571.61	579.69
Trade receivables	15,771.84	16,441.01	15,771.84	16,441.01
Cash and cash equivalents	2,561.22	762.20	2,561.22	762.20
Bank balances other than cash and cash equivalents	10,230.40	7,950.37	10,230.40	7,950.37
Other financial assets	4,659.04	5,249.94	4,659.04	5,249.94
Financial liabilities				
Borrowings	1,611.26	8,377.26	1,611.26	8,377.26
Trade payables	6,265.88	6,014.39	6,265.88	6,014.39
Lease obligation	2,956.38	3,770.23	2,956.38	3,770.23
Other current financial liabilities	287.79	139.58	287.79	139.58

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 and considering the impact of COVID - 19. The Group creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 90 days from the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID -19.

Trade receivables as contract asset:

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

At March 31, 2021, the Company had 28 customers (March 31, 2020: 28 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 59% (March 31, 2020: 60%) of all the receivables outstanding. There is one customer (March 31, 2020: 1) with balance greater than 5% accounting for approximately 6% (March 31, 2020: 6%) of the total amounts receivable.

The Group has adequate provision as at March 31, 2021 amounting to Rs. 224.07 lakhs (As at March 31, 2020: Rs. 241.48 lakhs) for receivable where there is no reasonable expectations of recovery. These are however, still subject to enforcement activity.

B Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

March 31, 2021:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	1,611.26	-	-	-	1,611.26
Trade payables	-	6,265.88	-	-	6,265.88
Lease obligation	-	1,165.04	2,133.58	461.03	3,759.65
Other financial liabilities	-	287.79	-	-	287.79
	1,611.26	7,718.71	2,133.58	461.03	11,924.58

March 31, 2020:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	8,377.26	-	-	-	8,377.26
Trade payables	-	6,014.39	-	-	6,014.39
Lease obligation	-	1,176.25	3,058.70	757.08	4,992.03
Other financial liabilities	-	139.58	-	-	139.58
	8,377.26	7,330.22	3,058.70	757.08	19,523.26

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, 2021 and March 31, 2020.

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, 2021 and March 31, 2020.

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, 2021				
Indian Rupees	0.50%	-0.50%	(14.13)	14.13
March 31, 2020				
Indian Rupees	0.50%	-0.50%	(34.09)	34.09

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

C2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under:

	March 31, 2021			March 31, 2020	
	Currency	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Cash and cash equivalent	USD	0.80	58.31	0.03	2.23
	ZAR	91.08	449.53	49.03	204.63
	EUR	0.44	38.07	0.09	7.42
	AED	2.61	52.04	4.83	98.26
Trade receivables	USD	4.08	298.39	2.72	203.32
	EUR	1.14	98.13	3.23	265.20
	CAD	0.33	19.33	0.17	8.80
	ZAR	10.93	53.95	38.98	162.68
	SGD	2.01	109.33	1.66	87.14
	AED	5.76	114.63	3.83	77.86
Trade payables	DKK	26.95	310.85	14.93	164.34
	ZAR	0.10	0.49	0.97	4.06
	AED	0.49	9.71	0.14	2.85

b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD, ZAR and DKK exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in rate		Effect on profit before tax	
	Increase	Decrease	Increase/(decrease)	
March 31, 2021				
USD	1.00%	1.00%	3.57	(3.57)
ZAR	1.00%	1.00%	5.03	(5.03)
DKK	1.00%	1.00%	3.11	(3.11)
March 31, 2020				
USD	1.00%	1.00%	2.06	(2.06)
ZAR	1.00%	1.00%	3.63	(3.63)
DKK	1.00%	1.00%	1.64	(1.64)

38 Commitments and Contingencies**a. Leases****Group as lessee**

The Group has entered into operating leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 0% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. The Group also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	March 31, 2021	March 31, 2020
Opening balance	2,989.92	3,653.24
Additions	-	118.93
Exchange differences	1.80	23.16
Amortization	(825.97)	(805.41)
Closing balance	2,165.75	2,989.92

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2021	March 31, 2020
Opening balance	3,770.23	4,313.86
Additions	-	118.93
Accretion of interest	360.21	410.66
Payments	(1,174.06)	(1,073.22)
Closing balance	2,956.38	3,770.23
Current	907.82	816.75
Non-current	2,048.56	2,953.48

The maturity analysis of lease liabilities are disclosed in Note 37.

The effective interest rate for lease liabilities is 4% - 10%, with maturity between 2021-2028

The following are the amounts recognised in statement of profit and loss:

	Year ended March 31, 2021	Year ended March 31, 2020
Amortization of Right to use asset	825.97	805.41
Interest on lease obligation	360.21	410.66
	1,186.18	1,216.07

The Group had total cash outflows for leases of Rs. 1,174.06 lakhs in the current year (March 31,2020: Rs. 1,073.22 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 in March 31, 2021 (March 31,2020: Rs. 118.93 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, 2020: Nil).

c. Contingent Liabilities

- (i) During the current year, the Company has 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 adjustment majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. Management has reviewed 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. The Company is in the process of filing the necessary appeal against such order.
- (ii) During the current year, the Company has 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 has 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 that 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 recognised for the period April 1, 2015 to March 31, 2020 amounting to Rs. 3,305.84 lakhs are fully recoverable.

- (iii) (a) During the current year, 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 compounding FEMA related non compliances.

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.

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, 2021	March 31, 2020
Borrowings	1,611.26	8,377.26
Less: Cash and cash equivalents (refer note 8)	(2,561.22)	(762.20)
Bank balances other than cash and cash equivalents (refer note 9)	(10,230.40)	(7,950.37)
Current investments (refer note 4)	(8,046.27)	(4,889.19)
Net debt	-	-
Equity	2,802.00	2,784.63
Other equity	34,432.73	23,939.09
Total capital	37,234.73	26,723.72
Capital and net debt	37,234.73	26,723.72
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, 2021 and March 31, 2020.

- 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, 2021							
	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	90.61%	35,057.54	51.68%	5,444.02	100.00%	(40.43)	51.49%	5,403.59
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.15%	59.60	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
Subsidiaries – Foreign								
Cigniti Technologies Inc., USA	11.53%	4,460.14	46.36%	4,883.74	0.00%	-	46.54%	4,883.74
Cigniti Technologies (UK) Limited, UK	-0.34%	(131.11)	-3.59%	(378.17)	0.00%	-	-3.60%	(378.17)
Cigniti Technologies (Australia) Pty Ltd, Australia	-2.90%	(1,120.74)	2.96%	312.18	0.00%	-	2.97%	312.18
Cigniti Technologies (Canada) Inc., Canada	0.94%	365.39	2.59%	272.95	0.00%	-	2.60%	272.95
Gross amounts	100.00%	38,690.82	100.00%	10,534.50	100.00%	(40.43)	100.00%	10,494.07
Adjustments arising out of consolidation		(1,456.09)		-		(269.39)		(269.39)
Net amounts		37,234.73		10,534.50		(309.82)		10,224.68

Name of the entity in the Group	March 31, 2020							
	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	104.22%	29,367.62	49.06%	5,965.47	100.00%	(161.26)	48.37%	5,804.21
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.21%	59.82	0.00%	(0.07)	-	-	0.00%	(0.07)
Subsidiaries – Foreign								
Cigniti Technologies Inc., USA	-1.30%	(365.99)	50.73%	6,168.88	-	-	51.41%	6,168.88
Cigniti Technologies (UK) Limited, UK	0.88%	247.41	0.35%	42.54	-	-	0.35%	42.54
Cigniti Technologies (Australia) Pty Ltd, Australia	-4.28%	(1,205.02)	-0.49%	(59.91)	-	-	-0.50%	(59.91)
Cigniti Technologies (Canada) Inc., Canada	0.27%	75.97	0.35%	43.08	-	-	0.36%	43.08
Gross amounts	100.00%	28,179.81	100.00%	12,159.99	100.00%	(161.26)	100.00%	11,998.73
Adjustments arising out of consolidation		(1,456.09)		-		(58.45)		(58.45)
Net amounts		26,723.72		12,159.99		(219.71)		11,940.28

42. Previous period figures have been regrouped/reclassified wherever necessary to conform to the current year 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: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

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, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p>Impairment assessment of investment in subsidiary (as described in note 4 of the Standalone Financial Statements)</p> <p>As at March 31, 2021, the Company has investment of Rs. 5,549.49 lakhs in Cigniti Technologies Inc., USA which is tested for impairment annually, using discounted cash-flow models of subsidiary's recoverable value compared to the carrying value. The determination of recoverable amounts of the Company's investments in the subsidiary relies on management's estimates of forecast of future cash flows and their judgment with respect to the forecast of the subsidiary's future performance.</p> <p>The inputs to the impairment testing model include:</p> <ul style="list-style-type: none"> • 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. <p>The impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate.</p> <p>The impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balance to the financial statements as a whole.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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; • We assessed the adequacy of the related disclosures as described in note 4 to the standalone financial statements.
<p>Allowance for credit losses for trade receivables including unbilled revenue (as described in note 37A of the Standalone Financial Statements)</p> <p>As at March 31, 2021 the Company has outstanding trade receivables and unbilled revenue of Rs. 8,830.02 lakhs. The Company has determined the allowance for credit losses based on the ageing status and historical loss experience adjusted to reflect current and estimated future economic conditions.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimate and judgements as stated above.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operative effectiveness of management's key internal controls over allowance for credit losses; • We assessed the completeness and accuracy of the information used in the estimation of probability of default and tested historical payment record, correspondences with customers and subsequent collection of the customers' balances; and • We performed procedures to test the ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses and assessed the allowance for expected credit loss made by the management.

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 Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

Cigniti Technologies Ltd.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer note 40(c) to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts during the year ended March 31, 2021, for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 21213271AAAABF7312

Place of Signature: Hyderabad
Date: April 29, 2021

Annexure 1 to the Independent Auditors' Report of even date on the Standalone Financial Statements of Cigniti Technologies Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company and hence not commented upon.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax and other statutory dues applicable to it. The provisions relating to sales tax, duty of custom, duty of excise and cess are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanation given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

Cigniti Technologies Ltd.

- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**

Partner

Membership Number: 213271

UDIN: 21213271AAAABF7312

Place of Signature: Hyderabad

Date: April 29, 2021

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")

In conjunction with our audit of the standalone financial statements of Cigniti Technologies Limited ("the Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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

Cigniti Technologies Ltd.

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan

Partner

Membership Number: 213271

UDIN: 21213271AAAABF7312

Place of Signature: Hyderabad

Date: April 29, 2021

BALANCE SHEET

AS AT MARCH 31, 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	1,553.22	1,569.59
Intangible assets	3	-	-
Right-to-use asset	40(a)	2,001.61	2,678.90
Deferred tax asset, net	13	529.17	-
Financial assets			
Investments	4	6,941.31	6,941.31
Loans	6	507.55	515.54
Other non-current financial assets	7	-	350.00
		11,532.86	12,055.34
Current assets			
Financial assets			
Investments	5	8,046.27	4,889.19
Loans	6	0.84	0.84
Trade receivables	8	8,672.70	7,432.00
Cash and cash equivalents	9	1,513.85	365.17
Bank balances other than cash and cash equivalents	10	10,230.40	7,950.37
Other current financial assets	7	3,262.63	4,316.10
Current tax assets, net	11	255.16	258.68
Other current assets	12	1,028.51	1,471.69
		33,010.36	26,684.04
Total assets		44,543.22	38,739.38
Equity and liabilities			
Equity			
Equity share capital	14	2,802.00	2,784.63
Other equity	15	32,255.54	26,582.99
		35,057.54	29,367.62
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease obligation	18	2,027.36	2,771.50
Long term provisions	20	1,234.54	900.90
		3,261.90	3,672.40
Current liabilities			
Financial liabilities			
Borrowings	16	1,611.26	1,336.37
Trade payables	17	-	-
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,074.81	1,061.49
Lease obligation	18	744.67	664.81
Other current financial liabilities	19	2,332.40	2,220.16
Short term provisions	20	131.62	115.63
Other current liabilities	21	329.02	300.90
		6,223.78	5,699.36
Total equity and liabilities		44,543.22	38,739.38
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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	22	31,106.90	30,033.44
Other income	23	283.10	1,356.04
Finance income	24	985.32	585.00
Total income		32,375.32	31,974.48
Expenses			
Employee benefits expense	25	21,349.89	19,255.22
Other expenses	26	3,673.12	4,860.02
Depreciation and amortisation expense	27	1,007.92	951.97
Finance costs	28	379.35	418.36
Total expenses		26,410.28	25,485.57
Profit before tax		5,965.04	6,488.91
Tax expenses	29		
Current tax		1,050.19	523.44
Deferred tax credit		(529.17)	-
Total tax expense		521.02	523.44
Net profit for the year		5,444.02	5,965.47
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (losses)/gains on employee defined benefit plans, net of tax		(40.43)	(161.26)
Total other comprehensive income/ (loss) for the year, net of tax		(40.43)	(161.26)
Total comprehensive income for the year, net of tax		5,403.59	5,804.21
Earnings per share (Nominal value of equity share is Rs. 10/- each)	30		
Basic, computed on the basis of profit attributable to equity holders		19.52	21.52
Diluted, computed on the basis of profit attributable to equity holders		19.52	21.44
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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: April 29, 2021

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

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Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(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, 2019	276.64	2,766.43
Add: Issued during the year (refer note 14)	1.82	18.20
As at March 31, 2020	278.46	2,784.63
Add: Issued during the year (refer note 14)	1.74	17.37
As at March 31, 2021	280.20	2,802.00

b. Other equity

	Other components of equity			
	Securities premium	Share based payment reserve	Retained earnings	Total
As at April 1, 2019	27,930.49	877.65	(7,730.79)	21,077.35
Impact of adoption of new accounting standard	-	-	(650.12)	(650.12)
Profit for the year	-	-	5,965.47	5,965.47
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	(161)	(161.26)
Issue of equity shares on exercise of employee stock options	703.27	(657.27)	-	46.00
Share-based payment expense	-	305.55	-	305.55
As at March 31, 2020	28,633.76	525.93	(2,576.70)	26,582.99
Impact of adoption of new accounting standard (refer note 2.2)	-	-	-	-
Profit for the year	-	-	5,444.02	5,444.02
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	(40.43)	(40.43)
Issue of equity shares on exercise of employee stock options	650.00	(537.88)	-	112.12
Share-based payment expense	-	156.84	-	156.84
As at March 31, 2021	29,283.76	144.89	2,826.89	32,255.54

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: April 29, 2021

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

C. V. Subramanyam
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Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

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

		Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit before tax		5,965.04	6,488.91
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation on property, plant and equipment		1,007.92	951.97
Interest income		(536.53)	(439.41)
Income on fair valuation of mutual funds		(431.45)	(145.59)
Interest expense and other borrowing cost		379.35	418.36
Unrealised foreign exchange (gain)/ loss, net		-	(60.44)
Share based payment expense		156.84	303.32
Provision for/(recoveries of) doubtful trade receivables, net		91.67	(108.24)
Bad debts written off		13.61	-
Operating profit before working capital changes		6,646.45	7,408.88
Movements in working capital			
Increase in trade payables		13.31	93.52
Increase in other liabilities		28.12	218.46
Increase/ (decrease) in provisions		309.20	(11.59)
(Increase)/decrease in trade receivables		(1,345.98)	3,572.04
Decrease/(increase) in other assets		443.18	(371.23)
Decrease/(increase) in loans		7.99	(53.27)
Decrease/ (increase) in other financial assets		1,020.21	(1,056.40)
Increase in other financial liabilities		78.19	81.92
Cash generated from operations		7,200.67	9,882.33
Income taxes paid (net of refunds)		(1,046.67)	(582.30)
Net cash generated from operating activities	(A)	6,154.00	9,300.03
Cash flows used in investing activities			
Purchase of property, plant and equipment		(280.21)	(555.65)
Investments in mutual funds and debentures		(10,535.98)	(4,743.60)
Redemption of mutual funds and debentures		7,810.35	-
Investment in bank deposits		(6,148.52)	(10,959.15)
Redemption of bank deposits		4,218.49	2,668.69
Interest received		569.79	114.80
Net cash used in investing activities	(B)	(4,366.08)	(13,474.91)
Cash flows used in financing activities			
Proceeds from exercise of employee stock options		129.50	64.20
Interest paid		(21.17)	(23.06)
Payment towards lease obligation		(1,022.46)	(951.24)
Net cash used in financing activities	(C)	(914.13)	(910.10)
Net increase/ (decrease) in cash and cash equivalents	(A+B+C)	873.79	(5,084.98)
Cash and cash equivalents at the beginning of the year		(971.20)	4,113.78
Cash and cash equivalents at the end of the year		(97.41)	(971.20)
Components of cash and cash equivalents			
Balances with banks			
-On current accounts		1,513.79	319.24
-Remittance in transit		-	45.88
Cash on hand		0.06	0.05
Cash credit from banks		(1,611.26)	(1,336.37)
Total cash and cash equivalents (refer not 9.1)		(97.41)	(971.20)

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

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(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 April 29, 2021.

The World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company has taken measures to enable employees to work from home by mobilizing laptops and desktops with access to secure virtual work environment wherever necessary.

The Company has made a detailed assessment of its liquidity position for the next year and the carrying value of all its assets. Based on current indicators of future economic conditions and considering the various measures announced by the government to support businesses, the Company expects to fully recover the carrying amount of these assets. The potential future impact of the COVID-19 may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes in future economic conditions and assess the impact on its business.

2. Significant Accounting Policies

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

The standalone financial statements have been prepared on a historical cost basis and consistent with previous year subject to changes in accounting policies. The standalone financial statements are presented in INR, and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 35. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In assessing the recoverability of assets including trade receivables, unbilled receivables and investments, the Company has considered internal and external information upto the date of approval of these standalone financial statements including credit reports

and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Foreign currencies

The Company's standalone financial statements are presented in INR, which is the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

(d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Revenue from contract with customers

The Company derives revenue primarily from software testing services. Revenue from contracts with customers is recognised when control of the services are transferred to

the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Rendering of services

Revenue from software testing services rendered to its subsidiary companies is recognized on accrual basis for services rendered and billed as per the terms of specific contract, which is on the basis of cost expended plus an agreed profit margin.

The method for recognizing revenues and costs depends on the nature of services rendered to others as mentioned below:

- Time and material: Revenue from time and material contracts are 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 (Unbilled revenue)

A contract asset is the right to consideration in exchange for services transferred to

the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is 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 recognised on expected realisable value based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS scrips are classified as 'Other financial assets' as "Export incentive receivable"
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.
- Income 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 recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are 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 recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement under Deferred Tax Asset." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are 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.

(g) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, and the related advances are shown as loans and advances.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from

its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has made technical assessment of the useful lives of the following classes of assets which coincides with the lives prescribed under Schedule II of the Companies Act, 2013:

Asset	Useful lives estimated by the management (years)
Buildings	60
Electrical equipment	10
Leasehold improvements	Over the period of lease
Furniture and fixtures	10
Office equipments	5
Computer and computer equipments	3
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives
Software licenses	Finite (3 years)
Software tools	Finite (3 years)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(i) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-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 recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

ROU	Useful lives
Office Premises	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses

its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. After impairment, amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(l) Provisions, contingent liabilities and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in

the provision due to the passage of time is 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.

(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 recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(n) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is 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 (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are 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 derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and

- i. the Company has transferred substantially all the risks and rewards of the asset, or
- ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

- Other financial assets

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) 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 recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is 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 recognised 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

i. Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. This amendment had no impact on the standalone financial statements of the Company.

ii. Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A

misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

iii. Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform

gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. This amendment had no impact on the standalone financial statements of the Company.

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	Property, Plant and Equipment	Software License	Total intangible assets		
Cost												
As at April 1, 2019	193.53	404.42	317.10	308.16	337.61	491.73	2.34	2,054.89	246.66	246.66		
Additions	-	87.70	-	23.07	10.35	266.28	173.76	561.16	-	-		
As at March 31, 2020	193.53	492.12	317.10	331.23	347.96	758.01	176.10	2,616.05	246.66	246.66		
Additions	-	33.37	-	-	4.14	276.75	-	314.26	-	-		
As at March 31, 2021	193.53	525.49	317.10	331.23	352.10	1,034.76	176.10	2,930.31	246.66	246.66		
Depreciation and amortisation												
As at April 1, 2019	12.36	75.59	113.44	69.45	113.32	371.76	1.83	757.75	246.66	246.66		
Charge for the year	4.28	48.71	21.54	39.09	54.02	112.00	9.07	288.71	-	-		
As at March 31, 2020	16.64	124.30	134.98	108.54	167.34	483.76	10.90	1,046.46	246.66	246.66		
Charge for the year	4.24	55.07	21.48	29.30	53.68	145.14	21.72	330.63	-	-		
As at March 31, 2021	20.88	179.37	156.46	137.84	221.02	628.90	32.62	1,377.09	246.66	246.66		
Net book value												
As at March 31, 2020	176.89	367.82	182.12	222.69	180.62	274.25	165.20	1,569.59	-	-		
As at March 31, 2021	172.65	346.12	160.64	193.39	131.08	405.86	143.48	1,553.22	-	-		

Pledge on property, plant and equipment:

Property, plant and equipment with a carrying amount of Rs. 1,553.22 (March 31, 2020: Rs. 1,569.59) are subject to charge to secure cash credit facility from bank.

4 Investments

	March 31, 2021	March 31, 2020
A. Trade investments (Valued at cost unless stated otherwise)		
Investment in equity instruments		
Investment in subsidiaries (Unquoted)		
(a) 1,000 (March 31, 2020 : 1,000) equity shares of \$ 1 each, fully paid-up in Cigniti Technologies Inc., USA (refer note 40 (c) (iii b))	5,549.49	5,549.49
(b) 10,000 (March 31, 2020 : 10,000) equity shares of Rs. 10 each, fully paid-up in Gallop Solutions Private Limited	110.00	110.00
(c) 1 (March 31, 2020 : 1) equity shares of CAD 1 each, fully paid-up in Cigniti Technology Canada Inc., Canada (refer note 40 (c) (iii b))*	0.00	0.00
(d) 855,001 (March 31, 2020 : 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, 2020 : 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, 2020: 1) equity shares of NZD 1 each, fully paid-up in Cigniti Technologies (NZ) Limited, New Zealand (refer note 40 (c) (iii b))*	0.00	0.00
Less: Provision for diminution in value of investment in Cigniti Technologies (NZ) Limited, New Zealand*	0.00	0.00
Total	6,941.31	6,941.31
Aggregate amount of unquoted investments	6,941.31	6,941.31

Notes:

- a) Cigniti Technologies (NZ) Limited, New Zealand, wholly owned subsidiary of the Company, was wound up effective January 30, 2019. The Company has made provision for the investment in the subsidiary during the previous year.
- b) Investment impairment testing: The carrying amount of the investment is tested annually for impairment using discounted cash-flow models of subsidiary's recoverable value compared to the carrying value 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.

*Investment 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, 2021	March 31, 2020
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	4,498.61	832.27
Investment in debentures, quoted		
Unsecured, considered good	2,225.54	1,992.28
Investment in mutual funds, quoted		
Unsecured, considered good	1,322.12	2,064.64
	8,046.27	4,889.19

	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
Bonds				
Bharat Bond ETF - April 2030 Regular Growth	80,000.00	904.00	80,000.00	832.27
Shriram Transport Finance Company Ltd.	55.00	556.22	-	-
Bank of Baroda	60.00	604.38	-	-
Axis Bank Limited	50.00	506.60	-	-
State Bank of India	50.00	504.60	-	-
M&M Financial Services Limited	50.00	562.83	-	-
Tata Capital Financial Services Limited	30.00	356.13	-	-
IIFL Home Finance Limited	50.00	503.85	-	-
Debentures				
Non-convertible debentures of ECAP Equities Limited	1,775.00	2,225.54	1,775.00	1,992.28
Mutual Funds				
HDFC Liquid Fund- Growth	-	-	13,237.80	514.11
HDFC Ultra Short Term Fund - Regular Plan Growth	-	-	2,302,789.10	258.04
DSP Ultra Short Fund- Regular Plan Growth	-	-	9,902.40	257.32
Aditya Birla Sun Life Low Duration Fund-Growth-Direct Plan	138,826.44	766.42	100,918.64	518.29
ICICI Prudential Savings Fund- Direct Plan	132,407.63	555.70	132,407.63	516.88
		8,046.27		4,889.19

6 Loans

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unsecured, considered good				
Security deposits	507.55	515.54	0.84	0.84
	507.55	515.54	0.84	0.84

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

7 Other financial assets

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Bank deposits (having original maturity of more than twelve months)	-	350.00	-	-
Unsecured, considered good				
Interest receivable	-	-	302.42	335.68
Export incentives receivable (refer note 40 (c) (ii))	-	-	2,744.89	2,744.89
Advances/reimbursements receivable from related parties (refer note below)	-	-	58.00	1,091.30
Unbilled receivables	-	-	157.32	144.23
	-	350.00	3,262.63	4,316.10
Advances/ reimbursements receivable from related parties (refer note 34)				
		March 31, 2021		March 31, 2020
Cigniti Technologies Inc.		42.65		41.03
Cigniti Technologies UK Limited		13.60		472.60
Cigniti Technologies Canada Inc.		1.75		140.90
Cigniti Technologies Australia Pty Limited		-		436.77
		58.00		1,091.30

8 Trade receivables

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Receivables from related parties (refer note 34)	7,904.15	6,483.68
Receivables from other parties	768.55	948.32
Unsecured, considered doubtful		
Receivables from related parties (refer note 34)	20.44	20.44
Receivables from other parties	103.96	11.54
Less: Allowance for credit losses	(124.40)	(31.98)
	8,672.70	7,432.00

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, 2020: Rs. 20.44 lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Trade receivables are generally with the credit term of 30 to 90 days and are non interest bearing.

9 Cash and cash equivalents

	March 31, 2021	March 31, 2020
Balance with banks		
- On current accounts	1,513.79	319.24
- Remittance in transit	-	45.88
Cash on hand	0.06	0.05
	1,513.85	365.17

9.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2021	March 31, 2020
Cash and cash equivalents (refer note 9)	1,513.85	365.17
Less: Cash credit facility (refer note 16)	(1,611.26)	(1,336.37)
	(97.41)	(971.20)

10 Bank balances other than cash and cash equivalents

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deposits with original maturity for more than 3 months	-	350.00	10,230.40	7,950.37
Less: Amount disclosed under non-current assets (refer note 7)	-	(350.00)	-	-
	-	-	10,230.40	7,950.37

11 Current tax assets, net

	March 31, 2021	March 31, 2020
Income tax receivable (net of provision for tax)	255.16	258.68
	255.16	258.68

12 Other current assets

	March 31, 2021	March 31, 2020
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	6.12	-
Staff advances	25.23	26.13
Prepaid expenses	244.55	155.64
Balance with government authorities	752.61	1,289.92
	1,028.51	1,471.69

No advances are due from directors or other officers of the company or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

13 Deferred tax asset, net

	March 31, 2021	March 31, 2020
Deferred tax asset		-
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation/amortisation charged to financial reporting	22.38	-
Provision for employee benefits	350.74	-
Provision for doubtful debts	31.88	-
Right to use assets/lease obligation	197.42	-
Gross deferred tax asset	602.42	-
Deferred tax liability		
Revaluations of current investments to fair value	(73.25)	-
Gross deferred tax liability	(73.25)	-
	529.17	-

March 31, 2021

	Opening balance	Recognised 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	22.38
Provision for employee benefits	-	350.74	350.74
Provision for doubtful debts	-	31.88	31.88
Right to use assets/lease obligation	-	197.42	197.42
Revaluations of current investments to fair value	-	(73.25)	(73.25)
	-	529.17	529.17

March 31, 2020

	Opening balance	Recognised 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	-	-	-
Provision for employee benefits	-	-	-
Provision for doubtful debts	-	-	-
Right to use assets/Lease obligation	-	-	-
Revaluations of current investments to fair value	-	-	-

During the current year, the Company has utilised its carried forward tax losses and MAT credit and has assessed that taxable profit in foreseeable will be available against which the deductible temporary difference can be utilised and has accordingly recognised deferred tax on such deductible temporary differences. Refer note 35 for further details.

14 Equity share capital

	March 31, 2021	March 31, 2020
Authorized share capital		
36,000,000 (March 31, 2020 : 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
28,020,009 (March 31, 2020: 27,846,259) equity shares of Rs. 10/- each fully paid-up	2,802.00	2,784.63
Total issued, subscribed and fully paid-up share capital	2,802.00	2,784.63

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2021		March 31, 2020	
	No's	Amount	No's	Amount
At the beginning of the year	278.46	2,784.63	276.64	2,766.43
Shares issued during the year against stock options	1.74	17.37	1.82	18.20
Outstanding at the end of the year	280.20	2,802.00	278.46	2,784.63

(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, 2021		March 31, 2020	
	No's	% holding	No's	% holding
P. Sapna	34.59	12.34%	34.59	12.42%
C. V. Subramanyam	31.56	11.26%	30.54	10.97%
C. Srikanth	25.00	8.92%	25.00	8.98%

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) Proposed dividend

The Board of Directors at their meeting held on April 29, 2021 proposed dividend of Rs. 2.50/- per share on face value of Rs. 10/- each, total aggregating to Rs. 700.50 lakhs. Proposed dividend on equity shares is subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2021.

15 Other equity

	March 31, 2021	March 31, 2020
Securities premium		
Opening balance	28,633.76	27,930.49
Add: Issue of equity shares on exercise of employee stock options	650.00	703.27
Closing balance	29,283.76	28,633.76
Share based payment reserve		
Opening balance	525.93	877.65
Add: Issue of equity shares on exercise of employee stock options	(537.88)	(657.27)
Add: Share-based payment expense	156.84	305.55
Closing balance	144.89	525.93
Retained earnings		
Opening balance	(2,576.70)	(7,730.79)
Less: Impact of adoption of new accounting standard	-	(650.12)
Add: Profit during the year	5,444.02	5,965.47
Items recognised directly in Other comprehensive income		
Re-measurement losses on employee defined benefit plans, net of tax	(40.43)	(161.26)
Closing balance	2,826.89	(2,576.70)
	32,255.54	26,582.99

Nature and purpose of reserves

15.1 Security premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

15.2 Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer note 32 for further details of these plans.

15.3 Retained earnings

Retained earnings comprises of prior year's undistributed earnings after taxes along with current year profit.

16 Short term borrowings

	March 31, 2021	March 31, 2020
Secured		
Cash credit from banks (refer note below)	1,611.26	1,336.37
	1,611.26	1,336.37

Cash credit from banks of Rs. 1,611.26 lakhs (March 31, 2020: Rs 1,336.37 lakhs) is secured by hypothecation of property, plant and equipment, trade receivables of the Company and immovable property of Mr. C.V Subramanyam, Managing Director and his relative. The cash credit is also secured by personal guarantee of the directors, Mr. C.V Subramanyam, Managing Director and Mr. C. Srikanth, Director and their relatives. It is repayable on demand and carries floating interest rate of 8.20%p.a. (March 31, 2020: 10.72% p.a.). The Company had available Rs. 888.74 lakhs (March 31, 2020: Rs. 163.63 lakhs) of undrawn committed borrowing facilities as at March 31, 2021.

17 Trade payables

	March 31, 2021	March 31, 2020
Outstanding dues of micro enterprises and small enterprises(refer note 33 for details of dues to micro and small enterprises)	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	952.43	883.46
Outstanding dues to related parties (refer note 34)	122.38	178.03
	1,074.81	1,061.49

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.

18 Lease obligation

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Lease obligation (refer note 40 (a))	2,027.36	2,771.50	744.67	664.81
	2,027.36	2,771.50	744.67	664.81

Interest payable is normally settled monthly throughout the financial year.

19 Other financial liabilities

	March 31, 2021	March 31, 2020
At amortised cost		
Advance from customers	-	24.04
Advances from related parties (refer note 34)	2,265.64	2,163.41
Capital creditors	66.76	32.71
	2,332.40	2,220.16

20 Provisions

	Long term		Short term	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provisions for employee benefits				
Provision for gratuity	1,234.54	900.90	-	-
Provision for leave benefits	-	-	131.62	115.63
	1,234.54	900.90	131.62	115.63

21 Other current liabilities

	March 31, 2021	March 31, 2020
Statutory dues	329.02	300.90
	329.02	300.90

22 Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from software testing services	31,106.90	30,033.44

22.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended March 31, 2021	Year ended March 31, 2020
Related parties	28,004.81	26,784.40
Others	3,102.09	3,249.04
Total revenue from operations	31,106.90	30,033.44

Notes

- Income from software testing services rendered to related parties is recognised on accrual basis and billed as per the terms of specific contract, which is on the basis of cost expended plus an agreed profit margin (refer note 2.2.(e) for the revenue recognition policy).
- Income from software testing services rendered to others mainly comprises of time and material contracts (refer note 2.2.(e) for the revenue recognition policy).

22.2 Contract balances

	March 31, 2021	March 31, 2020
Contract assets		
Trade receivables, net	8,672.70	7,432.00
Unbilled revenue	157.32	144.23
Contract liabilities		
Advance from customers	-	24.04

Unbilled revenue are initially recognised for the revenue earned in excess of amounts billed to clients as at the balance sheet date. Upon completion of acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities represents the obligation of the Group to perform services for which the entity has received consideration from the customer.

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 recognised 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 unrecognised 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, 2021	Year ended March 31, 2020
Exchange differences, net	283.10	115.92
Export incentive	-	1,127.26
Recoveries of bad and doubtful receivables	-	108.24
Miscellaneous income	-	4.62
	283.10	1,356.04

24 Finance income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on bank deposits	536.53	439.41
Income on fair valuation of investments through profit and loss	431.45	145.59
Interest on income tax refund	17.34	-
	985.32	585.00

25 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	19,961.08	17,881.32
Contribution to provident and other funds (refer note 31)	393.55	354.45
Share-based payment expense	156.84	303.32
Gratuity expense (refer note 31)	477.09	392.16
Staff welfare expenses	361.33	323.97
	21,349.89	19,255.22

26 Other expenses

		Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel		291.27	365.96
Rent		225.20	193.73
Repairs and maintenance		215.68	313.83
Advertising, marketing and sales promotion		210.01	80.98
Travelling and conveyance		411.48	2,022.53
Communication costs		234.06	210.38
Software licensing cost		808.26	698.62
Sub-contracting charges		463.94	292.23
Legal and professional fees		374.53	417.87
Rates and taxes		54.79	39.60
Insurance		8.68	10.08
Printing and stationery		18.39	24.69
Recruitment expenses		31.50	11.30
Payment to auditor (refer note below)		107.18	83.22
Bad debts written off	13.61		
Less: Reversal of provision for expected credit loss	(13.61)	-	-
Provision for expected credit loss		105.28	-
Corporate social responsibility expenditure (refer note below)		106.87	90.00
Miscellaneous expenses		6.00	5.00
		3,673.12	4,860.02

Payment to Auditor

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fee	53.00	50.00
Limited review	45.00	30.00
In other capacity		
Certification services	8.00	-
Reimbursement of expenses	1.18	3.22
	107.18	83.22

Details of Corporate social responsibility expenditure

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Company during the year:	106.87	71.47
(b) Amount spent during the year	Paid in cash	Paid in cash
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	30.00	90.00

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company has transferred the unspent amount of Rs.76.87 lakhs to a separate bank account subsequent to the balance sheet date.

27 Depreciation and amortization expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	330.63	288.71
Amortization of right to use asset (refer note 40(a))	677.29	663.26
	1,007.92	951.97

28 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	17.71	25.46
Interest on lease obligation	358.18	387.80
Bank charges	3.46	5.10
	379.35	418.36

29 Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2021 and for the year ended March 31, 2020 are:

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax		
Current income tax charge	1,050.19	523.44
Deferred tax credit	(529.17)	-
Total income tax expense recognised in statement of profit and loss	521.02	523.44

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax (A)	5,965.04	6,488.91
Enacted tax rate in India (B)	29.12%	29.12%
Expected tax expenses (C = A * B)	1,737.02	1,889.57
Reconciling items:		
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(618.56)	(1,915.78)
Tax effect of expenses disallowed under Income Tax Act, 1961	28.51	26.21
Minimum Alternate Tax (MAT) expense	-	523.44
MAT credit utilisation	(625.95)	-
Total tax expense	521.02	523.44
Effective tax rate	8.73%	8.07%

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit, losses and other benefits under the Income Tax Act, 1961. The Company plans to opt for lower tax regime once these benefits are utilised.

30 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, 2021	Year ended March 31, 2020
Profit attributable to equity shareholders for basic earnings	5,444.02	5,965.47
Weighted average number of equity shares in computing basic EPS	278.90	277.16
Add: Effect of dilution:		
Employee stock options*	-	1.14
Weighted Average number of equity shares adjusted for effect of dilution*	278.90	278.30
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	19.52	21.52
- Diluted (Rs.)	19.52	21.44

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.

* The effect of stock options issued is anti-dilutive and hence not considered for computation of diluted earnings per share.

31 Gratuity and other employee benefits

I Defined Benefit Plans

The Company has a defined benefit gratuity plan governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded through a policy with LIC. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in Employee benefits expenses)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	426.23	340.10
Interest cost	85.57	70.24
Expected return on plan assets	(34.71)	(18.18)
Net employee benefit expenses	477.09	392.16
Actual return on plan asset	34.71	18.18

B) Amount recognised in the Balance Sheet

	March 31, 2021	March 31, 2020
Defined benefit obligation	1,964.07	1,515.63
Fair value of plan assets	729.53	614.73
	1,234.54	900.90

C) Changes in the present value of the defined benefit obligation

	March 31, 2021	March 31, 2020
Opening defined benefit obligation	1,515.63	1,008.45
Current service cost	426.23	340.10
Interest cost	85.57	70.24
Benefits paid	(76.15)	(64.42)
Net Actuarial losses on obligation for the year recognised under OCI	12.79	161.26
Closing defined benefit obligation	1,964.07	1,515.63

D) Change in the fair value of plan assets

	March 31, 2021	March 31, 2020
Opening fair value of plan assets	614.73	260.98
Investment income	34.71	18.18
Employer's contribution	190.00	377.00
Benefits paid	(82.27)	-
Return on plan assets, excluding amount recognised in net interest expense	(27.64)	(41.43)
Closing fair value of plan assets	729.53	614.73

The Company expects to contribute Rs. 500 lakhs to the gratuity fund in the next year (March 31, 2020: Rs. 350.00 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2021	March 31, 2020
Investments with LIC	100.00%	100.00%

E) Remeasurement adjustments:

	Year ended March 31, 2021	Year ended March 31, 2020
Experience loss on plan liabilities	12.79	50.28
Financial loss on plan liabilities	-	110.58
Demographic loss on plan liabilities	-	0.40
Actuarial loss on plan assets	-	-
Return on plan assets, excluding amount recognised in net interest expense	27.64	-
Remeasurement losses recognised in other comprehensive income:	40.43	161.26

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2021	March 31, 2020
Discount rate	5.65%	5.65%
Expected rate of return on assets	5.65%	6.97%
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, 2021	March 31, 2020
Expected benefit payments for the year ended:		
1 year	280.89	198.25
2-5 years	1,012.77	770.23
6-10 years	792.89	639.31
More than 10 years	798.27	637.10

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2020: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2021	March 31, 2020
(a) Effect of 1% change in assumed discount rate		
- 1% increase	109.76	86.50
- 1% decrease	(122.06)	(96.32)
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	(101.11)	(80.15)
- 1% decrease	96.45	76.30
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	261.65	222.05
- decrease by 50% of the attrition rate	(624.89)	(524.02)

II Defined contribution plan

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident and other funds	393.55	354.45

32 Share based payments

Under the Employee Stock Option Plan, the Company, at its discretion, may grant share options of employees of the Company. The remuneration committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period ranging from 1 to 4 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2021	Year ended March 31, 2020
Expense arising from equity-settled share-based payment transactions*	156.84	305.55

*The above expense include expense arising from equity-settled share-based payment transactions of the subsidiaries amounting to Rs. 42.18 lakhs (March 31, 2020: Rs 2.22 lakhs).

Movements during the year: The following table illustrates movements in share options during the year:

	March 31, 2021					March 31, 2020				
	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015
Total No. of options under the scheme	15.00	10.00	20.00	5.00	5.00	15.00	10.00	20.00	5.00	5.00
Outstanding at April 01	-	-	0.09	1.25	1.33	0.07	-	0.39	2.50	1.60
Granted during the year	-	-	0.25	-	2.50	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	0.08
Exercised during the year	-	-	-	1.25	0.49	0.07	-	0.30	1.25	0.20
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at March 31	-	-	0.34	-	3.34	-	-	0.09	1.25	1.33
Exercisable at March 31	-	-	0.09	-	0.09	-	-	0.09	-	0.20

The weighted average share price at the date of exercise of these options was Rs 328.95 (March 31, 2020: Rs 288.80)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2021 and as at March 31, 2020

	March 31, 2021	March 31, 2020
Grant 2014-I	5.05	2.38
Grant 2014-II	-	4.76
Grant 2015	3.87	2.84

The weighted average fair value of options granted during the year ended March 31, 2021 was Rs 170.61 (March 31, 2020: Rs Nil).

The range of exercise prices for the options outstanding at the beginning, forfeited, exercised, expired and outstanding at the end of the year is Rs 10 - Rs 393 (March 31, 2020: Rs 10 - Rs 240).

The following tables list the inputs to the models used for the current year March 31, 2021. There are no grants for the previous year ended March 31, 2020:

	March 31, 2021	
	Scheme 2014	Scheme 2015
Dividend yield	0%	0%
Expected volatility	42.98% - 46.66%	42.98% - 46.66%
Risk-free interest rate	4.31% - 5.39%	4.31% - 5.39%
Expected life of options granted in years	2 - 5 years	2 - 5 years
Weighted average share price	393.55	393.55
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 The Company has not dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 during the current and previous year.

34 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
Gallop Solutions Private Limited, India	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	Independent director

Transactions/ balances with above mentioned related parties

For the year ended March 31, 2021

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
Transactions						
Rendering of software testing services	24,635.06	1,073.18	1,977.24	319.33	-	-
Reimbursement of expenses incurred by CTL India	20.67	3.48	10.76	2.18	-	0.01
Reimbursement of expenses incurred by CT Inc. USA	(149.00)					
Balances outstanding receivable/(payable)						
Trade receivable	6,392.92	482.39	879.17	149.67	20.44	-
Advance receivable	42.65	1.75	13.60	-	-	-
Advance payable	(2,212.78)	-	-	-	-	(52.86)
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00

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	310.85	103.94	14.65	21.00	21.00	21.00
Director sitting fees	-	-	-	12.00	12.00	12.00
Balances outstanding receivable/(payable)						
Remuneration payable	(57.35)	(1.65)	(0.38)	(21.00)	(21.00)	(21.00)

For the year ended March 31, 2020

Subsidiaries	Cigniti Technologies Inc., USA	Cigniti Technologies (Canada) Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Pvt. Ltd, India
Transactions						
Rendering of software testing services	22,653.54	830.41	2,999.14	301.31	-	-
Reimbursement of expenses	18.33	9.74	35.31	2.18	-	0.01
Balances outstanding receivable/(payable)						
Trade receivable	4,687.20	208.69	1,458.81	128.98	20.44	-
Advances to related parties	41.03	140.90	472.60	436.77	-	-
Advances from related parties	(2,110.52)	-	-	-	-	(52.89)
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00

Key Management Personnel

	Mr. C. V. Subramanyam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions						
Remuneration	330.00	106.60	15.03	22.00	22.00	22.00
Director sitting fees	-	-	-	13.00	12.00	12.00
Balances outstanding receivable/(payable)						
Remuneration payable	(110.00)	(1.65)	(0.38)	(22.00)	(22.00)	(22.00)

Key management personnel (Mr. C.V Subramanyam and Mr. C. Srikanth) have given personal guarantees and personal property as collateral security in favour of bankers in connection with cash credit facility whose closing balance in total is Rs. 1,611.26 lakhs (March 31, 2020: Rs. 1,336.37 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 Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 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 – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office premises with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on Company's operations if a replacement asset is not readily available.

Refer to note 40 (a) for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (Refer note 29).

(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 31.

(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 and consequential default considering emerging situations due to COVID-19. Refer Note 2.3(a)

36 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Investments	8,046.27	4,889.19	8,046.27	4,889.19
Loans	508.39	516.38	508.39	516.38
Trade receivables	8,672.70	7,432.00	8,672.70	7,432.00
Cash and cash equivalents	1,513.85	365.17	1,513.85	365.17
Bank balances other than cash and cash equivalents	10,230.40	7,950.37	10,230.40	7,950.37
Other financial assets	3,262.63	4,666.10	3,262.63	4,666.10
Financial liabilities				
Borrowings	1,611.26	1,336.37	1,611.26	1,336.37
Lease obligation	2,772.03	3,436.31	2,772.03	3,436.31
Other financial liabilities	2,332.40	2,220.16	2,332.40	2,220.16
Trade payables	1,074.81	1,061.49	1,074.81	1,061.49

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 Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

The Company considers a counterparty whose payment is due more than 90 days after the due date as a defaulted party. This is based on considering the market and economic forces in which the entities in the Company are operating. The Company creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 90 days from the due date. In calculating expected credit loss, the Company has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

Trade receivables:

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Company's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. Expected credit losses are measured at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

At March 31, 2021, the Company had 14 customers (March 31, 2020: 19 customers) that owed the Company more than 1% each of total receivable from parties other than related parties and accounted for approximately 95% (March 31, 2020: 97%) of receivables outstanding pertaining to other parties. There were 6 customers (March 31, 2020: 7 customers) with balances greater than 5% each accounting for approximately 75% (March 31, 2020: 74%) of total amounts receivable from parties other than related parties.

The Company has adequate provision as at March 31, 2021 amounting to Rs.124.40 lakhs (As at March 31, 2020: Rs. 31.98 lakhs) for receivable where there is no reasonable expectations of recovery. These are however, still subject to enforcement activity.

B Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

March 31, 2021:	On demand	< 1 year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	1,611.26	-	-	-	1,611.26
Lease obligation	-	1,030.15	2,444.44	150.17	3,624.76
Trade payables	-	1,074.81	-	-	1,074.81
Other financial liabilities	-	2,332.40	-	-	2,332.40
	1,611.26	4,437.36	2,444.44	150.17	8,643.23
March 31, 2020:					
Contractual undiscounted payments					
Borrowings	1,336.37	-	-	-	1,336.37
Lease obligation	-	1,007.86	2,867.68	757.08	4,632.62
Trade payables	-	1,061.49	-	-	1,061.49
Other financial liabilities	-	2,220.16	-	-	2,220.16
	1,336.37	4,289.51	2,867.68	757.08	9,250.64

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, 2021 and March 31, 2020.

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, 2021 and March 31, 2020.

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, 2021				
Indian Rupees	+0.5%	-0.50%	(1.02)	1.02
March 31, 2020				
Indian Rupees	+0.5%	-0.50%	(0.79)	0.79

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

C2 . Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

	March 31, 2021			March 31, 2020	
	Currency	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Cash and cash equivalent	USD	0.78	57.06	0.01	0.95
	AED	2.61	52.06	4.83	98.26
	ZAR	91.08	449.53	49.03	204.63
Trade receivables	USD	90.48	6,618.51	65.21	4,873.91
	GBP	8.73	879.17	15.77	1,458.81
	AUD	2.69	149.67	2.81	128.98
	CAD	8.31	482.39	3.96	208.69
	ZAR	10.93	53.95	38.98	162.68
	SGD	2.01	109.33	1.66	87.14
	DKK	26.95	310.85	14.93	164.34
	AED	5.76	114.63	3.29	66.98
	EUR	0.21	17.98	0.02	1.52
Advances recoverable in cash or kind	USD	0.58	42.65	0.55	41.03
	GBP	0.14	13.60	5.11	472.60
	AUD	-	-	9.52	436.77
	CAD	0.03	1.75	2.67	140.90
Advance from related parties	USD	30.25	2,212.78	28.24	2,110.52
Trade payables	ZAR	0.10	0.49	0.97	4.06
	AED	0.49	9.71	0.14	2.77

b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and ZAR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate		Effect on profit/(loss) before tax	
	Increase	Decrease	Increase/(Decrease)	
March 31, 2021				
USD	1.00%	1.00%	45.05	(45.05)
GBP	1.00%	1.00%	8.93	(8.93)
ZAR	1.00%	1.00%	5.03	(5.03)
March 31, 2020				
USD	1.00%	1.00%	28.05	(28.05)
GBP	1.00%	1.00%	19.31	(19.31)
ZAR	1.00%	1.00%	3.63	(3.63)

38 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, 2021	March 31, 2020
Revenue from related parties		
US	24,635.06	22,653.54
Others	3,369.75	4,130.86
Revenue from external customers		
India	821.07	968.73
Outside India	2,281.02	2,280.31

b) Assets: All the non-current assets are located in India.

No single external customer revenue is more than 10% of the Company's revenue.

39 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, 2021	March 31, 2020
Borrowings	1,611.26	1,336.37
Less: Cash and cash equivalents (refer note 9)	(1,513.85)	(365.17)
Bank balances other than cash and cash equivalents (refer note 10)	(10,230.40)	(7,950.37)
Current investments (refer note 5)	(8,046.27)	(4,889.19)
Net debt	-	-
Equity	2,802.00	2,784.63
Other equity	32,255.54	26,582.99
Total capital	35,057.54	29,367.62
Capital and net debt	35,057.54	29,367.62
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, 2021 and March 31, 2020.

40 Commitments and contingencies

a. Leases

Company as lessee

The Company has entered into operating leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 0% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. The Company also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	March 31, 2021	March 31, 2020
Opening balance	2,678.90	3,223.23
Additions	-	118.93
Amortization	(677.29)	(663.26)
Closing balance	2,001.61	2,678.90

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

	March 31, 2021	March 31, 2020
Opening balance	3,436.31	3,873.35
Additions	-	118.93
Accretion of interest	358.18	387.80
Payments	(1,022.46)	(943.77)
Closing balance	2,772.03	3,436.31
Current	744.67	664.81
Non-current	2,027.36	2,771.50

The maturity analysis of lease liabilities are disclosed in note 37.

The effective interest rate for lease liabilities is 10%, with maturity between 2021-2028.

The following are the amounts recognised in statement of profit and loss:

	March 31, 2021	March 31, 2020
Amortization of Right to use asset	677.29	663.26
Interest on lease obligation	358.18	387.80
	1,035.47	1,051.06

The Company had total cash outflows for leases of Rs. 1,022.46 lakhs in March 31, 2021 (March 31, 2020: Rs. 943.77 lakhs). The entire amount is in the nature of fixed lease payments. The Company had no non-cash additions to right-of-use assets and lease liabilities in March 31, 2021 (March 31, 2020: Rs. 118.93 lakhs) on account of revision of terms of lease with respect to change in the lease payments over the period of the lease.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (refer note 35).

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 is Rs. Nil (March 31, 2020 : Rs. Nil).

c. Contingent liabilities

- (i) During the current year, the Company has 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 adjustment majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. Management has reviewed 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. The Company is in the process of filing the necessary appeal against such order.
- (ii) During the current year, the Company has 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 has 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 that, 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 recognised for the period April 1, 2015 to March 31, 2020 amounting to Rs. 3,305.84 lakhs are fully recoverable.

- (iii) (a) During the current year, 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 compounding FEMA related non compliances.

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.

41 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.

42 Previous period figures have been regrouped/reclassified wherever necessary to conform to the current period classification.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: April 29, 2021

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

C. V. Subramanyam
Chairman & Managing Director
DIN: 0071378

Krishnan Venkatachary
Chief Financial Officer

Place: Hyderabad
Date: April 29, 2021

C. Srikanth
Director
DIN: 06441390

A. Naga Vasudha
Company Secretary



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