

7<sup>th</sup> May 2020

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

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

Name of Scrip: CIGNITITEC

Scrip code: 534758

Dear Sir / Madam,

Sub: Outcome of Board Meeting under regulation 30 read with 33(3)(c) of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015

With reference to the subject cited, this is to inform the Exchange that at the meeting of the Board of Directors of M/s. Cigniti Technologies Limited held on Thursday, 7<sup>th</sup> May, 2020 at 10.00 A.M. at the corporate office of the company situated at 9<sup>th</sup> Floor, Atria Building, "The V" (Ascendas) Plot No#17, Software Units Layout, Madhapur, Hyderabad - 500081 Telangana, India the following were duly considered and approved by the Board:

1. Audited financial results on consolidated and standalone basis for the quarter and year ended 31.03.2020.(enclosed)
2. Audit report for the Quarter and year ended 31.03.2020.(enclosed)
3. Appointment of M/s. BDO India, LLP as Internal Auditors for the financial year 2020-21.
4. Notice of 22<sup>nd</sup> Annual General Meeting to be held on 3<sup>rd</sup> August, 2020 for the financial year 2019-20.
5. Directors report for the financial year 2019-20.
6. Mr. C. Srikanth, Director to retire by rotation at the ensuing Annual General meeting of the Company.
7. Secretarial Audit report for the financial year 2019-20.
8. Appointment of M/s. S.S.Reddy & Associates as Secretarial Auditors to conduct Secretarial Audit for the financial year 2020-21.

The meeting was commenced at 10.00 A.M. (IST) and concluded at 3.00 P.M.(IST).

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

Thanking you.

Yours Faithfully,

For Cigniti Technologies Limited

*A.N. Vasudha*

A.N.Vasudha

Company Secretary



**Cigniti Technologies Ltd**

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**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors  
Cigniti Technologies Limited  
Report on the Audit of the Consolidated Financial Results

**Opinion**

We have audited the accompanying statement of audited consolidated financial results for the quarter and year ended March 31, 2020 ("Statement") of Cigniti Technologies Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial results/financial information of the subsidiaries, the Statement:

- i. includes the results of the following entities  
**Holding Company:**  
Cigniti Technologies Limited  
**Subsidiaries:**
  - a. Cigniti Technologies Inc., USA
  - b. Gallop Solutions Private Limited, India
  - c. Cigniti Technologies Canada Inc., Canada
  - d. Cigniti Technologies (UK) Limited, UK
  - e. Cigniti Technologies (Australia) Pty Ltd., Australia
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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**Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, 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 the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

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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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matter**

The accompanying Statement includes the audited financial results and other financial information, in respect of four subsidiaries, whose financial results include total assets of Rs 4,608.33 lakhs as at March 31, 2020, total revenues of Rs 3,891.97 lakhs and Rs 14,736.77 lakhs, total net profit/(loss) after tax of Rs. (210.91) lakhs and Rs. 25.64 lakhs, total comprehensive income/loss of Rs. (210.91) lakhs and Rs. 25.64 lakhs, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 197.69 lakhs for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial results and other information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the



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

Chartered Accountants

report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

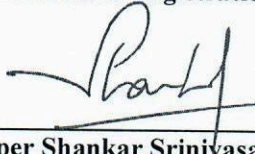
Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**



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**per Shankar Srinivasan**

Partner

Membership No.: 213271

UDIN: 20213271AAAAAU6366

Place: Hyderabad

Date: May 7, 2020

(Rs. In Lakhs)

**Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020**

Sl. No.	Particulars	Quarter ended				
		March 31, 2020 (Refer note 3)	December 31, 2019	March 31, 2019 (Refer note 3)	Year ended March 31, 2020	Year ended March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income</b>					
	Revenue from operations	23,304.35	21,674.89	20,644.04	87,197.21	81,607.60
	Other income (refer note 7)	465.49	370.18	93.87	1,577.89	2,645.00
	Finance income	198.94	193.50	34.30	585.06	79.50
	<b>Total income</b>	<b>23,968.78</b>	<b>22,238.57</b>	<b>20,772.21</b>	<b>89,360.16</b>	<b>84,332.10</b>
2	<b>Expenses</b>					
	Employee benefits expense	13,553.54	12,888.57	12,158.66	51,896.38	47,535.59
	Finance costs	199.95	201.17	450.45	799.64	1,463.69
	Depreciation and amortisation expense	297.88	278.24	84.40	1,147.81	314.76
	Other expenses	6,596.07	5,923.94	5,603.79	22,432.04	20,795.13
	<b>Total expenses</b>	<b>20,647.44</b>	<b>19,291.92</b>	<b>18,297.30</b>	<b>76,275.87</b>	<b>70,109.17</b>
3	<b>Profit before tax (1-2)</b>	<b>3,321.34</b>	<b>2,946.65</b>	<b>2,474.91</b>	<b>13,084.29</b>	<b>14,222.93</b>
4	<b>Tax expense</b>					
	Current tax	395.66	181.87	(513.42)	971.38	849.11
	Taxes for earlier years	-	(47.08)	-	(47.08)	(1,361.94)
	<b>Total tax expense</b>	<b>395.66</b>	<b>134.79</b>	<b>(513.42)</b>	<b>924.30</b>	<b>(512.83)</b>
5	<b>Net profit for the period (3-4)</b>	<b>2,925.68</b>	<b>2,811.86</b>	<b>2,988.33</b>	<b>12,159.99</b>	<b>14,735.76</b>
6	<b>Items of other comprehensive income</b>					
	Other comprehensive income/(loss):					
	a) items that will be reclassified to profit or loss	48.40	(63.85)	(3.64)	(58.45)	(879.58)
	b) items that will not be reclassified to profit or loss	(55.88)	(44.47)	1.03	(161.26)	(21.18)
	<b>Total other comprehensive income/(loss)</b>	<b>(7.48)</b>	<b>(108.32)</b>	<b>(2.61)</b>	<b>(219.71)</b>	<b>(900.76)</b>
7	<b>Total comprehensive income for the period (5+6)</b>	<b>2,918.20</b>	<b>2,703.54</b>	<b>2,985.72</b>	<b>11,940.28</b>	<b>13,835.00</b>
8	<b>Paid-up equity share capital</b> (Face value of the share Rs. 10/- each)	2,784.63	2,771.43	2,766.43	2,784.63	2,766.43
9	<b>Other equity</b>				23,939.09	12,307.88
10	<b>Earnings per share (EPS) (of Rs.10/- each) (not annualised)</b> (amount in Rs.)					
	Basic EPS	10.52	10.15	10.82	43.87	53.62
	Diluted EPS	10.48	10.06	10.74	43.69	53.21

See accompanying notes to the consolidated financial results.

**Notes:**

- The above audited consolidated financial results of Cigniti Technologies Limited ('the Company') were reviewed and recommended by the Audit Committee and thereafter approved at the meeting of the Board of Directors of the Company held on May 7, 2020.
- The consolidated financial results of the Group includes the results of the Company and results of the following subsidiaries:
 

Name of the subsidiary
Gallop Solutions Private Limited, India
Cigniti Technologies Inc., USA
Cigniti Technologies (UK) Limited, UK
Cigniti Technologies (Australia) Pty Ltd, Australia
Cigniti Technologies Canada Inc., Canada
- The figures of the quarters ended March are the balancing figures between audited figures in respect of full financial year upto March and the unaudited published year to date figures upto December of each year, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- Based on the internal reporting provided to the Chief Operating Decision Maker, the consolidated financial results relates to "Software testing services" as the only reportable primary segment of the Group.
- Effective April 1, 2019, the Group has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Group has applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings. On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of Rs. 3,653.24 lakhs and a lease liability of Rs. 4,313.75 lakhs and a net adjustment to opening balance of retained earnings of Rs. 660.51 lakhs. The effect of adopting this standard is not material on the profit for the period/year.



Notes continued:

6 The Company has allotted 131,990 and 181,990 equity shares of Rs. 10 each during the quarter and year ended March 31, 2020 respectively, pursuant to exercise of options under employee stock option schemes and got the same listed at BSE & NSE.

7 Other income includes

Particulars	Quarter ended			Year ended	Year ended
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Net exchange (loss)/ gain	(169.51)	183.51	(207.91)	(82.62)	421.14

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

9 Consolidated audited statement of cash flows are attached in Annexure - IB.

10 The above consolidated financial results are also available on the stock exchange websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on our website [www.cigniti.com](http://www.cigniti.com).

11 Previous period figures have been regrouped/reclassified wherever necessary to conform to the current period classification.

For Cigniti Technologies Limited



C.V. Subramanyam  
 Chairman and Managing Director



Place: Hyderabad

Date: May 7, 2020

**CIGNITI TECHNOLOGIES LIMITED**  
Suite 106,107, MGR Estates, Dwarakapuri Colony, Punjagutta, Hyderabad 500 081, Telangana, India  
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CIN: L72200TG1998PLC030081

**Statement of consolidated assets and liabilities**

(Rs. In Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,719.48	1,361.76
Right-to-use asset	2,989.92	-
Goodwill	5,486.22	5,486.22
<b>Financial assets</b>		
Loans	515.54	421.53
Other non-current financial assets	350.00	3.41
<b>Subtotal - Non-current assets</b>	<b>11,061.16</b>	<b>7,272.92</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	4,889.19	-
Loans	64.15	104.70
Trade receivables	16,441.01	12,369.00
Cash and cash equivalents	762.20	6,146.30
Bank balances other than cash and cash equivalents	7,950.37	9.91
Other current financial assets	4,899.94	3,128.38
Current tax assets, net	262.82	448.11
Other current assets	1,659.95	1,270.87
<b>Subtotal - Current assets</b>	<b>36,929.63</b>	<b>23,477.27</b>
<b>Total Assets</b>	<b>47,990.79</b>	<b>30,750.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	2,784.63	2,766.43
Other equity	23,939.09	12,307.88
<b>Subtotal - Equity</b>	<b>26,723.72</b>	<b>15,074.31</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease obligation	2,953.48	-
Long term provisions	900.90	747.47
<b>Subtotal - Non-current liabilities</b>	<b>3,854.38</b>	<b>747.47</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Short term borrowings	8,377.26	7,368.73
Trade payables	6,014.39	5,618.35
Lease obligation	816.75	-
Other current financial liabilities	139.58	216.95
Short term provisions	285.13	293.61
Current tax liability, net	493.85	105.85
Other current liabilities	1,285.73	1,324.92
<b>Subtotal - Current liabilities</b>	<b>17,412.69</b>	<b>14,928.41</b>
<b>Total Equity and Liabilities</b>	<b>47,990.79</b>	<b>30,750.19</b>





## Consolidated statement of cash flows

(Rs. In Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit before tax	13,084.29	14,222.93
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	1,147.81	314.76
Interest income	(439.47)	(79.50)
Income on fair valuation of mutual funds	(145.59)	-
Interest expense, other borrowing cost and factoring charges	799.64	1,463.69
Unrealised foreign exchange gain (net)	(0.81)	-
Share based payment expense	305.55	585.22
(Recoveries of)/ provision for doubtful trade receivables, net	(260.65)	618.81
Liabilities no longer required written back, net	(254.46)	(45.29)
Bad debts written off	5.19	54.85
<b>Operating profit before working capital changes</b>	<b>14,241.50</b>	<b>17,135.47</b>
<b>Movements in working capital</b>		
Increase /(decrease) in trade payables	600.20	(41.16)
(Decrease)/ increase in financial liabilities	(69.58)	59.94
Decrease in other liabilities	(39.19)	(729.71)
(Decrease) /increase in provisions	(16.31)	214.51
Increase in trade receivables	(3,815.74)	(1,759.49)
Increase in financial assets	(1,446.95)	(1,868.59)
Increase in other assets	(389.08)	(441.29)
(Increase)/ decrease in loans	(53.46)	1,596.32
<b>Cash generated from operations</b>	<b>9,011.39</b>	<b>14,166.00</b>
Income taxes paid (net of refunds)	(351.00)	(1,466.88)
<b>Net cash generated from operating activities (A)</b>	<b>8,660.39</b>	<b>12,699.12</b>
<b>Cash flows from/(used in) investing activities</b>		
Purchase of property, plant and equipment	(701.65)	(850.83)
Investments in mutual funds & debentures	(4,743.60)	-
Investment in bank deposits	(10,959.15)	-
Redemption of bank deposits	2,672.10	47.24
Interest received	114.87	92.19
<b>Net cash used in investing activities (B)</b>	<b>(13,617.43)</b>	<b>(711.40)</b>
<b>Cash flows from/ (used in) financing activities</b>		
Proceeds from exercise of employee stock options	64.20	41.63
Repayment of long term borrowings	-	(2,037.04)
Payment towards lease obligation	(1,096.37)	-
Interest, other borrowing cost and factoring charges paid	(395.23)	(1,472.04)
Bill discounting with bank, net	169.19	(6,653.95)
Repayment of short term borrowings	-	(3,342.05)
<b>Net cash used in financing activities (C)</b>	<b>(1,258.21)</b>	<b>(13,463.45)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(6,215.25)</b>	<b>(1,475.73)</b>
Exchange differences on translation of foreign currency balances	(58.45)	107.95
Cash and cash equivalents at the beginning of the year	(1,172.17)	195.61
<b>Cash and cash equivalents at the end of the year</b>	<b>(7,445.87)</b>	<b>(1,172.17)</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks		
-On current accounts	716.27	3,087.70
-Remittance in transit	45.88	31.81
-Deposits with remaining maturity for less than 3 months	-	3,021.49
Cash on hand	0.05	5.30
Cash credit facility	(8,208.07)	(7,318.47)
<b>Total cash and cash equivalents</b>	<b>(7,445.87)</b>	<b>(1,172.17)</b>



**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To  
The Board of Directors  
Cigniti Technologies Limited

**Report on the Audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of audited standalone financial results for the quarter and year ended March 31, 2020 (the "Statement") of Cigniti Technologies Limited (the "Company"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

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

Chartered Accountants

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

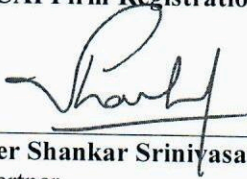
## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004



**per Shankar Srinivasan**

Partner

Membership No.: 213271

UDIN: 20213271AAAAAT4312

Place: Hyderabad

Date: May 7, 2020

(Rs. In Lakhs)

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020						
Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020 (Refer note 2)	December 31, 2019	March 31, 2019 (Refer note 2)	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income</b>					
	Revenue from operations	7,865.06	7,468.75	7,331.76	30,033.44	26,088.90
	Other income (refer note 6)	487.45	279.28	200.18	1,356.04	2,759.01
	Finance income	198.94	193.50	34.25	585.00	143.58
	<b>Total income</b>	<b>8,551.45</b>	<b>7,941.53</b>	<b>7,566.19</b>	<b>31,974.48</b>	<b>28,991.49</b>
2	<b>Expenses</b>					
	Employee benefits expense	5,175.30	4,830.90	4,153.83	19,255.22	15,474.37
	Finance costs	111.33	103.29	19.33	418.36	325.33
	Depreciation and amortisation expense	244.70	231.54	70.77	951.97	255.90
	Other expenses	1,319.85	1,089.38	1,625.66	4,860.02	6,218.63
	<b>Total expenses</b>	<b>6,851.18</b>	<b>6,255.11</b>	<b>5,869.59</b>	<b>25,485.57</b>	<b>22,274.23</b>
3	<b>Profit before tax (1-2)</b>	<b>1,700.27</b>	<b>1,686.42</b>	<b>1,696.60</b>	<b>6,488.91</b>	<b>6,717.26</b>
4	<b>Tax expense</b>					
	Current tax	121.05	153.72	(314.59)	523.44	745.83
	<b>Total tax expense</b>	<b>121.05</b>	<b>153.72</b>	<b>(314.59)</b>	<b>523.44</b>	<b>745.83</b>
5	<b>Net profit for the period (3-4)</b>	<b>1,579.22</b>	<b>1,532.70</b>	<b>2,011.19</b>	<b>5,965.47</b>	<b>5,971.43</b>
6	<b>Items of other comprehensive income</b>					
	Other comprehensive income - items that will not be reclassified to profit or loss	(55.88)	(42.47)	1.03	(161.26)	(21.18)
	<b>Total other comprehensive income/(loss)</b>	<b>(55.88)</b>	<b>(42.47)</b>	<b>1.03</b>	<b>(161.26)</b>	<b>(21.18)</b>
7	<b>Total comprehensive income for the period (5+6)</b>	<b>1,523.34</b>	<b>1,490.23</b>	<b>2,012.22</b>	<b>5,804.21</b>	<b>5,950.25</b>
8	<b>Paid-up equity share capital</b> (Face value of the share Rs. 10/- each)	2,784.63	2,771.43	2,766.43	2,784.63	2,766.43
9	<b>Other equity</b>				26,582.99	21,077.35
10	<b>Earnings per share (EPS) (of Rs.10/- each) (not annualised) (amount in Rs.)</b>					
	Basic EPS	5.68	5.53	7.28	21.52	21.73
	Diluted EPS	5.66	5.49	7.23	21.44	21.56

See accompanying notes to the standalone financial results.

**Notes:**

- 1 The above audited standalone financial results of Cigniti Technologies Limited ('the Company') were reviewed and recommended by the Audit Committee and thereafter approved at the meeting of the Board of Directors of the Company held on May 7, 2020.
- 2 The figures of the quarters ended March are the balancing figures between audited figures in respect of full financial year upto March and the unaudited published year to date figures upto December of each year, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 3 Based on the internal reporting provided to the Chief Operating Decision Maker, the standalone financial results relates to "Software testing services" as the only reportable primary segment of the Company.
- 4 Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Company has applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings. On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of Rs. 3,223.23 lakhs and a lease liability of Rs. 3,873.32 lakhs and a net adjustment to opening balance of retained earnings of Rs.650.09 lakhs. The effect of adopting this standard is not material on the profit for the period.
- 5 The Company has allotted 131,990 and 181,990 equity shares of Rs. 10 each during the quarter and year ended March 31, 2020 respectively, pursuant to exercise of options under employee stock option schemes and got the same listed at BSE & NSE.
- 6 Other income includes:

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Net foreign exchange gain (loss)	(76.93)	220.99	(73.81)	115.92	575.07



**Notes continued:**

- 7 In assessing the recoverability of assets including trade receivables, unbilled receivables and investments, the Company has considered internal and external information upto the date of approval of these standalone financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.
- 8 Standalone audited statement of cash flows are attached in Annexure - IB.
- 9 The above standalone financial results are also available on the stock exchange websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on our website [www.cigniti.com](http://www.cigniti.com).
- 10 Previous period figures have been regrouped/reclassified wherever necessary to conform to the current period classification.

For Cigniti Technologies Ltd

  
C.V. Subramanyam  
Chairman and Managing Director



Place: Hyderabad  
Date: May 7, 2020

**CIGNITI TECHNOLOGIES LIMITED**  
Suite 106,107, MGR Estates, Dwarakapuri Colony, Punjagutta, Hyderabad 500 081, Telangana, India  
Ph: +91 (40) 30702255, Fax: +91 (40) 30702299  
CIN: L72200TG1998PLC030081

**Statement of standalone assets and liabilities**

(Rs. In Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,569.59	1,297.14
Right-to-use asset	2,678.90	-
<b>Financial assets</b>		
Investments	6,941.31	6,941.31
Loans	515.54	421.53
Other non-current financial assets	350.00	-
Other non-current assets	-	7.04
<b>Subtotal - Non-current assets</b>	<b>12,055.34</b>	<b>8,667.02</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	4,889.19	-
Loans	0.84	41.58
Trade receivables	7,432.00	10,793.97
Cash and cash equivalents	365.17	5,208.56
Bank balances other than cash and cash equivalents	7,950.37	9.91
Other current financial assets	4,316.10	2,879.07
Current tax assets, net	258.68	199.82
Other current assets	1,471.69	1,100.46
<b>Subtotal - Current assets</b>	<b>26,684.04</b>	<b>20,233.37</b>
<b>Total Assets</b>	<b>38,739.38</b>	<b>28,900.39</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	2,784.63	2,766.43
Other equity	26,582.99	21,077.35
<b>Subtotal - Equity</b>	<b>29,367.62</b>	<b>23,843.78</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease obligation	2,771.50	-
Long term provisions	900.90	747.47
<b>Subtotal - Non-current liabilities</b>	<b>3,672.40</b>	<b>747.47</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,336.37	1,094.78
Trade payables		
i)total outstanding dues of micro enterprises and small enterprises	-	-
ii)total outstanding dues of creditors other than micro enterprises and small enterprises	1,061.49	967.98
Lease obligation	664.81	-
Other current financial liabilities	2,220.16	2,044.57
Short term provisions	115.63	119.39
Other current liabilities	300.90	82.42
<b>Subtotal - Current liabilities</b>	<b>5,699.36</b>	<b>4,309.14</b>
<b>Total Equity and Liabilities</b>	<b>38,739.38</b>	<b>28,900.39</b>



## Standalone audited statement of cash flows

(Rs. In Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	6,488.91	6,717.26
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation on property, plant and equipment	951.97	255.90
Interest income	(439.41)	(143.58)
Income on fair valuation of mutual funds	(145.59)	-
Interest expense and other borrowing cost	413.26	318.26
Unrealised foreign exchange (gain)/ loss (net)	(60.44)	356.99
Share based payment expense	303.32	562.56
(Recoveries of)/ provision for doubtful trade receivables, net	(108.24)	79.95
Bad debts written off	-	54.85
Liabilities no longer required written back, net	-	(5.37)
<b>Operating profit before working capital changes</b>	<b>7,403.78</b>	<b>8,196.82</b>
<b>Movements in working capital</b>		
(Decrease)/ increase in trade payables	93.52	297.85
Increase/(decrease) in other liabilities	218.46	(675.53)
(Decrease)/ increase in provisions	(11.59)	18.07
Decrease in trade receivables	3,572.04	3,544.10
Increase in other assets	(371.23)	(422.60)
(Increase)/ decrease in loans	(53.27)	1,592.35
Increase in other financial assets	(1,056.40)	(1,132.59)
Increase/ (decrease) in other financial liabilities	81.92	(206.32)
<b>Cash generated from operations</b>	<b>9,877.23</b>	<b>11,212.15</b>
Income taxes paid (net of refunds)	(582.30)	(1,265.76)
<b>Net cash generated from operating activities</b>	<b>(A) 9,294.93</b>	<b>9,946.39</b>
<b>Cash flows from/(used in) investing activities</b>		
Purchase of property, plant and equipment	(555.65)	(819.54)
Investments in mutual funds & debentures	(4,743.60)	-
Investment in bank deposits	(10,959.15)	-
Redemption of bank deposits	2,668.69	34.51
Interest received	114.80	270.61
Loan recovered from subsidiary company	-	714.10
<b>Net cash (used in)/ generated from investing activities</b>	<b>(B) (13,474.91)</b>	<b>199.68</b>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from exercise of employee stock options	64.20	41.63
Repayment of long term borrowings	-	(2,037.04)
Interest and factoring charges paid	(17.96)	(345.79)
Payment towards lease obligation	(951.24)	-
Repayment of short term borrowings, net	-	(2,321.10)
<b>Net cash used in financing activities</b>	<b>(C) (905.00)</b>	<b>(4,662.30)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(A+B+C) (5,084.98)</b>	<b>5,483.77</b>
Cash and cash equivalents at the beginning of the year	4,113.78	(1,369.99)
<b>Cash and cash equivalents at the end of the year</b>	<b>(971.20)</b>	<b>4,113.78</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks		
-On current accounts	319.24	2,149.97
-Remittance in transit	45.88	31.81
- Deposits with original maturity of less than 3 months	-	3,021.48
Cash on hand	0.05	5.30
Cash credit from banks	(1,336.37)	(1,094.78)
<b>Total cash and cash equivalents</b>	<b>(971.20)</b>	<b>4,113.78</b>

