Cigniti

December 27, 2024

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

BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400001.
Fax No.22722037/22723121
Scrip code: 534758

Dear Sir / Madam,

Sub: Outcome of Board Meeting – December 27, 2024, under Regulation 30 read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations")

Allotment of 15,625 equity shares to Mr. Vinay Rawat, employee of the Company on exercise of options under Cigniti ESOP Scheme 2014.

We wish to inform you that the Board of Directors at its meeting held today on December 27, 2024, has approved the allotment of 15,625 equity shares to Mr.Vinay Rawat, employee of the Company pursuant to exercise of options under Cigniti ESOP Scheme 2014.

Re-classification of the Promoters of the Company namely Mr. C.V. Subramanyam, Mr. C. Srikanth, Mrs. C. Rajeswari, Mr. Sudhakar Pennam and Mrs. Pennam Sapna.

Further to our intimation dated December 27, 2024, regarding the receipt of request from the aforesaid Promoters of the Company seeking reclassification from Promoter category to Public category, we hereby inform that the said requests for re-classification were placed before the Board of Directors of the Company.

The Board has, inter-alia, considered, analyzed and approved the request for re-classification made by the Promoters the Company ("Outgoing Promoters") as detailed below, subject to permission of the Stock Exchanges in terms of Regulation 31A of SEBI Listing Regulations:

S.No	Name of the Promoter	No. of paid-up equity shares held	Percentage of shareholding
1.	C.V. Subramanyam	50,925	0.19
2.	C. Rajeswari	50,925	0.19
3.	C. Srikanth	50,924	0.19
4.	Sudhakar Pennam	1,127	0.004
5.	Sapna Pennam	82,072	0.30

Approval of the audited special purpose financial statements of the Company for six months period ended September 30, 2024, and take note of audit report

Pursuant to Regulation 30 of the SEBI Listing Regulations, we wish to inform you that the Board of Directors, at its meeting held today on December 27, 2024, has inter alia, approved the audited special purpose financial statements of the company for six months period ended September 30, 2024, and took note of audit report, for the purpose of Scheme of Amalgamation of Cigniti Technologies Limited ("Transferor

Company") with and into Coforge Limited ("Company" or "Transferee Company") and their respective shareholders and creditors ("Scheme"). The above financial statements and audit report thereon are enclosed herewith.

<u>Approval of the scheme of amalgamation of Cigniti Technologies Limited with and into the Coforge Limited and their respective shareholders and creditors</u>

The Board approved the Scheme of Amalgamation of Cigniti Technologies Limited with and into Coforge Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("Scheme"). The Scheme inter alia provides for the amalgamation of the Transferor Company with and into the Company.

The Scheme is subject to the receipt of necessary statutory and regulatory approvals, including approval of Stock Exchanges, Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and jurisdictional bench of the National Company Law Tribunal.

The meeting commenced at 9.00 P.M. (IST) and concluded at 9.20 P.M.(IST) on 27th December 2024.

This disclosure is made in terms of the SEBI Listing Regulations for the information of the Exchange and Members.

The above information is also being made available on the website of the Company at www.cigniti.com

We request you to take the above on record and the same be treated as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you.

Yours Faithfully,

For Cigniti Technologies Limited

Vasudha Tadepalli

Digitally signed by Vasudha Tadepalli
Date: 2024.12.28 00:04:20 +05'30'

Naga Vasudha
Company Secretary

Encl: as above

Cigniti Technologies Ltd
Registered Office.
Suite 106 & 107, MGR Estates, Dwarakapuri Colony, Panjagutta,
Hyderabad 500 082, Telangana, India
Global Delivery Center
6th Floor, ORION Block, "The V" (Ascendas),Plot #17, Software Units Layout
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Tel: +91 40 6141 6000

Independent Auditor's Report

To the Board of Directors of Cigniti Technologies Limited

Report on the Special Purpose Interim Condensed Consolidated Financial Statements of Cigniti Technologies Limited

Opinion

We have audited the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Cigniti Technologies Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Special Purpose Interim Condensed Consolidated Balance Sheet as at September 30, 2024, and the Special Purpose Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Special Purpose Interim Condensed Consolidated Cash Flow Statement and the Special Purpose Interim Condensed Consolidated Statement of Changes in Equity for the six-months period then ended, and a summary of select explanatory notes (hereinafter referred to as the "Special Purpose Interim Condensed Consolidated Financial Statements") solely for submission to Coforge Limited ("Acquirer Company"), in connection with the requirements of Standard Operating Procedure (SOP) on application to be filed under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangements for preparation of valuation report, for the proposed merger of the Holding Company with the Acquirer Company ("Merger Scheme"), as explained in note 38 of the Special Purpose Interim Condensed Consolidated Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Interim Condensed Consolidated Financial Statements have been prepared, in all material respects, in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 – Interim Financial Reporting specified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Basis for Opinion

We conducted our audit of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), 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 Special Purpose Interim Condensed 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 Companies Act, 2013 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 Special Purpose Interim Condensed Consolidated Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Interim Condensed Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 – Interim Financial Reporting specified under section 133 of the Act,

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS ★ HYDERABAD ★

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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Interim Condensed 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 Group's financial reporting process.

Auditor's Responsibilities for the Special Purpose Interim Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Condensed 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 Special Purpose Interim Condensed 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 Special Purpose Interim Condensed 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 Special Purpose Interim Condensed 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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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 Special Purpose Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the condensed financial statements of such entities included in the Special Purpose Interim Condensed Consolidated Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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.

Other matters

The comparative financial information of the Group for the period ended September 30, 2023, included in these Special Purpose Interim Condensed Consolidated Financial Statements, are as certified by management and have not been audited by us or any other auditor.

Other matters - Restriction of Distribution and Use

The accompanying Special Purpose Interim Condensed Consolidated Financial Statements have been prepared for the purpose stated in the first paragraph of this report, and this report thereon, is issued solely for use by the Acquirer Company for the purpose of preparation of valuation report for the Merger Scheme, as explained in note 38 of the Special Purpose Interim Condensed Consolidated Financial Statements. As a result, our report may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Harish Khemnani
Partner
Membership Number: 218576
UDIN: 24218576BKGEQR6277
Place of Signature: Hyderabad
Date: December 27, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Special Purpose Interim Condensed Consolidated Balance Sheet as at September 30, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at September 30, 2024 Audited	As at March 31, 2024 Audited
Assets			
Non-current assets			
Property, plant and equipment	3	1,807.57	2,302.36
Other intangible assets	3	410.93	684.88
Right-to-use asset	37	2,270.57	1,744.41
Goodwill	3.1	7,396.83	7,396.83
Financial assets			
Investments	4(a)	276.37	275.15
Other financial assets	5	2,953.86	963.78
Deferred tax asset (net)	11	1,794.58	907.88
		16,910.71	14,275.29
Current assets			
Financial assets			
Investments	4(b)	23,229.52	24,714.20
Trade receivables	6	29,921.78	31,863.65
Cash and cash equivalents	7	14,899.50	10,396.45
Bank balances other than cash and cash equivalents	8	3,887.17	5,650.11
Other financial assets	5	11,270.30	10,482.71
Other current assets	10	3,855.77	2,295.46
Current tax assets (net)	9	975.33	909.36
		88,039.37	86,311.94
Total assets		104,950.08	100,587.23
Equity and liabilities			
Equity			
Equity share capital	12	2,730.01	2,730.01
Other equity	13	78,337.80	71,077.25
		81,067.81	73,807.26
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	16	1,492.88	855.79
Provisions	18	1,927.74	2,410.57
		3,420.62	3,266.36
Current liabilities			
Financial liabilities			
Borrowings	14	-	3,493.44
Lease liabilities	16	1,167.47	1,374.24
Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		38.86	63.82
- total outstanding dues of creditors other than micro enterprises and small enterprises		10,510.23	11,324.48
Other current financial liabilities	17	739.22	798.37
Provisions	18	2,328.00	1,892.45
Other current liabilities	20	3,931.56	2,988.60
Current tax liabilities (net)	19	1,746.31	1,578.21
		20,461.65	23,513.61
Total equity and liabilities		104,950.08	100,587.23
Summary of material accounting policies	2.3		

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: December 27, 2024

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

Pankaj Khanna
Executive Director
DIN: 09157176
Place: Noida

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Saurabh Goel
Director
DIN: 08589223
Place: Noida

Krishnan Venkatachary
Chief Financial Officer
Place: Hyderabad

A. Naga Vasudha
Company Secretary
Place: Hyderabad

Date: December 27, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Special Purpose Interim Condensed Consolidated Statement of Profit and Loss for the six months period ended September 30, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	Six months period ended September 30, 2024 Audited	Six months period ended September 30, 2023 Unaudited
Income			
Revenue from operations	21	96,766.50	89,135.62
Other income	22	1,137.39	(82.44)
Finance income	23	1,261.50	1,083.56
Total income		**99,165.39**	**90,136.74**
Expenses			
Employee benefits expense	24	60,888.51	53,889.50
Hired contractors costs	25	13,435.43	14,490.43
Other expenses	26	10,986.66	8,066.17
Depreciation and amortization expense	27	1,763.97	1,469.61
Finance costs	28	149.98	218.19
Total expenses		**87,224.55**	**78,133.90**
Profit before exceptional item and tax		**11,940.84**	**12,002.84**
Exceptional items	26(a)	3,004.83	-
Profit before tax		**8,936.01**	**12,002.84**
Tax expenses	29		
Current tax		3,671.03	3,151.92
Deferred tax		(1,080.71)	(190.98)
Total tax expenses		**2,590.32**	**2,960.94**
Net profit for the period		**6,345.69**	**9,041.90**
Other Comprehensive Income (OCI)			
a) Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		193.32	279.96
b) Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on employee defined benefit plans, net of tax		573.34	(90.82)
Total other comprehensive income for the period, net of tax		**766.66**	**189.14**
Total comprehensive income for the period, net of tax		**7,112.35**	**9,231.04**
Earnings per share (EPS) (Nominal value of equity share is Rs. 10/- each) (amount in Rs.)	30		
Basic EPS		23.24	33.15
Diluted EPS		23.10	33.03
Summary of material accounting policies	2.3		

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: December 27, 2024

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

Pankaj Khanna
Executive Director
DIN: 09157176
Place: Noida

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Saurabh Goel
Director
DIN: 08589223
Place: Noida

Krishnan Venkatachary
Chief Financial Officer
Place: Hyderabad

A. Naga Vasudha
Company Secretary
Place: Hyderabad

Date: December 27, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Special Purpose Interim Condensed Consolidated Statement of Changes in Equity for the six months period ended September 30, 2024
(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.
For the six months period ended September 30, 2024		
As at April 1, 2024	27,300,084	2,730.01
Add: Issued during the period (refer note 12)	-	-
As at September 30, 2024	27,300,084	2,730.01
For the six months period ended September 30, 2023		
As at April 1, 2023	27,256,959	2,725.70
Add: Issued during the period (refer note 12)	43,125	4.31
As at September 30, 2023	27,300,084	2,730.01

b. Other equity

	Other components of equity					Total
	Securities premium	Share based payment reserve	Capital redemption reserve	Retained earnings	Foreign currency translation	
Audited						
For the six months period ended September 30, 2024						
As at April 1, 2024	25,923.13	462.81	83.30	44,273.34	334.67	71,077.25
Profit for the period	-	-	-	6,345.69	-	6,345.69
Exchange differences on translation of foreign operations	-	-	-	-	193.32	193.32
Re-measurement gains on employee defined benefit plans	-	-	-	573.34	-	573.34
Share-based payment expense	-	148.20	-	-	-	148.20
As at September 30, 2024	25,923.13	611.01	83.30	51,192.37	527.99	78,337.80
Unaudited						
For the six months period ended September 30, 2023						
As at April 1, 2023	25,737.43	419.69	83.30	30,021.97	(53.32)	56,209.07
Profit for the period	-	-	-	9,041.90	-	9,041.90
Dividend	-	-	-	(1,499.96)	-	(1,499.96)
Exchange differences on translation of foreign operations	-	-	-	-	279.96	279.96
Re-measurement losses on employee defined benefit plans	-	-	-	(90.82)	-	(90.82)
Issue of equity shares on exercise of employee stock options	185.70	(151.20)	-	-	-	34.50
Share-based payment expense	-	116.36	-	-	-	116.36
As at September 30, 2023	25,923.13	384.85	83.30	37,473.09	226.64	64,091.01

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: December 27, 2024

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

Pankaj Khanna
Executive Director
DIN: 09157176
Place: Noida

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Saurabh Goel
Director
DIN: 08589223
Place: Noida

Krishnan Venkatachary
Chief Financial Officer
Place: Hyderabad

A Naga Vasudha
Company Secretary
Place: Hyderabad

Date: December 27, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Special Purpose Interim Condensed Consolidated Statement of Cash Flows for the six months period ended September 30, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Six months period ended	
		September 30, 2024 Audited	September 30, 2023 Unaudited
Cash flows from operating activities			
Profit before tax		8,936.01	12,002.84
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		1,763.97	1,469.61
Finance income		(1,261.50)	(1,083.56)
Profit on sale of property, plant and equipment, net		-	(7.99)
Provision for reversal of export incentive		3,004.83	-
Finance costs		149.98	218.19
Unrealised foreign exchange loss, net		215.41	192.73
Changes in fair value of financial liabilities, net		-	42.26
Share-based payment expense		148.59	116.16
Provision for expected credit loss, net		331.68	70.91
Operating profit before working capital changes		**13,289.00**	**13,021.15**
Movements in working capital			
Decrease in trade payables		(839.21)	(2,332.78)
Increase in financial liabilities		189.80	-
Increase/(decrease) in other liabilities		(291.09)	(72.48)
Increase in provisions		526.06	551.76
Decrease/(increase) in trade receivables		1,394.75	(3,247.78)
Increase in financial assets		(3,033.27)	(2,721.02)
Increase in other assets		(1,560.31)	(1,277.37)
Cash generated from operations		**9,675.73**	**3,921.48**
Income taxes paid (net of refunds)		(3,374.90)	(3,340.02)
Net cash flows from operating activities	(A)	**6,300.83**	**581.46**
Cash flows generated from / (used in) investing activities			
Purchase of property, plant and equipment		(383.54)	(352.12)
Proceeds from sale of property, plant and equipment		-	34.93
Payment of contingent consideration pertaining to acquisition of a subsidiary		(154.34)	(684.00)
Investment in other entities		-	(85.17)
Investments in mutual funds and other debt instruments		(2,661.27)	(4,552.50)
Redemption of mutual funds and other debt instruments		5,172.63	2,482.22
Investment in bank deposits		(4,656.54)	(3,500.46)
Redemption of bank deposits		4,708.69	5,877.18
Interest received		430.43	364.95
Net cash flows generated from / (used in) investing activities	(B)	**2,456.06**	**(414.97)**
Cash flows used in financing activities			
Proceeds from shares issued against stock options		-	38.81
Payment towards lease liabilities		(889.31)	(673.04)
Interest, other borrowing cost and factoring charges paid		(62.80)	(148.92)
Dividend paid		-	(1,478.81)
Net cash flows used in financing activities	(C)	**(952.11)**	**(2,261.96)**
Net increase in cash and cash equivalents	(A+B+C)	7,804.78	(2,095.47)
Exchange differences on translation of foreign currency balances		191.71	280.18
Cash and cash equivalents at the beginning of the period		6,903.01	1,335.12
Cash and cash equivalents at the end of the period		**14,899.50**	**(480.17)**
Components of cash and cash equivalents			
Balances with banks including cash on hand		14,899.50	3,523.98
Cash credit facility		-	(4,004.15)
Total cash and cash equivalents		**14,899.50**	**(480.17)**

Refer note 8.1 for change in liabilities arising from financing activities and non-cash investing activities

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

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

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Pankaj Khanna
Executive Director
DIN: 09157171
Place: Noida

Saurabh Goel
Director
DIN: 08589223
Place: Noida

Krishnan Venkatachary
Chief Financial Officer
Place: Hyderabad

A. Naga Vasudha
Company Secretary
Place: Hyderabad

Place: Hyderabad
Date: December 27, 2024

Date: December 27, 2024

1. Corporate information

Cigniti Technologies Limited ("the Company") (CIN: L72200TG1998PLC030081) and its subsidiaries (hereinafter collectively referred to as "the Group") 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 Digital Assurance and Engineering (Software testing) Services across the world.

The Special Purpose Interim Condensed Consolidated Financial Statements were approved for issue in accordance with a resolution of the directors on December 27, 2024.

2. Material accounting policies

2.1 Basis of preparation

The Special Purpose Interim Condensed Consolidated Financial Statements of the Group have been prepared in accordance with the requirements of Standard Operating Procedure (SOP) on application to be filed under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangement for preparation of valuation report for proposed merger ("Merger Scheme") of the Company and Coforge Limited ("Acquirer Company") and are in all material respects in accordance with Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Companies Act, 2013 ('the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Contingent consideration

The Special Purpose Interim Condensed 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 Special Purpose Interim Condensed Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at September 30, 2024. 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

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- 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 period are included in the Special Purpose Interim Condensed Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Special Purpose Interim Condensed 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 Special Purpose Interim Condensed 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 Special Purpose Interim Condensed 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., period ended on September 30. 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 Special Purpose Interim Condensed 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 Special Purpose Interim Condensed 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.

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

Group Information:

Information about subsidiaries

The Special Purpose Interim Condensed Consolidated Financial Statements of the Group include subsidiaries listed in the table below:

Name	Principal activities	Place and Country of operation	y interest	
			September 30, 2024	March 31, 2024
Cigniti Technologies Inc.	Digital Assurance and Engineering (Software testing) Services	USA	100%	100%
Cigniti Technologies (UK) Limited	Digital Assurance and Engineering (Software testing) Services	UK	100%	100%
Cigniti Technologies (Australia) Pty Ltd	Digital Assurance and Engineering (Software testing) Services	Australia	100%	100%
Cigniti Technologies Canada Inc	Digital Assurance and Engineering (Software testing) Services	Canada	100%	100%
Gallop Solutions Private Limited	Digital Assurance and Engineering (Software testing) Services	India	100%	100%
Cigniti Technologies (SG) Pte. Ltd.	Digital Assurance and Engineering (Software testing) Services	Singapore	100%	100%
Cigniti Technologies (CZ) Limited s.r.o.	Digital Assurance and Engineering (Software testing) Services	Czech Republic	100%	100%
Aparaa Digital Private Limited	Digital Assurance and Engineering (Software testing) Services	India	100%	100%
Roundsqr Pty Ltd.	Digital Assurance and Engineering (Software testing) Services	Australia	100%	100%
Cigniti Technologies CR Limitada	Digital Assurance and Engineering (Software testing) Services	Costa Rica	100%	100%

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2.3 Summary of material accounting policies

(a) Use of estimates and judgements

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

(b) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

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- 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 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.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(d) Foreign currencies

The Group's Special Purpose Interim Condensed 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 with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the

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reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., Special Purpose Interim Condensed Consolidated Financial Statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group Companies
On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are 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.

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.

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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 Special Purpose Interim Condensed Consolidated 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 Special Purpose Interim Condensed Consolidated 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 Digital Assurance and Engineering (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 recognising revenues and costs depends on the nature of services rendered as mentioned below:

- Time and material: Revenue from time and material contracts are recognised as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

- Fixed price contracts: Revenue from fixed-price contracts is recognised as per the 'percentage- of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

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Contract balances:

- Contract assets
  A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Revenue in excess of invoicing are classified as unbilled revenue (contract assets).

- Trade receivables
  A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section financial instruments – initial recognition and subsequent measurement.

- Contract liabilities
  A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other income

- Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

- Earnings and losses from investments is recognised based on changes in fair value of investments during the period and are reported on net basis.

- Foreign currency gains and losses are reported on net basis.

- Receipts in respect of dispute settlement of lawsuits are recognised on cash basis of accounting considering the probability of receipt in respect of such receivables.

(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:

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- 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 and does not give rise to equal taxable and deductible temporary differences.

- 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 and does not give rise to equal taxable and deductible temporary differences.

- 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.

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.

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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.

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.

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(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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	3 years
Customer relationships	3 years
Non-compete fees	3 years

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

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

(j) 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:

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ROU	Useful lives
Office premises	3-5 years

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

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

ii. Lease liabilities

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

(k) 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

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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.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group's CGU. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously 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.

(l) 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.

Contingent liability

Contingent liability is disclosed in the case of:

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

The Group does not recognise a contingent liability but discloses its existence in the Special Purpose Interim Condensed Consolidated Financial Statements.

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Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

(m) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Employee State Insurance are defined contribution schemes. The Group has no obligation, other than the contribution payable to the fund. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Group also provides certain additional post employment healthcare benefits to employees in the United States. These healthcare benefits are unfunded.
The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

Short term employee benefits

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for

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based on the actuarial valuation using the projected unit credit method at the period-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.

(n) Hired contractors cost

Hired contractors cost represents cost of technical sub-contractors for service delivery to the Group's customers. These costs are accrued based on services received from the sub-contractors in line with the terms of the contract.

(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.

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(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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

For a financial asset to be classified and measured at 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 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 three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

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.

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.

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Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. 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.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

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.

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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 115.

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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The Group's financial liabilities include trade and other payables, contingent consideration 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 fair value through profit or loss (Contingent consideration)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to P&L. 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 and loss.

Financial liabilities at amortised cost (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.

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(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 Special Purpose Interim Condensed 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 Digital Assurance and Engineering (Software testing) Services. Accordingly, the amounts appearing in the Special Purpose Interim Condensed Consolidated Financial Statements relate to the Group's single business segment.

(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 of parent company 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.

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

3. Property, plant and equipment and other intangible assets

	Property, plant and equipment							
	Buildings	Electrical equipments	Leasehold improvements	Furniture and fixtures	Office equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment
Cost								
As at April 1, 2023	193.53	538.20	415.71	599.24	376.44	4,396.21	243.33	6,762.66
Additions	-	186.78	113.82	15.15	130.55	356.56	-	802.86
Disposals	-	-	-	-	-	-	(229.00)	(229.00)
Exchange differences	-	-	-	3.80	9.78	13.70	-	27.28
As at March 31, 2024	193.53	724.98	529.53	618.19	516.77	4,766.47	14.33	7,363.80
Additions	-	21.70	5.19	4.89	7.60	249.23	-	288.61
Disposals	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	1.36	4.56	11.63	0.23	17.78
As at September 30, 2024	193.53	746.68	534.72	624.44	528.93	5,027.33	14.56	7,670.19
Depreciation								
As at April 1, 2023	29.38	292.06	199.45	454.72	335.47	2,336.06	94.42	3,741.56
Charge for the year	4.26	54.30	39.25	27.25	41.61	1,207.97	23.54	1,398.18
Disposals	-	-	-	-	-	-	(104.30)	(104.30)
Exchange differences	-	-	-	3.77	9.76	11.80	0.67	26.00
As at March 31, 2024	33.64	346.36	238.70	485.74	386.84	3,555.83	14.33	5,061.44
Charge for the period	2.15	32.14	165.58	13.92	19.01	550.76	-	783.56
Disposals								-
Exchange differences	-	-	-	1.36	4.56	11.47	0.23	17.62
As at September 30, 2024	35.79	378.50	404.28	501.02	410.41	4,118.06	14.56	5,862.62
Net book value								
As at March 31, 2024	159.89	378.62	290.83	132.45	129.93	1,210.64	-	2,302.36
As at September 30, 2024	157.74	368.18	130.44	123.42	118.52	909.27	-	1,807.57

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3. Property, plant and equipment and other intangible assets (Cont.)

	Other intangible assets			
	Software license	Customer relationship	Non-compete fee	Total other intangible assets
Cost				
As at April 1, 2023	246.66	879.74	763.98	1,890.38
Additions	-	-	-	-
Exchange differences	-	-	-	-
As at March 31, 2024	246.66	879.74	763.98	1,890.38
Additions	-	-	-	-
Exchange differences	-	-	-	-
As at September 30, 2024	246.66	879.74	763.98	1,890.38
Amortisation				
As at April 1, 2023	246.66	219.93	191.00	657.59
Charge for the year	-	293.25	254.66	547.91
Exchange differences	-	-	-	-
As at March 31, 2024	246.66	513.18	445.66	1,205.50
Charge for the period	-	146.62	127.33	273.95
Exchange differences	-	-	-	-
As at September 30, 2024	246.66	659.80	572.99	1,479.45
Net book value				
As at March 31, 2024	-	366.56	318.32	684.88
As at September 30, 2024	-	219.94	190.99	410.93

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

3.1 Goodwill

Goodwill acquired through business combinations of Cigniti Inc, Gallop Solutions Inc, Cigniti Software Services Private Limited, Aparaa Digital Private Limited and Gallop Solutions Private Limited has been allocated to its Cash Generating Unit (CGU) for impairment testing which represents the lowest level within the Group at which the Goodwill is monitored.

Carrying amount of goodwill

	September 30, 2024	March 31, 2024
Opening balance	7,396.83	7,396.83
Closing balance	7,396.83	7,396.83

Impairment testing of goodwill

The Group performed its annual impairment test as at March 31, 2024 . 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 Special Purpose Interim Condensed Consolidated Financial Statements do not include any adjustment relating to impairment of goodwill.

The recoverable amount of the CGUs has been determined being higher of fair value less cost of disposal and value in use. Value in use is calculated using cash flow projections from financial budgets approved by the management covering a five-year period and fair value is computed using 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 9.26%-15.85% and cash flows beyond the five-year period are extrapolated using a 3.1%-3.2% growth rate that is the same as the long-term average growth rate for the industry. It was concluded that fair value less cost of disposal approximates value in use which 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, 2024.

The Company has achieved its growth as projected and there are no indicators of impairment as at September 30, 2024. The Group will perform its annual impairment testing as at March 31 , 2025.

Key assumptions used for value in use calculations

The calculation of value in use for the units is most sensitive to the following assumptions:

a. Revenue growth and EBITDA Margins based on approved financial budgets
b. Discount rates arrived based on capital structure of peer group in accordance with Ind AS 36
c. Growth rates used to extrapolate cash flows beyond the forecast period, based on the long term average growth rate for the industry.

Sensitivity to changes in assumptions

The Group believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating units.

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Financial assets

There are no loans or deposits given, covered under section 186(4) of Companies Act, 2013.

4(a) Non-current investments

	September 30, 2024	March 31, 2024
Investments carried at fair value through other comprehensive income		
Equity instruments of other entities (unquoted)		
13,322 (March 31, 2024: 13,332) equity shares of $ 0.01, each fully paid-up in Simnovus Corporation	83.79	83.38
23,200 (March 31, 2024: 23,200) equity shares of $0.00, each fully paid-up in Loquat Inc.*	167.58	166.77
Investments carried at fair value through profit and loss		
Preferred instruments of other entities (unquoted)		
100 (March 31, 2024: 100) compulsory convertible preference shares of Rs. 10 fully paid-up in Hirexai Private Limited	25.00	25.00
	276.37	275.15
Aggregate value of unquoted investments	276.37	275.15
Aggregate amount of impairment in value of investments	-	-

* Investments par value rounded off to nearest two decimal.

Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. The Group holds non-controlling interests in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

4(b) Current investments

	September 30, 2024	March 31, 2024
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	8,828.41	10,130.75
Investment in debentures, quoted		
Unsecured, considered good	8,070.71	8,569.89
Investment in commercial paper, quoted		
Unsecured, considered good	2,222.34	2,128.89
Investment in mutual funds, quoted		
Unsecured, considered good	4,108.06	3,884.67
	23,229.52	24,714.20
Aggregate book value of quoted investments	23,229.52	24,714.20
Aggregate market value of quoted investments	23,229.52	24,714.20
Aggregate amount of impairment in value of investments	-	-

		September 30, 2024		March 31, 2024	
		Units	Amount	Units	Amount
Bonds					
Bharat Bond ETF		80,000.00	1,134.40	80,000.00	1,082.06
India Grid Trust		60,000.00	620.35	60,000.00	644.89
Bank of Baroda		49.00	525.97	49.00	504.60
State Bank of India		15.00	603.41	15.00	626.51
Mahindra & Mahindra		500.00	500.33	500.00	519.97
Shriram Transport Finance		150.00	1,623.93	440.00	4,593.48
Shriram Finance Limited		2,100.00	2,214.13	-	-
Aditya Birla		-	-	50.00	578.73
Bajaj Finance		50.00	512.11	50.00	531.12
Kotak Mahindra		500.00	564.94	500.00	543.50
Punjab National Bank		50.00	528.84	50.00	505.89
	A		8,828.41		10,130.75
Debentures					
Non-convertible debentures of L & T Finance MLD		100.00	1,129.95	200.00	2,214.33
Non-convertible debentures of HDB Financial Services		50.00	516.53	50.00	502.24
Non-convertible debentures of Muthoot Finance Ltd		1,12,050.00	3,667.12	1,12,000.00	3,200.18
Non-convertible debentures of ICICI HFCL		100.00	1,146.73	100.00	1,109.69
Non-convertible debentures of Bharti Telecom		1,500.00	1,610.38	1,500.00	1,543.45
	B		8,070.71		8,569.89
Commercial Paper					
360 One Wam Limited		460.00	2,222.34	460.00	2,128.89
	C		2,222.34		2,128.89
Mutual Funds					
Kotak Debt hybrid -Growth Regular Plan		12,78,681.66	734.12	12,78,681.66	670.14
Kotak Credit Risk Fund - Growth Regular Plan		24,34,478.82	675.25	24,34,478.82	655.18
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan		1,38,826.44	950.64	1,38,826.44	915.07
ICICI Prudential PAMP Asset Allocation Fund (FOF)_Growth		5,08,022.72	583.48	5,08,022.72	524.98
ICICI PLFRAG Medium Term Bond Fund Growth		11,34,765.86	477.06	11,34,765.86	457.86
ICICI Prudential Savings Fund- Direct Plan		1,32,407.63	687.51	1,32,407.63	661.44
	D		4,108.06		3,884.67
	(A+B+C+D)		23,229.52		24,714.20

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5 Other financial assets

	Non current		Current	
	September 30, 2024	March 31, 2024	September 30, 2024	March 31, 2024
Bank deposits with remaining maturity more than twelve months	1,935.32	224.53	-	-
Unsecured, considered good				
Interest receivable	-	-	121.40	317.01
Other receivables	-	-	161.08	912.53
Security deposits	1,018.54	739.25	34.17	78.84
Unbilled receivables (refer note 6.2)	-	-	10,953.65	7,403.55
Export incentive receivable (refer note 35(c)(ii))	-	-	1,770.78	1,770.78
Less: Provision for reversal of export incentive receivable	-	-	(1,770.78)	-
	2,953.86	963.78	11,270.30	10,482.71

6 Trade receivables

	September 30, 2024	March 31, 2024
Trade receivables, considered good - Unsecured	30,829.07	32,577.26
Less: Allowance for expected credit losses	(907.29)	(713.61)
Trade receivables, credit impaired - Unsecured	-	-
Less: Allowance for credit impairment	-	-
	29,921.78	31,863.65

6.1 Movement in the provision for expected credit losses of trade receivables

	September 30, 2024	March 31, 2024
Balance at the beginning of the period / year	713.61	364.49
Provision made during the period / year, net	331.68	346.08
Bad debts written off	(139.42)	-
Exchange differences	1.42	3.04
Balance at the end of the period / year	907.29	713.61

6.2 Ageing schedule - Trade receivables and unbilled receivables

As at September 30, 2024

	Unbilled receivables	Trade receivables						Total
		Current, not due	Outstanding for following periods from due date of payment					
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed receivables								
Considered good	10,953.65	22,014.45	7,977.24	535.90	174.44	32.64	94.40	30,829.07
Credit impaired	-	-	-	-	-	-	-	-
Total	10,953.65	22,014.45	7,977.24	535.90	174.44	32.64	94.40	30,829.07
Less: Allowance for expected credit losses								(907.29)
Balance as at period end	10,953.65							29,921.78

As at March 31, 2024

	Unbilled receivables	Current, not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed receivables								
Considered good	7,403.55	23,739.49	8,457.22	196.26	86.77	-	97.52	32,577.26
Credit impaired	-	-	-	-	-	-	-	-
Total	7,403.55	23,739.49	8,457.22	196.26	86.77	-	97.52	32,577.26
Less: Allowance for expected credit losses								(713.61)
Balance as at year end	7,403.55							31,863.65

There are no disputed trade receivables in current period and previous year.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally with the credit term of 0 to 90 days.

Expected credit losses (ECL): The Company provides for ECL under the simplified approach from 1%-5% for trade receivables outstanding between 0-90 days and freely up to 100% for trade receivables of more than 90 days based on past trends.

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7 Cash and cash equivalents

	September 30, 2024	March 31, 2024
Balance with banks		
-On current accounts	14,869.87	10,366.78
Unpaid dividend	29.60	29.60
Cash on hand	0.03	0.07
	14,899.50	10,396.45

7.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	September 30, 2024	March 31, 2024
Cash and cash equivalents (refer note 7)	14,899.50	10,396.45
Less: Cash credit facility (refer note 14)	-	(3,493.44)
	14,899.50	6,903.01

8 Bank balances other than cash and cash equivalents

	Non-current		Current	
	September 30, 2024	March 31, 2024	September 30, 2024	March 31, 2024
Other deposit accounts				
Bank deposits with original maturity of more than 12 months	1,935.32	224.53	3,887.17	5,650.11
Less: Amount disclosed under other financial assets (refer note 5)	(1,935.32)	(224.53)	-	-
	-	-	3,887.17	5,650.11

Fixed deposits amounting to Rs. 1,810 lakhs (March 31, 2024: Rs. 1,810 lakhs) are subject to charge to fulfil collateral requirements of cash credit facility from bank.

8.1 Change in liabilities arising from financing activities and non-cash investing activities

Financing activities

	April 1, 2024	Addition	Cashflows	Others*	September 30, 2024
Lease liabilities	2,230.03	1,230.69	(889.31)	88.94	2,660.35
Total liabilities from financing activities	2,230.03	1,230.69	(889.31)	88.94	2,660.35

	April 1, 2023	Addition	Cashflows	Others*	March 31, 2024
Lease liabilities	2,532.90	948.43	(1,421.06)	169.76	2,230.03
Total liabilities from financing activities	2,532.90	948.43	(1,421.06)	169.76	2,230.03

*Others includes the interest accrued for lease liabilities and exchange differences.

Non-cash investing activities

	September 30, 2024	March 31, 2024
Acquisition of Right-of-use assets	1,230.69	948.43
	1,230.69	948.43

9 Current tax assets (net)

	September 30, 2024	March 31, 2024
Income tax receivable (net of provision for tax)	975.33	909.36
	975.33	909.36

10 Other current assets

	September 30, 2024	March 31, 2024
Unsecured, considered good unless stated otherwise		
Advances to vendors	197.88	105.81
Staff advances	55.00	55.72
Prepaid expenses	1,899.59	696.75
Contract assets	365.51	557.74
Balance with government authorities	1,337.79	879.44
	3,855.77	2,295.46

No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

11 Deferred tax asset (net)

	September 30, 2024	March 31, 2024
Deferred tax asset		
Provision for employee benefits	1,122.01	1,151.65
Provision for doubtful debts	199.82	135.33
Right to use assets / lease liabilities	94.42	118.82
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation / amortisation charged to financial reporting	218.88	106.35
Provision for reversal of export incentive	756.26	-
Gross deferred tax asset	2,391.39	1,512.15
Deferred tax liability		
Deferred taxes acquired in business combination (refer note 36)	(103.42)	(172.37)
Revaluations of current investments to fair value	(402.01)	(431.90)
Deferred tax on Contract assests	(91.38)	-
Gross deferred tax liability	(596.81)	(604.27)
	1,794.58	907.88

September 30, 2024

	Opening balance	Recognised in the statement of profit and loss*	Exchange difference	Closing balance
Deferred tax assets/(liabilities) in relation to :				
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation / amortisation charged to financial reporting	106.35	(109.90)	2.63	218.88
Provision for employee benefits	1,151.65	28.99	(0.65)	1,122.01
Provision for doubtful debts	135.33	(64.79)	(0.30)	199.82
Right to use assets / lease liabilities	118.82	24.37	(0.03)	94.42
Revaluations of current investments to fair value	(431.90)	(29.89)	-	(402.01)
Deferred taxes acquired in business combination (refer note 36)	(172.37)	(68.95)	-	(103.42)
Provision for reversal of SEIS benefit	-	(756.26)	-	756.26
Deferred tax on contract assets	-	88.59	(2.79)	(91.38)
	907.88	(887.84)	(1.14)	1,794.58

* Includes deferred tax charge of Rs. 192.87 lakhs recognised on re-measurement gains on employee defined benefit plans through other comprehensive income.

March 31, 2024

	Opening balance	Recognised in the statement of profit and loss*	Exchange difference	Closing balance
Deferred tax assets/(liabilities) in relation to :				
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation / amortisation charged to financial reporting	(11.88)	(117.16)	1.07	106.35
Provision for employee benefits	829.00	(320.82)	1.83	1,151.65
Provision for doubtful debts	69.55	(64.98)	0.80	135.33
Right to use assets / lease liabilities	162.31	43.63	0.14	118.82
Revaluations of current investments to fair value	(147.42)	284.48	-	(431.90)
Deferred taxes acquired in business combination (refer note 36)	(310.27)	(137.90)	-	(172.37)
	591.29	(312.75)	3.84	907.88

* Includes deferred tax charge of Rs. 3.74 lakhs recognised on re-measurement gains on employee defined benefit plans through other comprehensive income.

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12 Equity share capital

	September 30, 2024	March 31, 2024
Authorized share capital		
36,000,000 (March 31, 2024: 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
27,300,084 (March 31, 2024: 27,300,084) equity shares of Rs. 10/- each fully paid-up	2,730.01	2,730.01
Total issued, subscribed and fully paid-up share capital	2,730.01	2,730.01

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	September 30, 2024		March 31, 2024	
	No's	Amount	No's	Amount
At the beginning of the period / year	2,73,00,084	2,730.01	2,72,56,959	2,725.70
Shares issued during the period / year against stock options	-	-	43,125	4.31
Outstanding at the end of the period / year	2,73,00,084	2,730.01	2,73,00,084	2,730.01

(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

	September 30, 2024		March 31, 2024	
Name of the shareholder	No's	% holding	No's	% holding
Coforge Limited	76.39	27.98%	-	-
Rajasthan Global Securities Private Limited	32.05	11.74%	-	-
P. Sapna	21.82	7.99%	35.59	13.04%
C. V. Subramanyam	14.21	5.21%	27.98	10.25%
C. Srikanth	25.00	9.16%	25.00	9.16%
Kukunuru Madhava Lakshmi	-	-	15.50	5.68%

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
The Company has not issued any employee stock option (ESOP) during the current period.

(e) Details of shares held by promoters
As at September 30, 2024

Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
P. Sapna	35.59	(13.77)	21.82	7.99%	-38.69%
C. V. Subramanyam	27.98	(13.77)	14.21	5.21%	-49.21%
C. Srikanth	25.00	-	25.00	9.16%	-
C. Rajeshwari	0.87	-	0.87	0.32%	-
P. Sudhakar	0.01	-	0.01	0.00%	-

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	35.59	-	35.59	13.04%	-
C. V. Subramanyam	29.35	(1.37)	27.98	10.25%	-4.67%
C. Srikanth	25.00	-	25.00	9.16%	-
C. Rajeshwari	4.39	(3.52)	0.87	0.32%	-80.22%
P. Sudhakar	0.01	-	0.01	0.00%	-

(f) Dividends distribution made and proposed

	September 30, 2024	March 31, 2024
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: Rs. 5.50 per share*	-	1,499.96
Interim dividend for the year ended on March 31, 2024: Rs. 3.00 per share*	-	819.00
	-	2,318.96
Proposed dividend on equity shares:		
Proposed dividend for the period ended on September 30, 2024: Rs. Nil per share (March 31, 2024: Rs. Nil per share)	-	-
	-	-

*Includes unclaimed dividend amount of Rs. 29.60 lakhs (March 31, 2024: 29.60 lakhs).

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability. The dividend declared / paid and proposed is in accordance with Section 123 of The Companies Act, 2013.
There are no equity shares issued as bonus and issued for consideration other than cash during the period of five years immediately preceding the reporting date.

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13 Other equity

	September 30, 2024	March 31, 2024
Securities premium		
Opening balance	25,923.13	25,737.43
Add: Issue of equity shares on exercise of employee stock options	-	185.70
Closing balance	25,923.13	25,923.13
Capital redemption reserve		
Opening balance	83.30	83.30
Closing balance	83.30	83.30
Share based payment reserve		
Opening balance	462.81	419.69
Less: Issue of equity shares on exercise of employee stock options	-	(151.20)
Add: Share-based payment expense	148.20	194.32
Closing balance	611.01	462.81
Retained earnings		
Opening balance	44,273.34	30,021.97
Less: Dividend	-	(2,318.96)
Add: Profit during the period / year	6,345.69	16,559.20
Items recognised directly in other comprehensive income		
Re-measurement gain on employee defined benefit plans (net of tax)	573.34	11.13
Closing balance	51,192.37	44,273.34
Foreign currency translation reserve		
Opening balance	334.67	(53.32)
Add: Arisen during the period / year	193.32	387.99
Closing balance	527.99	334.67
	78,337.80	71,077.25

Nature and purpose of reserves

13.1 Security premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

13.2 Share based payment reserve
The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

13.3 Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

13.4 Retained earnings
Retained earnings comprises of prior years undistributed earnings after taxes along with current period profit.

13.5 Capital redemption reserve
Capital redemption reserve is created for the amount equal to face value of shares bought back in the earlier years.

14 Borrowings

	September 30, 2024	March 31, 2024
Secured		
Cash credit from banks (refer note (a) and (b) below)	-	3,493.44
	-	3,493.44

(a) Cash credit from banks of Rs. Nil (March 31, 2024: Rs 3,493.44 lakhs) is secured by hypothecation of trade receivables of the Group and exclusive charge - cash collateral amounting to Rs. 1,810 lakhs (March 31, 2024 : Rs. 1,810 lakhs) in the name of the Company. It is repayable on demand and carries floating interest rate of 8.50%p.a. (March 31, 2024: 8.50%p.a). The Company had available Rs. 3,600.00 lakhs (March 31, 2024: Rs. 106.56 lakhs) of undrawn committed borrowing facilities as at September 30, 2024.

(b) Cash credit from banks obtained by Cigniti Technologies Inc., USA ("CTI") of USD Nil (March 31, 2024: USD Nil) is secured by hypothecation of trade receivables of the Company. It is repayable on demand and carries floating interest rate of LIBOR+2.5% p.a. on utilised amounts and carrying fixed interest rate of 0.25% p.a (March 31, 2024: 0.25%) on un-utilised amounts. CTI had available USD 150.00 lakhs equivalent to Rs. 12,568.73 lakhs (March 31, 2024: USD 150.00 lakhs equivalent to Rs. 12,507.50 lakhs) of undrawn committed borrowing facilities as at September 30, 2024.

Loan covenants
Cash credit from banks 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 Group has not defaulted on any loan covenants.

Cigniti Technologies Limited has taken loans against security of current assets and monthly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

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

15 Trade payables

		September 30, 2024	March 31, 2024
Outstanding dues of micro enterprises and small enterprises		38.86	63.82
	A	38.86	63.82
Outstanding dues to related parties (refer note 32)		1,513.49	973.41
Outstanding dues to other parties		8,996.74	10,351.07
	B	10,510.23	11,324.48
	A+B	10,549.09	11,388.30

Trade payable ageing schedule
As at September 30, 2024

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	27.37	11.49	-	-	-	38.86
Others	5,214.35	1,878.19	3,407.43	9.61	-	0.65	10,510.23
	5,214.35	1,905.56	3,418.92	9.61	-	0.65	10,549.09

As at March 31, 2024

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	37.99	25.83	-	-	-	63.82
Others	3,700.62	2,534.59	5,077.52	9.55	-	2.20	11,324.48
	3,700.62	2,572.58	5,103.35	9.55	-	2.20	11,388.30

There are no disputed trade payables in the current and previous period.

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

16 Lease liabilities

	Non-current		Current	
	September 30, 2024	March 31, 2024	September 30, 2024	March 31, 2024
Lease liabilities (refer note 37)	1,492.88	855.79	1,167.47	1,374.24
	1,492.88	855.79	1,167.47	1,374.24

Interest payable is normally settled monthly throughout the financial year.

17 Other current financial liabilities

	September 30, 2024	March 31, 2024
At amortised cost		
Interest accrued but not due on borrowings (refer note below)	8.03	7.87
Contingent consideration (refer note 36)	-	154.34
Capital creditors	204.30	299.07
Advance from customers	497.29	307.49
Unclaimed dividend	29.60	29.60
	739.22	798.37

Interest payable is normally settled monthly throughout the financial year.

18 Provisions

	Non-Current		Current	
	September 30,	March 31, 2024	September 30, 2024	March 31, 2024
Provisions for employee benefits				
Provision for gratuity	1,927.74	2,410.57	500.00	500.00
Provision for leave benefits	-	-	1,828.00	1,392.45
	1,927.74	2,410.57	2,328.00	1,892.45

19 Current tax liabilities (net)

	September 30, 2024	March 31, 2024
Provision for taxation (net of advance tax)	1,746.31	1,578.21
	1,746.31	1,578.21

20 Other current liabilities

	September 30, 2024	March 31, 2024
Statutory dues	3,861.84	2,988.60
Liability towards corporate social responsibility	69.72	-
	3,931.56	2,988.60

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21 Revenue from operations

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Revenue from Digital Assurance and Engineering (Software testing) Services	96,766.50	89,135.62

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Geographical regions		
India	5,256.40	4,589.55
US	75,222.69	69,720.80
Rest of the world	16,287.41	14,825.27
Total revenue from contracts with customers	96,766.50	89,135.62

21.2 Contract balances

	September 30, 2024	March 31, 2024	March 31, 2023
Contract assets			
Trade receivables, net (refer note 6)	29,921.78	31,863.65	25,515.42
Unbilled receivables (refer note 5)	10,953.65	7,403.55	9,490.76
Contract assets (refer note 10)	365.51	557.74	173.07
Contract liabilities			
Advance from customers (refer note 17)	497.29	307.49	-

Contract assets

Unbilled receivables: Unbilled receivables 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 unbilled receivables are reclassified to trade receivables. During the period ended September 30, 2024, Rs. 7,285.24 lakhs of unbilled receivables as at March 31, 2024 has been reclassified to trade receivables on completion of performance obligation. During the year ended March 31, 2024, Rs. 9,487.40 lakhs of unbilled receivables as at March 31, 2023 has been reclassified to trade receivables on completion of performance obligation.

Contract assets: During the period ended September 30, 2024, Rs. 557.74 lakhs of contract assets as at March 31, 2024 has been reclassified to trade receivables on completion of performance obligation. During the year ended March 31, 2024, Rs. 173.07 lakhs of contract assets as at March 31, 2023 has been reclassified to trade receivables on completion of performance obligation.

Advance from customers: Contract liabilities represents the obligation of the Group to perform services for which the entity has received consideration from the customer.

21.3 Performance obligation

The 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 0-90 days from the time the customer accepts the work performed by the Group.

21.4 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Revenue as per contracted price	97,675.58	90,081.07
Adjustments :		
Discounts	(909.08)	(945.45)
Revenue from contracts with customers	96,766.50	89,135.62

22 Other income

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Exchange differences, net	298.55	(151.27)
Profit on sale of property, plant and equipment	-	7.99
Income towards claim settlement (refer note 35(c)(i))	838.84	-
Liabilities no longer required written back	-	60.84
	1,137.39	(82.44)

23 Finance income

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Interest income on bank deposits	234.82	205.26
Income on fair valuation of investments through profit and loss	1,026.68	878.30
	1,261.50	1,083.56

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24 Employee benefits expense

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Salaries, wages and bonus	58,295.74	51,419.01
Contribution to provident and other funds	489.77	476.94
Share based payment expense	148.20	116.36
Gratuity expense	483.37	475.39
Staff welfare expenses	1,471.43	1,401.80
	60,888.51	53,889.50

25 Hired contractors cost

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Hired contractors cost	13,435.43	14,490.43
	13,435.43	14,490.43

26 Other expenses

		Six months period ended September 30, 2024	Six months period ended September 30, 2023
Power and fuel		335.77	285.61
Rent		142.33	95.67
Rates and taxes		804.72	138.06
Provision for reversal of export incentive receivable		-	-
Insurance		150.94	167.51
Repairs and maintenance - others		68.61	24.05
Advertising, marketing and sales promotion		1,762.30	3,175.54
Office maintenance		208.01	209.17
Travelling and conveyance		1,682.51	1,227.56
Communication costs		179.42	200.12
Legal and professional fees		3,643.95	1,184.88
Payment to auditor		127.19	94.78
Provision for expected credit loss, net		331.68	70.91
Changes in fair value of financial liabilities		-	42.26
Bad debts written off	139.42		
Less: Provision for doubtful debts recognised in earlier years	(139.42)	-	-
Software licensing cost		1,219.08	866.19
Printing and stationery		74.75	80.03
Recruitment expenses		138.51	105.13
Corporate social responsibility expenditure		104.58	88.33
Miscellaneous expenses		12.31	10.37
		10,986.66	8,066.17

26(a) Exceptional items

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Provision for reversal of export incentive (refer note 35(c)(ii))	3,004.83	-
	3,004.83	-

27 Depreciation and amortisation expense

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Depreciation of property, plant and equipment (refer note 3)	783.56	712.15
Amortisation of other intangible assets (refer note 3)	273.95	273.95
Amortisation of right-to-use-assets (refer note 37)	706.46	483.51
	1,763.97	1,469.61

28 Finance costs

	Six months period ended September 30, 2024	Six months period ended September 30, 2023
Interest expense	25.36	97.55
Interest on lease liability (refer note 37)	87.02	76.49
Other borrowing costs	-	0.25
Factoring and bank charges	37.60	43.90
	149.98	218.19

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29 Taxes

(a) Income tax expense:

The major components of income tax expenses are:

	Six month period ended September 30,2024	Six month period ended September 30,2023
Current tax	3,671.03	3,151.92
Deferred tax	(1,080.71)	(190.98)
Total income tax expense recognised in statement of profit and loss relating to current and previous period	2,590.32	2,960.94

(b) Reconciliation of effective tax rate:

	Six month period ended September 30,2024	Six month period ended September 30,2023
Profit before tax (A)	8,936.01	12,002.84
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	2,249.01	3,020.87
Reconciling items:		
On account of difference in tax rates in other subsidiaries	51.56	12.53
Tax on expenses / incomes not tax deductible / chargeable	204.11	(97.56)
Others	85.64	25.10
Total (D)	2,590.32	2,960.94
Effective tax rate	28.99%	24.67%

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.

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the period and that of provision for taxation.

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30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period.

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 period 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:

	Six months period ended September 30,2024	Six months period ended September 30,2023
Profit attributable to equity shareholders for basic earnings	6,345.69	9,041.90
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	273.00	272.75
Add: Effect of dilution:		
Employee stock options (No. in lakhs)	1.71	0.96
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	274.71	273.71
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	23.24	33.15
- Diluted (Rs.)	23.10	33.03

There have been no other transactions involving equity shares or potential equity shares between the reporting date and date of authorisation of these financial statements.

31 Segment reporting

The Group has only one reportable business segment, which is rendering of Revenue from Digital Assurance and Engineering (Software testing) Services. Accordingly, the amounts appearing in the special purpose interim condensed consolidated financial statements relate to the Group's single business segment.

Geographical information

a) Revenue	Six month period ended September 30,2024	Six months period ended September 30,2023
India	5,256.40	4,589.55
US	75,222.69	69,720.80
Rest of the world	16,287.41	14,825.27

b) Assets: All the significant non-current assets are located in India for current and previous period.

c) No single customer revenue is more than 10% of the group's revenue for current and previous period.

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32 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Coforge Limited	Holding Company
Primentor Inc.	Enterprise over which Key Management Personnel exercise significant influence (Upto July 6, 2024)
Key Management Personnel	
Mr. C. V. Subramanyam	Director (upto October 1, 2024)
Mr. C. Srikanth	Director & Chief Executive Officer (w.e.f January 20, 2024 and upto July 6, 2024)
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Phaneesh Murthy	Independent director (upto July 6, 2024)
Mr. Ram Krishna Agarwal	Independent director (upto July 6, 2024)
Mr. Srinath Batni	Independent director (upto July 6, 2024)
Ms. Nooraine Fazal	Independent director (upto July 6, 2024)
Mr. K CH Subbarao	Non-Executive Director (upto June 16, 2023)
Mr. Sudhakar Pennam	Non-Executive Director (w.e.f. March 7, 2024 and upto July 6, 2024)
Mr. Sudhir Singh	Chairman & Non-Executive Director (w.e.f. July 6, 2024)
Mr. Pankaj Khanna	Executive Director (w.e.f. July 6, 2024)
Mr. Durgesh Kumar Singh	Non-Executive & Independent Director (w.e.f. July 6, 2024)
Mr. Manish Kumar Sarraf	Non-Executive & Independent Director (w.e.f. July 6, 2024)
Ms. Mohua Sengupta	Non-Executive & Independent Director (w.e.f. July 6, 2024)
Mr. Saurabh Goel	Additional Director (w.e.f. October 1, 2024)

Transactions/balances with the above parties

September 30, 2024

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni	Mr. Sudhakar Pennam	Mr. Manish Kumar Sarraf	Ms. Mohua Sengupta	Mr. Durgesh Kumar Singh	Mr. Pankaj Khanna	Coforge Limited
Transactions during the period														
Professional fees	91.95	-	-	-	-	-	-	-	-	-	-	-	-	1,302.81
Remuneration	-	-	209.09	126.94	20.99	-	-	-	-	12.00	12.00	12.00	100.00	-
Director sitting fees	-	7.00	-	-	-	8.00	4.00	6.00	2.00	2.00	1.00	2.00	-	-
Reimbursement of expenses	13.15	-	2.10	-	-	-	-	-	-	-	-	-	-	100.00
Balances receivable/(payable):														
Remuneration payable	-	-	(33.22)	(37.21)	(4.25)	-	-	-	-	(12.00)	(12.00)	(12.00)	-	-
Trade payables	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,402.81)

September 30, 2023

Transactions during the period

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Professional fees	136.00	-	-	-	-	-	-	-
Remuneration	-	100.00	294.25	111.86	17.94	25.33	25.33	25.33
Director sitting fees	-	-	-	-	-	12.00	12.00	11.00
Reimbursement of expenses	15.76	-	2.09	-	-	-	-	-

March 31, 2024

Balances receivable/(payable):

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Remuneration payable	-	(79.24)	(28.42)	(711.57)	(1.50)	(43.26)	(43.26)	(43.26)
Trade payables	(22.91)	-	-	-	-	-	-	-

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Group 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 period-end are unsecured, interest free and settlement occurs in cash.

Transactions of the Company with the related parties have not been disclosed as related party transactions for the period after they ceased to be related party.

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33 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Special Purpose Interim Condensed 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.

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 options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within 5 Years	More than 5 Years	Total
Extension Options expected not to be exercised	4,731.91	-	4,731.91

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.

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(iii) 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).

(iv) 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.

34 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	
	September 30, 2024	'March 31, 2024	September 30, 2024	'March 31, 2024
Financial assets				
Investments	23,505.89	24,989.35	23,505.89	24,989.35
Trade receivables	29,921.78	31,863.65	29,921.78	31,863.65
Cash and cash equivalents	14,899.50	10,396.45	14,899.50	10,396.45
Bank balances other than cash and cash equivalents	3,887.17	5,650.11	3,887.17	5,650.11
Other financial assets	14,224.16	11,446.49	14,224.16	11,446.49
Financial liabilities				
Borrowings	-	3,493.44	-	3,493.44
Trade payables	10,549.09	11,388.30	10,549.09	11,388.30
Lease liabilities	2,660.35	2,230.03	2,660.35	2,230.03
Other financial liabilities	739.22	798.37	739.22	798.37

The management assessed that the fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial 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.

Fair value hierarchy

Valuation technique and key Inputs

Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at September 30, 2024:

Particulars	As at September 30, 2024	Fair value measurement at the end of the period using		
		Level 1	Level 2	Level 3
Assets				
Investments carried at fair value through other comprehensive income (FVTOCI)				
Equity instruments of other entities (unquoted)				
Investment in Simnovus Corporation	83.79	-	-	83.79
Investment in Loquat Inc.	167.58	-	-	167.58
Investments carried at fair value through profit and loss				
Investment in other entities (Unquoted)				
Investment in compulsory convertible preference shares of Hirexai Private Limited	25.00	-	-	25.00
Investments carried at fair value through profit and loss				
Investment in bonds, quoted	8,828.41	8,828.41	-	-
Investment in debentures, quoted	8,070.71	8,070.71	-	-
Investment in mutual funds, quoted	4,108.06	4,108.06	-	-
Investment in commercial papers, quoted	2,222.34	2,222.34	-	-

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

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2024:

Particulars	As at March 31, 2024	Fair value measurement at the end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments carried at fair value through other comprehensive income (FVTOCI)				
Equity instruments of other entities (unquoted)				
Investment in Simnovus Corporation	83.38	-	-	83.38
Investment in Loquat Inc.	166.77	-	-	166.77
Investments carried at fair value through profit and loss				
Investment in other entities (Unquoted)				
Investment in compulsory convertible preference shares of Hirexai Private Limited	25.00	-	-	25.00
Investments carried at fair value through profit and loss				
Investment in bonds, quoted	10,130.75	10,130.75	-	-
Investment in debentures, quoted	8,569.89	8,569.89	-	-
Investment in mutual funds, quoted	3,884.67	3,884.67	-	-
Investment in commercial papers, quoted	2,128.89	2,128.89	-	-
Liabilities				
Contingent consideration	154.34	-	-	154.34

There have been no transfers among Level 1, Level 2 and Level 3 during the current period and previous year.

Reconciliation of fair value measurement of investments classified as FVTOCI assets (level 3) :

The following table represents changes in level 3 items for the period ended September 30, 2024 and March 31, 2024:

Particulars	Investment in unquoted equity and preferred instruments
As at April 01, 2024	275.15
Purchases	-
Re-measurement recognised in other comprehensive income	-
Exchange difference	1.22
Sales	-
As at September 30, 2024	276.37
As at April 01, 2023	164.38
Purchases	191.77
Re-measurement recognised in other comprehensive income	-
Exchange difference	1.19
Sales	(82.19)
As at March 31, 2024	275.15

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35 Commitments, contingencies and other litigations

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 22.44 lakhs (March 31, 2024: 35.00 lakhs).

b. Contingent liabilities

(i) (a) In the earlier years, the Company had received a draft Transfer Pricing (TP) assessment order for A.Y. 2017-2018 under section 92CA(3) of Income Tax Act, 1961 proposing an adjustment of Rs. 6,285.52 lakhs involving tax implication of approximately Rs. 2,078.18 lakhs, excluding interest and penalty. The adjustments majorly pertains to transfer pricing margin adjustment and interest on loans and advances to subsidiaries. Subsequently, the Company had received the final order with the proposed adjustment as mentioned in the draft order. Management had filed an appeal with the tax authorities and is currently pending with Dispute Resolution Panel (DRP)/Commissioner of Income Tax (CIT) (Appeals). The appeal filed by the Company with DRP stands time-barred as no DRP directions have been received till date. Hence, the Company is in the process of filing writ petition before Telangana High Court that the Return of Income position of the Company should be accepted.

(b) In the earlier years, the Company had received an assessment order for A.Y. 2018-2019 under section 143(3) read with section 144C(13) of Income Tax Act, 1961 proposing an adjustment of Rs. 596.53 lakhs involving tax implication of approximately Rs. 268.56 lakhs, excluding interest and penalty. The adjustments majorly pertains to interest on delayed trade receivables and interest on loans and advances to subsidiaries. Management has filed an appeal with the tax authorities and is currently pending with Income Tax Appellate Tribunal (ITAT).

Management based on internal assessment 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 on account of transfer pricing adjustment is remote. The Company has adequate provision in the books for the potential liability, if any, which may arise out of other adjustments.

(ii) (a) In the earlier years, the Company had made foreign investments aggregating to USD 1,002.00 (equivalent) towards equity capital of three foreign subsidiaries without obtaining overseas direct investment (ODI) certificate from RBI. The Company is in the process of obtaining ODI approval from RBI and is in the process of compounding FEMA related non compliances.

(b) The Company has incorporated subsidiary i.e. Cigniti Technologies CR Limitada in Costa Rica, US, Cigniti Technologies (SG) Pte. Ltd in Singapore and Cigniti Technologies (CZ) Limited s.r.o, in Czech Republic in the earlier years. Investments with respect to share capital subscriptions of such entities is in progress as at balance sheet date as the Company is in the process of making the required filings with Reserve Bank of India.

Management is in the process of addressing the above matters and in view of the administrative/procedural nature of these non-compliances, believes that they will not have a material impact on the consolidated financial statements.

c. Other litigations

(i) In the earlier years, Cigniti Technologies Inc., USA (Cigniti USA), subsidiary of the Company had filed a lawsuit against it's former employees and an entity related to such employees, for inter alia misappropriation of trade secrets and various breaches of contract and fiduciary duty. Subsequent to the year ended March 31, 2024, Cigniti USA has entered into a settlement agreement with its former employees and an entity related to such employees, to settle the dispute and withdraw the litigation, for an amount of USD 4.01 million equivalent to ~Rs.3,330.30 lakhs. The subsidiary company has received USD 1.01 million as part of the settlement agreement and the same has been recognised under other income for the year ended March 31,2024. During the six months period ended September 30, 2024, the Company has received the second tranche of settlement amount of USD 1.00 million and the same has been recognised under other income.

(ii) In the earlier years, the Company had received a show cause notice from the Department of Foreign Trade (DGFT) dated August 25, 2020 and from the Directorate of Revenue Intelligence (DRI), Ahmedabad dated December 28, 2020, stating that the services provided by the Company are not covered under technical testing and analysis services and it appears that the Company provides services through subsidiaries in the foreign countries and accordingly the services rendered by the Company fall under the definition of service rendered through commercial presence in a foreign country which is not eligible for Service Exports from India Scheme (SEIS) benefits. The notice calls upon the Company to show cause as to why (a) The Scrips granted amounting to Rs 659.93 lakhs for the year ended March 31, 2017, should not be cancelled / recovered from the Company and (b) The penalty should not be imposed as per Customs Act, 1962.

The Company had filed responses against the aforesaid show cause notices as per the legal opinion. Based on their internal assessment and legal opinion, Management believes that the software testing services being provided by the Company are eligible under the SEIS and will be able to establish the services will not fall in the category of "Supply of services through commercial presence". In view of the above, the Management believes that the export incentive recognised for the period April 1, 2015 to March 31, 2020 amounting to Rs. 1,770.78 lakhs are fully recoverable (March 31, 2023: Rs. 1,770.78 lakhs).

During the six-months period ended September 30, 2024, the Company has made provision for export incentives receivable amounting to Rs. 3,004.83 lakhs (including export incentive received and interest thereon for FY16-17 amounting to Rs. 1,234.06 lakhs) pertaining to the financial years 2015 to 2019, pursuant to receipt of rejection letters from Directorate General of Foreign Trade ('DGFT') against such claims. The Company has filed an appeal with DGFT and based on internal assessment and expert opinion, the Company has made a provision in books on prudence basis and disclosed as expectional item.

36. Business combination

Aparaa Digital Private Limited

Pursuant to the Share Purchase Agreement (SPA) dated July 1, 2022, the Company had acquired 100% of the issued capital of Aparaa Digital Private Limited ("Aparaa"), for an upfront consideration of Rs. 2,280.00 lakhs and earn out payments based of future performance over the next two years. The Company acquired Aparaa with a strategy to expand digital engineering capacity to provide a greater breadth and depth of services to its clients.

Consequent to the acquisition, Aparaa along with its subsidiaries became wholly owned subsidiaries of the Company with effect from July 1, 2022 upon satisfactory completion of closing conditions under the SPA and had been consolidated with effect from that date. The transaction was accounted in accordance with Ind AS 103 - Business Combination. The group had recognised Rs. 1,323.40 lakhs towards fair value of net assets acquired and Rs. 1,910.61 lakhs towards Goodwill.

The fair value of the purchase consideration of Rs. 3,234.01 lakhs comprise of an upfront consideration of Rs. 2,280.00 lakhs and contingent consideration of Rs. 954.01 lakhs payable subject to the satisfaction of certain conditions. The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 26.16% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to Rs. 1,737.09 lakhs. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

Opening balance as at April 01, 2023	1,166.19
Changes in fair value of financial liabilities	(327.85)
Consideration paid in the current year	(684.00)
Closing balance as at March 31, 2024	154.34
Consideration paid in the current period	(154.34)
Closing balance as at September 30, 2024	-

Components	Purchase price allocated
Other intangible assets	
Customer relationship	879.74
Non-compete fee	763.98
Net assets*	
Non-current assets	18.20
Current assets	489.27
Current liabilities	(414.10)
Total	1,737.09
Goodwill	1,910.61
Less: Deferred tax liability #	(413.69)
Total purchase consideration	3,234.01

*Includes cash and cash equivalents acquired of Rs. 165.72 lakhs.

The deferred tax liability has arisen on the other intangible assets identified as part of the acquisition. Deferred tax liability as at September 30, 2024 is Rs. 103.42 lakhs (March 31, 2024 Rs. 172.37 lakhs) and Rs. 68.95 lakhs (March 31, 2024 Rs. 137.90 lakhs) of deferred tax was reversed during the current period.

The other intangible assets are amortised over a period of three years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The goodwill amounting to Rs. 1,910.61 lakhs is attributable to the value of expected synergies arising from the acquisition, a customer list, which is not separately recognised, workforce and profitability of the acquired business. Due to the contractual terms imposed on acquisition, the customer list is not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. Goodwill arising on the acquisition is not deductible for tax purposes.

The Company has paid the first earnout of Rs. 684 lakhs and the second and final earnout of Rs. 154.34 lakhs upon satisfaction of the targets mentioned in the SPA.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

CIGNITI TECHNOLOGIES LIMITED Hyderabad

37. Leases

Group as lessee

The Group has entered into lease of its 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 5% per annum as per the terms of the lease agreement. There are no sub-leases. The Group also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	September 30, 2024	March 31, 2024
Opening balance	1,744.41	1,876.15
Additions	1,230.69	948.43
Exchange differences	1.92	7.07
Amortization	(706.46)	(1,087.24)
Closing balance	2,270.56	1,744.41

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	September 30, 2024	March 31, 2024
Opening balance	2,230.03	2,532.90
Additions	1,230.69	948.43
Accretion of interest	87.02	162.69
Exchange differences	1.92	7.07
Payments	(889.31)	(1,421.06)
Closing balance	2,660.35	2,230.03
Current	1,167.47	1,374.24
Non-current	1,492.88	855.79

The effective interest rate for lease liabilities is 5%-8.5%, with maturity between 2024-2027.

The following are the amounts recognised in statement of profit and loss:

	Six month period ended September 30,2024	Six month period ended September 30,2023
Amortization of right to use asset	706.46	483.51
Interest on lease liabilities	87.02	76.49
Expense relating to short term and low value leases (refer note 26)	142.33	95.67
	935.81	655.67

The Group had total cash outflows for leases of Rs. 889.31 lakhs in the current period (March 31,2024: Rs. 1,421.06 lakhs). The entire amount is in the nature of fixed lease payments. The Group has Rs. 1,230.69 lakhs (March 31, 2024: Rs. 948.43 lakhs) of non-cash additions to right-of-use assets.

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 options are reasonably certain to be exercised.

38. On May 2, 2024, the promoters and select public shareholders of the Company entered into a Share Purchase Agreement with Coforge Limited ("Acquirer Company") to sell their shareholding representing up to 54.00% of Company's expanded paid-up share capital (including potential equity shares) subject to completion of certain closing conditions and identified conditions precedent. Upon execution of Share Purchase Agreements, the Acquirer Company made a mandatory open offer to the public shareholders of the Company in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

During the six-months period ended September 30, 2024, in aggregate the Acquirer Company acquired 7,639,492 equity shares of the Company representing 27.99% of paid-up share capital of the Company by way of an on-market transfer on the stock exchange and completion of other closing conditions pursuant to the share purchase agreement. During this period, the five out of six existing directors of the Company resigned, and the Acquirer Company appointed Executive, Non-Executive and Independent directors to the Board of the Company. Mr. C.V. Subramanyam, Chairman and Non-Executive director of the Company, also resigned with effect from October 1, 2024.

Subsequent to the six-months period ended September 30, 2024, the Acquirer Company acquired 1,281,239 shares representing 4.69% of paid-up share capital of the Company by way of open offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. On December 20, 2024, the Acquirer Company has purchased additional 5,954,626 equity shares amounting to 21.81% of the paid-up share capital of the Company through an off-market transaction. Accordingly, the Acquirer Company has, in aggregate, acquired 14,875,357 equity shares representing 54.49% of the paid-up share capital of the Company.

At their meeting held on December 27, 2024, the Board of Directors of the Company have approved the merger of the Company with the Acquirer Company. For this purpose, a scheme of amalgamation under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 is prepared by the Acquirer Company ("Merger Scheme").

The Acquirer Company has proposed to file Merger Scheme prepared under section 230 to 232 and other applicable provisions of the Companies Act, 2013 by the Acquirer Company with National Company Law Tribunal ('NCLT'). For this purpose, an application is required to be filed under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangements. As per the requirements of Standard Operating Procedure (SOP), for such application, for preparation of valuation report for the merger scheme, Special Purpose Interim Condensed Consolidated Financial Statements, as defined below, is required by the Acquirer Company.

These Special Purpose Interim Condensed Consolidated Financial Statements, which comprise Special Purpose Interim Condensed Consolidated Balance Sheet, Special Purpose Interim Condensed Consolidated Statement of Profit and Loss including other comprehensive income, Special Purpose Interim Condensed Consolidated Statement of Cash Flows, Special Purpose Interim Condensed Consolidated Statement of Changes of Equity and accounting policies and other explanatory information as at September 30, 2024 and the six month period then ended, collectively the "Special Purpose Interim Condensed Consolidated Financial Statements" have been prepared solely for submission to Acquirer Company for the purpose of preparation of valuation report for the Merger Scheme.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Notes to Special Purpose Interim Condensed Consolidated Financial Statements for the six months period ended September 30, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

39. Other statutory information

(i) No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the current period and previous year.

(iv) The Group have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the current period and previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Group does not have any transactions with companies struck off.

(viii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: December 27, 2024

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

Pankaj Khanna
Executive Director
DIN: 09157176
Place: Noida

Saurabh Goel
Director
DIN: 08589223
Place: Noida

Krishnan Venkatachary
Chief Financial Officer
Place: Hyderabad

A. Naga Vasudha
Company Secretary
Place: Hyderabad

Date: December 27, 2024