Cigniti

22nd May 2024

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

Further to our disclosures dated 1st May 2024 regarding audited financial results and audit report for the year ended 31st March 2024, please find the enclosed financial statements along with Notes to accounts on standalone & consolidated basis for the year ended 31st March 2024.

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

Thanking you.

Yours Faithfully,
For Cigniti Technologies Limited

Tadepalli Naga Vasudha

Digitally signed by Tadepalli Naga Vasudha
Date: 2024.05.22 18:05:19 +05'30'

Naga Vasudha
Company Secretary

Encl: as above

THE SKYVIEW 10
18th Floor, "NORTH LOBBY"
Survey No. 83/1, Raidurgam
Hyderabad - 500 032, India
Tel : +91 40 6141 6000

Independent Auditor's Report

To the Members of Cigniti Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Cigniti Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") comprising of the Consolidated Balance Sheet as at March 31 2024, the Consolidated Statement of Profit and Loss, including Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment Assessment of Goodwill (as described in note 3.1 of the Consolidated Financial Statements)	
As at March 31, 2024, the Group has goodwill amounting to Rs. 7,396.83 lakhs on consolidation pertaining to historical and recent acquisition. In accordance with Ind AS, the goodwill is tested annually for impairment using discounted cash flow models of Cash Generating Unit's (CGU) recoverable value compared to the carrying value of the assets. The inputs to the impairment testing model include: - Projected revenue growth, operating margins and operating cash-flows in the years 1-5; - Stable long-term growth rates beyond 5 years and in perpetuity; and - Discount rates that represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money. The impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate. The annual impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the financial statements as a whole.	Our audit procedures included the following: • We tested the design, implementation and operative effectiveness of management's key internal controls over goodwill impairment assessment; • We assessed the Group's methodology and judgements applied in determining the CGUs to which goodwill is allocated and impairment analysis. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process; • With the assistance of a specialist, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used, in consideration of the current and estimated future economic conditions; • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions like projected revenue growth, EBIDTA, etc., used in the cash flow forecasts were suitable; • We tested the arithmetical accuracy of the impairment model; and • We assessed the adequacy of the related disclosures as described in note 3.1 and 35 to the Consolidated Financial Statements.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements,

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended March 31, 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and

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on consideration of report of the other auditor of the subsidiary company, incorporated in India, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Holding Company and its subsidiaries, incorporated in India so far as it appears from our examination of those books except that daily backups are maintained in servers located outside India as explained in note 46 to the Consolidated Financial Statements and for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);

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

(h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; The provisions of section 197 read with Schedule V of the Act are not applicable to its subsidiaries incorporated in India for the year ended March 31, 2024;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Financial Statements – Refer note 38(b) to the Consolidated Financial Statements;

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ii. The Group did not have any long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2024.

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

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

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

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

b) The interim dividend declared and paid during the year by the Holding Company is in accordance with section 123 of the Act.

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

No dividend has been declared or paid during the year by the subsidiary companies, incorporated in India.

vi. Based on our examination which included test checks, and as explained in note 47 to the Consolidated Financial Statements, the Holding Company and its subsidiaries, incorporated in India, have used accounting software, which is operated by a third-party software service provider,

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for maintaining its books of account. In the absence of controls on audit trail in Service Organization Controls report, we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

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: 24218576BKGENI5442
Place of Signature: Hyderabad
Date: May 1, 2024

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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

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

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

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

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Harish Khemnani
Partner
Membership Number: 218576
UDIN: 24218576BKGENI5442
Place of Signature: Hyderabad
Date: May 1, 2024

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

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

In conjunction with our audit of the Consolidated Financial Statements of Cigniti Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiaries, which are incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Harish Khemnani
Partner
Membership Number: 218576
UDIN: 24218576BKGENI5442
Place of Signature: Hyderabad
Date: May 1, 2024

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Consolidated Balance Sheet as at March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	2,302.36	3,021.10
Other intangible assets	3	684.88	1,232.79
Right-to-use asset	43	1,744.41	1,876.15
Goodwill	3.1	7,396.83	7,396.83
Financial assets			
Investments	4(a)	275.15	164.38
Other financial assets	5	963.78	2,571.37
Deferred tax asset (net)	11	907.88	591.29
		14,275.29	**16,853.91**
Current assets			
Financial assets			
Investments	4(b)	24,714.20	17,563.92
Trade receivables	6	31,863.65	25,515.42
Cash and cash equivalents	7	10,396.45	4,378.79
Bank balances other than cash and cash equivalents	8	5,650.11	6,295.70
Other financial assets	5	10,482.71	11,647.33
Other current assets	10	2,295.46	2,176.22
Current tax assets (net)	9	909.36	169.62
		86,311.94	**67,747.00**
Total assets		**100,587.23**	**84,600.91**
Equity and liabilities			
Equity			
Equity share capital	12	2,730.01	2,725.70
Other equity	13	71,077.25	56,209.07
		73,807.26	**58,934.77**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	16	855.79	1,391.66
Other financial liabilities	17	-	520.15
Provisions	18	2,410.57	1,692.82
		3,266.36	**3,604.63**
Current liabilities			
Financial liabilities			
Borrowings	14	3,493.44	3,043.67
Lease liabilities	16	1,374.24	1,141.24
Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		63.82	103.63
- total outstanding dues of creditors other than micro enterprises and small enterprises		11,324.48	11,444.97
Other financial liabilities	17	798.37	805.05
Provisions	18	1,892.45	1,380.47
Other current liabilities	20	2,988.60	2,227.36
Current tax liabilities (net)	19	1,578.21	1,915.12
		23,513.61	**22,061.51**
Total equity and liabilities		**100,587.23**	**84,600.91**
Summary of material accounting policies	2.3		

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

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Consolidated Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	21	181,501.33	164,758.08
Other income	22	1,078.84	488.94
Finance income	23	2,228.74	982.82
Total income		**184,808.91**	**166,229.84**
Expenses			
Employee benefits expense	24	112,418.02	96,445.78
Hired contractors costs	25	28,611.94	30,749.57
Other expenses	26	18,295.84	13,792.40
Depreciation and amortization expense	27	3,033.33	2,638.35
Finance costs	28	412.21	439.69
Total expenses		**162,771.34**	**144,065.79**
Profit before tax		**22,037.57**	**22,164.05**
Tax expenses	29		
Current tax		5,794.86	5,792.58
Deferred tax		(316.49)	(460.59)
Total tax expenses		**5,478.37**	**5,331.99**
Net profit for the year		**16,559.20**	**16,832.06**
Other Comprehensive Income (OCI)			
a) Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		387.99	934.83
b) Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains on employee defined benefit plans, net of tax	31(I)(E)	11.13	161.31
Total other comprehensive income for the year, net of tax		**399.12**	**1,096.14**
Total comprehensive income for the year, net of tax		**16,958.32**	**17,928.20**
Earnings per share (EPS) (Nominal value of equity share is Rs. 10/- each) (amount in Rs.)	30		
Basic EPS		60.68	61.32
Diluted EPS		60.41	61.21
Summary of material accounting policies	2.3		

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

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

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Consolidated Statement of Changes in Equity for the year ended March 31, 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 year ended March 31,2024		
As at April 1, 2023	**27,256,959**	**2,725.70**
Add: Issued during the year (refer note 12)	43,125	4.31
As at March 31, 2024	**27,300,084**	**2,730.01**
For the year ended March 31,2023		
As at April 1, 2022	**28,052,509**	**2,805.25**
Add: Issued during the year (refer note 12)	37,500	3.75
Less: Buyback during the year (refer note 12)	(833,050)	(83.30)
As at March 31, 2023	**27,256,959**	**2,725.70**

b. Other equity

	Other components of equity					Total
	Securities premium	Share based payment reserve	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	
For the year ended March 31,2024						
As at April 1, 2023	**25,737.43**	**419.69**	**83.30**	**30,021.97**	**(53.32)**	**56,209.07**
Profit for the year	-	-	-	16,559.20	-	16,559.20
Dividend	-	-	-	(2,318.96)	-	(2,318.96)
Exchange differences on translation of foreign operations	-	-	-	-	387.99	387.99
Re-measurement gains on employee defined benefit plans	-	-	-	11.13	-	11.13
Issue of equity shares on exercise of options	185.70	(151.20)	-	-	-	34.50
Share-based payment expense	-	194.32	-	-	-	194.32
As at March 31, 2024	**25,923.13**	**462.81**	**83.30**	**44,273.34**	**334.67**	**71,077.25**
For the year ended March 31,2023						
As at April 1, 2022	**29,390.20**	**111.53**	**-**	**14,665.54**	**(988.15)**	**43,179.12**
Profit for the year	-	-	-	16,832.06	-	16,832.06
Dividend	-	-	-	(687.70)	-	(687.70)
Exchange differences on translation of foreign operations	-	-	-	-	934.83	934.83
Re-measurement gains on employee defined benefit plans	-	-	-	161.31	-	161.31
Issue of equity shares on exercise of options	120.71	(34.46)	-	-	-	86.25
Buy-back of equity shares	(3,773.48)	-	-	(865.94)	-	(4,639.42)
Amount transferred to capital redemption reserve upon buyback	-	-	83.30	(83.30)	-	-
Share-based payment expense	-	342.62	-	-	-	342.62
As at March 31, 2023	**25,737.43**	**419.69**	**83.30**	**30,021.97**	**(53.32)**	**56,209.07**

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

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Year ended	
		March 31, 2024	**March 31, 2023**
Cash flows from operating activities			
Profit before tax		22,037.57	22,164.05
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		3,033.33	2,638.35
Finance income		(2,228.74)	(982.82)
Loss on sale of property, plant and equipment, net		(0.08)	-
Liabilities no longer required written back		(65.76)	-
Finance costs		412.21	439.69
Unrealised foreign exchange loss/(gain), net		134.87	(53.82)
Changes in fair value of financial liabilities		(327.85)	212.18
Share-based payment expense		194.32	342.62
Provision for expected credit loss, net		346.08	99.23
Operating profit before working capital changes		**23,535.95**	**24,859.48**
Movements in working capital			
(Decrease)/increase in trade payables		(94.55)	2,664.14
Increase/(decrease) in financial liabilities		307.48	(113.15)
Increase in other liabilities		761.24	306.73
Increase in provisions		1,244.60	871.91
Increase in trade receivables		(6,829.18)	(2,633.94)
Decrease/(increase) in financial assets		1,011.37	(4,693.93)
(Increase)/decrease in other assets		(119.24)	199.38
Cash generated from operations		**19,817.67**	**21,460.62**
Income taxes paid (net of refunds)		(6,875.35)	(5,743.18)
Net cash flows from operating activities	**(A)**	**12,942.32**	**15,717.44**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(557.91)	(1,319.52)
Proceeds from sale of property, plant and equipment		55.82	-
Acquisition of a subsidiary, net of cash acquired (refer note (i) below)		-	(2,114.28)
Payment of contingent consideration pertaining to acquisition of a subsidiary		(684.00)	-
Investment in other entities		(110.77)	(164.38)
Investments in mutual funds and other debt instruments		(13,356.59)	(11,833.41)
Redemption of mutual funds and other debt instruments		8,014.29	6,884.30
Investment in bank deposits		(4,441.33)	(5,946.50)
Redemption of bank deposits		6,855.05	8,552.22
Interest received		413.48	295.39
Net cash flows used in investing activities	**(B)**	**(3,811.96)**	**(5,646.18)**
Cash flows used in financing activities			
Proceeds from shares issued against stock options		38.81	90.00
Buyback of equity shares including transaction cost and tax on buyback		-	(4,722.73)
Repayment of borrowings		-	(98.45)
Payment towards lease liabilities		(1,421.06)	(1,166.76)
Interest, other borrowing cost and factoring charges paid		(262.35)	(251.40)
Dividend paid		(2,305.86)	(674.62)
Bill discounting with bank, net		-	(52.17)
Net cash flows used in financing activities	**(C)**	**(3,950.46)**	**(6,876.13)**
Net increase in cash and cash equivalents	**(A+B+C)**	**5,179.90**	**3,195.13**
Exchange differences on translation of foreign currency balances		387.99	337.72
Cash and cash equivalents at the beginning of the year		1,335.12	(2,197.73)
Cash and cash equivalents at the end of the year		**6,903.01**	**1,335.12**
Components of cash and cash equivalents			
Balances with banks including cash on hand		10,396.45	4,378.79
Cash credit facility		(3,493.44)	(3,043.67)
Total cash and cash equivalents		**6,903.01**	**1,335.12**
Note (i) Net cash outflow on acquisition of business			
Consideration paid in cash for acquisition		-	(2,280.00)
Less: Cash and cash equivalent balances acquired on the acquisition		-	165.72
Net cash outflow on acquisition of business		**-**	**(2,114.28)**

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 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: May 1, 2024

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

C. V. Srikanth C

C. V. Subramanyam
Director
DIN: 0071378

CIGNITI TECHNOLOGIES LIMITED Hyderabad

C. Srikanth
Director & CEO
DIN: 06441390

Nagavasudha

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

1. Corporate information

The Consolidated Financial Statements comprise financial statements of Cigniti Technologies Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") (CIN: L72200TG1998PLC030081) for the year ended March 31, 2024. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Dwarakapuri Colony, Panjagutta, Hyderabad. The Group is principally engaged in providing Digital Assurance and Engineering (Software testing) Services across the world.

The Consolidated Financial Statements were approved for issue in accordance with a resolution of the directors on May 1, 2024.

2. Material accounting policies

2.1 Basis of preparation

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

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

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

The Consolidated Financial Statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 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
- 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.

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset / eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

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

Name	Principal activities	Place and Country of operation	% equity interest	
			March 31, 2024	March 31, 2023
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 Inc. (dissolved on January 30, 2023)	Digital Assurance and Engineering (Software testing) Services	USA	-	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 Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(b) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred 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.

- 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.

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- 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.

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

(c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

(d) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss 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 reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are 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.

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.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

(f) Revenue from contracts with customer

The Group derives revenue primarily from 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

- Income from Government incentive:
  Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 is recognised on expected realisable value based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS scrips are classified as 'Other financial assets' as "Export incentive receivable".

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

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

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

(g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss 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 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.

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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 financial statements.

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

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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 based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

(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.

(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.

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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.

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.

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.

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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.

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:

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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.

(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.

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

(r) Segment information

The Group has only one reportable business segment, which is rendering of Digital Assurance and Engineering (Software testing) Services. Accordingly, the amounts appearing in the 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.

2.4 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2023. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated financial statements of the Group.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

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(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

2.5 Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

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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, 2022	193.53	536.36	317.10	578.09	361.21	3,423.67	187.98	5,597.94
Additions	-	1.84	98.61	-	14.62	903.43	52.13	1,070.63
On account of acquisition of subsidiary (refer note 41)	-	-	-	0.38	-	12.88	-	13.26
Exchange differences	-	-	-	20.77	0.61	56.23	3.22	80.83
As at March 31, 2023	193.53	538.20	415.71	599.24	376.44	4,396.21	243.33	6,762.66
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
Depreciation								
As at April 1, 2022	25.13	236.79	177.94	407.03	281.27	1,145.12	66.24	2,339.52
Charge for the year	4.25	55.27	21.51	27.14	53.59	1,151.75	24.90	1,338.41
Exchange differences	-	-	-	20.55	0.61	39.19	3.28	63.63
As at March 31, 2023	29.38	292.06	199.45	454.72	335.47	2,336.06	94.42	3,741.56
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
Net book value								
As at March 31, 2023	164.15	246.14	216.26	144.52	40.97	2,060.15	148.91	3,021.10
As at March 31, 2024	159.89	378.62	290.83	132.45	129.93	1,210.64	-	2,302.36

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3. Property, plant and equipment and other intangible assets

Other intangible assets	Software license	Customer relationship	Non-compete fee	Total other intangible assets
Cost				
As at April 1, 2022	246.66	-	-	246.66
Additions	-	-	-	-
On account of acquisition of subsidiary (refer note 41)		879.74	763.98	1,643.72
Exchange differences	-	-	-	-
As at March 31, 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
Amortisation				
As at April 1, 2022	246.66	-	-	246.66
Charge for the year	-	219.93	191.00	410.93
Exchange differences	-	-	-	-
As at March 31, 2023	246.66	219.93	191.00	657.59
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
Net book value				
As at March 31, 2023	-	659.81	572.98	1,232.79
As at March 31, 2024	-	366.56	318.32	684.88

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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

	March 31, 2024	March 31, 2023
Opening balance	7,396.83	5,486.22
Add: On account of acquisition of subsidiary (refer note 41)	-	1,910.61
Closing balance	7,396.83	7,396.83

Impairment testing of goodwill

The Group performed its annual impairment test as at March 31, 2024 and March 31, 2023. Based on the approved business plan and valuation assessment, the management of the Group expects growth in operations and sustained profitability. The projections of the business is above the book value of its equity, indicating no signs of impairment of goodwill. Accordingly, these Consolidated Financial Statements do not include any adjustment relating to impairment of goodwill.

The recoverable amount of the 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%(March 31, 2023: 11.32%) and cash flows beyond the five-year period are extrapolated using a 3.1%-3.2% growth rate (March 31, 2023: 5.9%) 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.

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 generaing 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

	March 31, 2024	March 31, 2023
Investments carried at fair value through other comprehensive income		
Equity instruments of other entities (unquoted)		
Nil (March 31, 2023: 17,774) equity shares of $ 0.00, each fully paid-up in Lambda Testing Inc.*	-	82.19
13,322 (March 31, 2023: 13,332) equity shares of $ 0.01, each fully paid-up in Simnovus Corporation	83.38	82.19
23,200 (March 31, 2023: Nil) equity shares of $0.00, each fully paid-up in Loquat Inc.*	166.77	-
Investments carried at fair value through profit and loss		
Preferred instruments of other entities (unquoted)		
100 (March 31, 2023: Nil) compulsory convertible preference shares of Rs. 10 fully paid-up in Hirexai Private Limited	25.00	-
	275.15	164.38
Aggregate value of unquoted investments	275.15	164.38
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

	March 31, 2024	March 31, 2023
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	10,130.75	8,155.41
Investment in debentures, quoted		
Unsecured, considered good	8,569.89	4,122.28
Investment in commercial paper, quoted		
Unsecured, considered good	2,128.89	-
Investment in mutual funds, quoted		
Unsecured, considered good	3,884.67	5,286.23
	24,714.20	17,563.92
Aggregate book value of quoted investments	24,714.20	17,563.92
Aggregate market value of quoted investments	24,714.20	17,563.92
Aggregate amount of impairment in value of investments	-	-

		March 31, 2024		March 31, 2023	
		Units	Amount	Units	Amount
Bonds					
Bharat Bond ETF		80,000.00	1,082.06	80,000.00	1,002.20
India Grid Trust		60,000.00	644.89	60,000.00	643.21
Bank of Baroda		49.00	504.60	49.00	504.37
State Bank of India		15.00	626.51	60.00	619.23
Mahindra & Mahindra		500.00	519.97	110.00	1,039.28
Shriram Transport Finance		440.00	4,593.48	220.00	2,271.89
Aditya Birla		50.00	578.73	50.00	531.95
Bajaj Finance		50.00	531.12	50.00	512.60
Kotak Mahindra		500.00	543.50	500.00	500.46
Punjab National Bank		50.00	505.89	-	-
IIFL Home Finance Ltd		-	-	50.00	530.22
	A		10,130.75		8,155.41
Debentures					
Non-convertible debentures of L & T Finance MLD		200.00	2,214.33	200.00	2,056.27
Non-convertible debentures of HDB Financial Services		50.00	502.24	-	-
Non-convertible debentures of Muthoot Finance Ltd		112,000.00	3,200.18	-	-
Non-convertible debentures of ICICI HFCL		100.00	1,109.69	200.00	2,066.01
Non-convertible debentures of Bharti Telecom		1,500.00	1,543.45	-	-
	B		8,569.89		4,122.28
Commercial Paper					
360 One Wam Limited		460.00	2,128.89	-	-
	C		2,128.89		-
Mutual Funds					
Kotak Debt hybrid -Growth Regular Plan		1,278,681.66	670.14	1,278,681.66	571.29
Kotak Credit Risk Fund - Growth Regular Plan		2,434,478.82	655.18	2,434,478.82	605.33
Axis Regular Saver Fund - Regular Growth (ISGPG)		-	-	3,280,338.03	803.93
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan		138,826.44	915.07	138,826.43	848.86
Aditya Birla Sun Life Regular Savings Fund Regular Plan Growth		-	-	1,870,167.65	985.74
ICICI Prudential PAMP Asset Allocation Fund (FOF)_Growth		508,022.72	524.98	508,022.72	432.38
ICICI PLFRAG Medium Term Bond Fund Growth		1,134,765.86	457.86	1,134,765.86	426.21
ICICI Prudential Savings Fund- Direct Plan		132,407.63	661.44	132,407.63	612.49
	D		3,884.67		5,286.23
	(A+B+C+D)		24,714.20		17,563.92

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5 Other financial assets

	Non current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Bank deposits with remaining maturity more than twelve months	224.53	1,413.50	-	-
Margin money deposits (having remaining maturity of more than twelve months)	-	579.16	-	-
Unsecured, considered good				
Interest receivable	-	-	317.01	309.71
Other receivables	-	-	912.53	-
Security deposits	739.25	578.71	78.84	76.08
Export incentive receivable (refer note 38(b)(ii))	-	-	1,770.78	1,770.78
Unbilled receivables (refer note 6.2)	-	-	7,403.55	9,490.76
	963.78	2,571.37	10,482.71	11,647.33

6 Trade receivables

	March 31, 2024	March 31, 2023
Trade receivables, considered good - Unsecured	32,577.26	25,879.91
Less: Allowance for expected credit losses	(713.61)	(364.49)
Trade receivables, credit impaired - Unsecured	-	-
Less: Allowance for credit impairment	-	-
	31,863.65	25,515.42

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

	March 31, 2024	March 31, 2023
Balance at the beginning of the year	364.49	399.77
Provision made during the year, net	346.08	99.23
Bad debt written-off	-	(151.32)
Exchange differences	3.04	16.81
Balance at the end of the year	713.61	364.49

6.2 Ageing schedule - Trade receivables and unbilled receivables

As at March 31, 2024

	Unbilled receivables	Trade 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

As at March 31, 2023

	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	9,490.76	20,598.81	5,119.77	44.82	12.78	44.01	59.72	25,879.91
Credit impaired	-	-	-	-	-	-	-	-
Total	9,490.76	20,598.81	5,119.77	44.82	12.78	44.01	59.72	25,879.91
Less: Allowance for expected credit losses								(364.49)
Balance as at year end	9,490.76							25,515.42

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

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

Trade receivables are non-interest bearing and are generally with the credit term of 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

	March 31, 2024	March 31, 2023
Balance with banks		
-On current accounts	10,366.78	4,339.62
-Remittance in transit	-	22.47
Unpaid dividend	29.60	16.50
Cash on hand	0.07	0.20
	10,396.45	4,378.79

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents (refer note 7)	10,396.45	4,378.79
Less: Cash credit facility (refer note 14)	(3,493.44)	(3,043.67)
	6,903.01	1,335.12

8 Bank balances other than cash and cash equivalents

	Non-current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Other deposit accounts				
Bank deposits with original maturity of more than 12 months	224.53	1,413.50	5,650.11	6,295.70
Margin money	-	579.16	-	-
Less: Amount disclosed under other financial assets (refer note 5)	(224.53)	(1,992.66)	-	-
	-	-	5,650.11	6,295.70

Fixed deposits amounting to Rs.1,810 lakhs (March 31, 2023: Rs. 1,700 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, 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

	April 1, 2022	Addition	Cashflows	Others*	March 31, 2023
Short-term borrowings (excluding cash credit facility)	52.17	-	(52.17)	-	-
Lease liabilities	3,307.76	276.09	(1,166.76)	115.81	2,532.90
Total liabilities from financing activities	3,359.93	276.09	(1,218.93)	115.81	2,532.90

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

Non-cash investing activities

	March 31, 2024	March 31, 2023
Acquisition of Right-of-use assets	948.43	276.09
	948.43	276.09

9 Current tax assets (net)

	March 31, 2024	March 31, 2023
Income tax receivable (net of provision for tax)	909.36	169.62
	909.36	169.62

10 Other current assets

	March 31, 2024	March 31, 2023
Unsecured, considered good unless stated otherwise		
Advances to vendors	105.81	88.40
Staff advances	55.72	216.36
Prepaid expenses	696.75	609.19
Contract assets	557.74	173.07
Balance with government authorities	879.44	1,089.20
	2,295.46	2,176.22

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.

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11 Deferred tax asset (net)

	March 31, 2024	March 31, 2023
Deferred tax asset		
Provision for employee benefits	1,151.65	829.00
Provision for doubtful debts	135.33	69.55
Right to use assets / lease liabilities	118.82	162.31
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation / amortisation charged to financial reporting	106.35	-
Gross deferred tax asset	1,512.15	1,060.86
Deferred tax liability		
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation / amortisation charged to financial reporting	-	(11.88)
Deferred taxes acquired in business combination (refer note 41)	(172.37)	(310.27)
Revaluations of current investments to fair value	(431.90)	(147.42)
Gross deferred tax liability	(604.27)	(469.57)
	907.88	591.29

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 41)	(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.

March 31, 2023

	Opening balance	Recognised in the statement of profit and loss*	Exchange difference	Closing balance
Deferred tax assets/(liabilities) in relation to :				
Property, plant and equipment and other intangible asset, the impact of difference between tax depreciation / amortisation charged to financial reporting	(36.31)	(23.43)	1.00	(11.88)
Provision for employee benefits	560.77	(255.82)	12.41	829.00
Provision for doubtful debts	88.55	20.77	1.77	69.55
Right to use assets / lease liabilities	189.20	27.57	0.68	162.31
Revaluations of current investments to fair value	(221.97)	(74.55)	-	(147.42)
Deferred taxes acquired in business combination (refer note 41)	-	-	-	(310.27)
	580.24	(305.46)	15.86	591.29

* Includes deferred tax charge of Rs. 51.71 lakhs recognised on re-measurement gains on employee defined benefit plans through other comprehensive income and deferred tax charge of Rs. 103.42 on amortisation of intangible assets acquired as part of the business combination.

12 Equity share capital

	March 31, 2024	March 31, 2023
Authorized share capital		
36,000,000 (March 31, 2023: 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, 2023: 27,256,959) equity shares of Rs. 10/- each fully paid-up	2,730.01	2,725.70
Total issued, subscribed and fully paid-up share capital	2,730.01	2,725.70

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

	March 31, 2024		March 31, 2023	
	No's	Amount	No's	Amount
At the beginning of the year	27,256,959	2,725.70	28,052,509	2,805.25
Shares issued during the year against stock options	43,125	4.31	37,500	3.75
Less: Shares bought back (Refer note : (a)(i))	-	-	(833,050)	(83.30)
Outstanding at the end of the year	27,300,084	2,730.01	27,256,959	2,725.70

(a)(i) Buyback of shares
The Board, at its meeting held on May 18, 2022, approved the buyback of the Company's fully paid-up equity shares of face value of Rs. 10 each, from the eligible equity shareholders of the Company, other than promoters, promoter group and persons who are in control of the Company at a price not exceeding Rs. 500 per equity share (maximum buyback price), for an aggregate amount not exceeding Rs.3,800 lakhs (maximum buyback size, excluding buyback tax) from the open market through the stock exchange mechanism, in accordance with the provisions of Companies Act, 2013 and SEBI (Buyback of securities) Regulations, 2018, subject to shareholders' approval in the ensuing Annual General Meeting. The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2022. The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange was completed on June 29, 2022. During this buyback period, the Company had purchased and completely extinguished a total of 8,33,050 equity shares from the stock exchange at a volume weighted average buyback price of Rs. 456.13 per equity share comprising ~1.66% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of Rs. 3,799.77 lakhs (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, as at March 31, 2023, the Company has created 'Capital Redemption Reserve' of Rs. 83.30 lakhs equal to the nominal value of the above shares bought back as an appropriation from the retained earnings. The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. The Company has only one class of equity shares and has no debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

(b) Terms/rights attached to equity shares
The Company has one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2024		March 31, 2023	
Name of the shareholder	No's	% holding	No's	% holding
P. Sapna	35.59	13.04%	35.59	13.06%
C. V. Subramanyam	27.98	10.25%	29.35	10.77%
C. Srikanth	25.00	9.16%	25.00	9.17%
Kukunuru Madhava Lakshmi	15.50	5.68%	16.00	5.87%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 32.

(e) Details of shares held by promoters

As at March 31, 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%	-

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	34.59	1.00	35.59	13.06%	2.89%
C. V. Subramanyam	32.35	(3.00)	29.35	10.77%	-9.27%
C. Srikanth	25.00	-	25.00	9.17%	-
C. Rajeshwari	3.14	1.25	4.39	1.61%	39.76%
P. Sudhakar	0.01	-	0.01	0.00%	-

(f) Dividends distribution made and proposed

	March 31, 2024	March 31, 2023
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: Rs. 5.50 per share (March 31, 2022: Rs. 2.50 per share)*	1,499.96	687.70
Interim dividend for the year ended on March 31, 2024: Rs. 3.00 per share (March 31, 2023: Nil)*	819.00	-
	2,318.96	687.70
Proposed dividend on equity shares:		
Proposed dividend for the year ended on March 31, 2024: Rs. Nil per share (March 31, 2023: Rs. 5.50 per share)	-	1,499.13
	-	1,499.13

*Includes unclaimed dividend amount of Rs. 29.60 lakhs (March 31, 2023: 16.50 lakhs).

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2023. The dividend declared / paid and proposed is in accordance with Section 123 of The Companies Act, 2013.

There are no equity shares issued as bonus and issued for consideration other than cash during the period of five years immediately preceding the reporting date.

13 Other equity

	March 31, 2024	March 31, 2023
Securities premium		
Opening balance	25,737.43	29,390.20
Add: Issue of equity shares on exercise of employee stock options	185.70	120.71
Less: Buy-back of equity shares (refer note 12(a)(i))	-	(3,773.48)
Closing balance	25,923.13	25,737.43
Capital redemption reserve		
Opening balance	83.30	-
Add: Transfer from retained earnings upon buyback (refer note 12(a)(i))	-	83.30
Closing balance	83.30	83.30
Share based payment reserve		
Opening balance	419.69	111.53
Less: Issue of equity shares on exercise of employee stock options	(151.20)	(34.46)
Add: Share-based payment expense	194.32	342.62
Closing balance	462.81	419.69
Retained earnings		
Opening balance	30,021.97	14,665.54
Less: Dividend	(2,318.96)	(687.70)
Add: Profit during the year	16,559.20	16,832.06
Less: Tax on buyback of shares (refer note 12(a)(i))	-	(865.94)
Less: Transfer to capital redemption reserve upon buyback (refer note 12(a)(i))	-	(83.30)
Items recognised directly in other comprehensive income		
Re-measurement gain on employee defined benefit plans (net of tax)	11.13	161.31
	44,273.34	30,021.97
Foreign currency translation reserve		
Opening balance	(53.32)	(988.15)
Add: Arisen during the year	387.99	934.83
Closing balance	334.67	(53.32)
	71,077.25	56,209.07

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Nature and purpose of reserves

13.1 Security premium reserve

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

13.2 Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer to note 32 for further details of these plans.

13.3 Foreign currency translation reserve

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

13.4 Retained earnings

Retained earnings comprises of prior year's undistributed earnings after taxes along with current year profit.

13.5 Capital redemption reserve

Capital redemption reserve is created for the amount equal to face value of shares bought back in the previous year.

14 Borrowings

	March 31, 2024	March 31, 2023
Secured		
Cash credit from banks (refer note (a) and (b) below)	3,493.44	3,043.67
	3,493.44	3,043.67

(a) Cash credit from banks of Rs. 3,493.44 lakhs (March 31, 2023: Rs 3,043.67 lakhs) is secured by hypothecation of trade receivables of the Group and exclusive charge - cash collateral amounting to Rs. 1,810 lakhs (March 31, 2023 : Rs. 1,700 lakhs) in the name of Company . It is repayable on demand and carries floating interest rate of 8.50%p.a. (March 31, 2023: 8.50%p.a). The Company had available Rs. 106.56 lakhs (March 31, 2023: Rs. 556.33 lakhs) of undrawn committed borrowing facilities as at March 31, 2024.

(b) Cash credit from banks obtained by Cigniti Technologies Inc., USA ("CTI") of USD Nil (March 31, 2023: 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, 2023: 0.25%) on un-utilised amounts. CTI had available USD 150.00 lakhs equivalent to Rs. 12,507.50 lakhs (March 31, 2023: USD 150.00 lakhs equivalent to Rs. 12,327.55 lakhs) of undrawn committed borrowing facilities as at March 31, 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.

15 Trade payables

		March 31, 2024	March 31, 2023
Outstanding dues of micro enterprises and small enterprises (refer note 42)		63.82	103.63
	A	63.82	103.63
Outstanding dues to related parties (refer note 34)		973.41	885.01
Outstanding dues to other parties		10,351.07	10,559.96
	B	11,324.48	11,444.97
	A+B	11,388.30	11,548.60

Trade payable ageing schedule
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

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As at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	82.80	20.83	-	-	-	103.63
Others	3,230.40	3,670.42	4,541.26	-	2.89	-	11,444.97
	3,230.40	3,753.22	4,562.09	-	2.89	-	11,548.60

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

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 30-120 day terms.
For explanations on the Group's credit risk management processes, refer to note 37.

16 Lease liabilities

	Non-current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Lease liabilities (refer note 43)	855.79	1,391.66	1,374.24	1,141.24
	855.79	1,391.66	1,374.24	1,141.24

Interest payable is normally settled monthly throughout the financial year.

17 Other financial liabilities

	Non-Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At amortised cost				
Interest accrued but not due on borrowings (refer note below)	-	-	7.87	20.71
Contingent consideration (refer note 41)	-	520.15	154.34	646.04
Capital creditors	-	-	299.07	121.80
Advance from customers	-	-	307.49	-
Unclaimed dividend	-	-	29.60	16.50
	-	520.15	798.37	805.05

Interest payable is normally settled monthly throughout the financial year.

18 Provisions

	Non-Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Provisions for employee benefits				
Provision for gratuity (refer note 31)	2,410.57	1,692.82	500.00	500.00
Provision for leave benefits	-	-	1,392.45	880.47
	2,410.57	1,692.82	1,892.45	1,380.47

19 Current tax liabilities (net)

	March 31, 2024	March 31, 2023
Provision for taxation (net of advance tax)	1,578.21	1,915.12
	1,578.21	1,915.12

20 Other current liabilities

	March 31, 2024	March 31, 2023
Statutory dues	2,988.60	2,227.36
	2,988.60	2,227.36

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21 Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Digital Assurance and Engineering (Software testing) Services	181,501.33	164,758.08

21.1 Disaggregated revenue information

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

	Year ended March 31, 2024	Year ended March 31, 2023
Geographical regions		
India	8,866.80	8,311.61
US	142,474.11	130,516.48
Rest of the world	30,160.42	25,929.99
Total revenue from contracts with customers	181,501.33	164,758.08

21.2 Contract balances

	March 31, 2024	March 31, 2023	March 31, 2022
Contract assets			
Trade receivables, net (refer note 6)	31,863.65	25,515.42	22,678.05
Unbilled receivables (refer note 5)	7,403.55	9,490.76	4879.54
Contract assets (refer note 10)	557.74	173.07	59.29
Contract liabilities			
Advance from customers (refer note 17)	307.49	-	3.05

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 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. During the year ended March 31, 2023, Rs. 4,863.89 lakhs of unbilled receivables as at March 31, 2022 has been reclassified to trade receivables on completion of performance obligation.

Contract assets: 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. During the year ended March 31, 2023, Rs. 59.29 lakhs of contract assets as at March 31, 2022 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	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	181,647.93	165,506.17
Adjustments :		
Discounts	146.60	748.09
Revenue from contracts with customers	181,501.33	164,758.08

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22 Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Exchange differences, net	(153.20)	275.10
Profit on sale of property, plant and equipment	0.08	-
Income towards claim settlement (refer note 38 (c))	838.35	-
Changes in fair value of financial liabilities	327.85	-
Liabilities no longer required written back	65.76	161.75
Reversal of provision for expected credit loss, net	-	52.09
	1,078.84	488.94

23 Finance income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on bank deposits	420.76	374.82
Income on fair valuation of investments through profit and loss	1,807.98	601.86
Interest income on income tax refund	-	6.14
	2,228.74	982.82

24 Employee benefits expense

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus*	107,445.99	92,295.86
Contribution to provident and other funds (refer note 31)	971.99	907.36
Share based payment expense	194.32	342.62
Gratuity expense (refer note 31)	1,057.61	865.11
Staff welfare expenses	2,748.11	2,034.83
	112,418.02	96,445.78

*Salaries, wages and bonus includes an amount of Rs. 2,031.00 lakhs (March 31, 2023: Rs. Nil) towards accrual of long service rewards for certain employees on completion of 25 years of the Company.

25 Hired contractors cost

	Year ended March 31, 2024	Year ended March 31, 2023
Hired contractors cost	28,611.94	30,749.57
	28,611.94	30,749.57

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26 Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	586.88	472.24
Rent	165.72	198.79
Rates and taxes	479.76	299.76
Insurance	318.69	195.28
Repairs and maintenance - others	29.88	40.69
Advertising, marketing and sales promotion	6,825.60	3,345.72
Office maintenance	587.11	318.94
Travelling and conveyance	3,042.43	2,780.46
Communication costs	484.69	256.95
Legal and professional fees	2,825.64	2,796.32
Payment to auditor	171.90	155.67
Provision for expected credit loss, net	346.08	-
Changes in fair value of financial liabilities	-	212.18
Bad debts written off	-	151.32
Software licensing cost	1,846.70	1,851.84
Printing and stationery	158.10	150.04
Recruitment expenses	241.70	431.28
Corporate social responsibility expenditure	168.58	119.01
Miscellaneous expenses	16.38	15.91
	18,295.84	13,792.40

27 Depreciation and amortisation expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	1,398.18	1,338.41
Amortisation of other intangible assets (refer note 3)	547.91	410.93
Amortisation of right-to-use-assets (refer note 43)	1,087.24	889.01
	3,033.33	2,638.35

28 Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense	149.79	125.32
Interest on lease liability (refer note 43)	162.69	177.36
Other borrowing costs	18.28	14.87
Factoring and bank charges	81.45	122.14
	412.21	439.69

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29 Taxes

(a) Income tax expense:

The major components of income tax expenses are:

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	5,794.86	5,792.58
Deferred tax	(316.49)	(460.59)
Total income tax expense recognised in statement of profit and loss relating to current year	5,478.37	5,331.99

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax (A)	22,037.57	22,164.05
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	5,546.42	5,578.25
Reconciling items:		
On account of difference in tax rates in other subsidiaries	66.34	(19.41)
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(32.17)	(300.94)
Tax on expenses / incomes not tax deductible / chargeable	(102.22)	74.09
Total (D)	5,478.37	5,331.99
Effective tax rate	24.86%	24.06%

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 year 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 year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to equity shareholders for basic earnings	16,559.20	16,832.06
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	272.88	274.50
Add: Effect of dilution:		
Employee stock options (No. in lakhs)	1.23	0.50
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	274.11	275.00
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	60.68	61.32
- Diluted (Rs.)	60.41	61.21

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

31 Retirement and other employee benefits

I Defined benefit plan

The Group has a defined benefit gratuity plan, governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days of last drawn basic salary for each completed year of service. The scheme is funded through a policy with LIC. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in Employee benefits expense)

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	934.98	763.11
Interest cost	216.58	146.89
Expected return on plan assets	(66.19)	(44.89)
Less: Gratuity cost reimbursed by the subsidiary company for employees transferred to the Holding Company	(27.76)	-
Net employee benefit expenses	1,057.61	865.11
Actual return on plan asset	66.19	44.89

B) Amount recognised in the Balance Sheet

	March 31, 2024	March 31, 2023
Defined benefit obligation	3,939.39	2,992.91
Fair value of plan assets	1,028.82	800.09
	2,910.57	2,192.82

C) Changes in the present value of the defined benefit obligation

	March 31, 2024	March 31, 2023
Opening defined benefit obligation	2,992.91	2,500.83
Current service cost	934.98	763.11
Interest cost	216.58	146.89
Benefits paid	(162.45)	(195.86)
Net actuarial gain on obligation for the year recognised under OCI	(14.87)	(222.06)
Gratuity liability of transferee employees	(27.76)	-
Closing defined benefit obligation	3,939.39	2,992.91

D) Change in the fair value of plan assets

	March 31, 2024	March 31, 2023
Opening fair value of plan assets	800.09	707.57
Investment income	66.19	44.89
Employer's contribution	324.99	252.54
Benefits paid	(162.45)	(195.86)
Return on plan assets, excluding amount recognised in net interest expense	-	(9.05)
Closing fair value of plan assets	1,028.82	800.09

The Company expects to contribute Rs. 500 lakhs to the gratuity fund in the next year (March 31, 2023: Rs. 500 lakhs).
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2024	March 31, 2023
[illegible]	100.00%	100.00%

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E) Remeasurement adjustments:

	Year ended March 31, 2024	Year ended March 31, 2023
Experience (gain) / loss on plan liabilities	(75.41)	25.14
Financial loss / (gain) on plan liabilities	60.54	(247.21)
Return on plan assets, excluding amount recognised in net interest expense	-	9.05
Remeasurement gains recognised in other comprehensive income	(14.87)	(213.02)

Remeasurement gains recognised in the current year are excluding the impact of deferred tax expense of Rs. 3.74 lakhs (March 31,2023 : Rs. 51.71 lakhs).

(i) The principal assumptions used in determining gratuity for the Group's plans are shown below:

	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.51%
Expected rate of return on assets	7.24%	5.95%
Salary rise	12.00%	12.00%
Attrition rate	20.00%	20.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

	March 31, 2024	March 31, 2023
Expected benefit payments for the year ended:		
1 year	455.85	377.04
2-5 years	2,028.60	1,547.06
6-10 years	1,865.83	1,423.48
More than 10 years	2,105.28	1,626.72

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2023: 5.21-6.43 years).

(iii) Sensitivity analysis:
A quantitative sensitivity analysis for significant assumption on defined benefit obligation is as shown below:

	March 31, 2024	March 31, 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(208.35)	(155.27)
- 1% decrease	231.58	172.42
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	199.64	150.96
- 1% decrease	(191.78)	(144.34)
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	(426.99)	(305.25)
- decrease by 50% of the attrition rate	800.09	575.02

II Defined contribution plan

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to provident and other funds	971.99	907.36

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32 Share based payments

Under the Employee Stock Option Plan, the Group, at its discretion, may grant share options to employees of the Group. The remuneration committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period ranging from 1 to 5 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions	194.32	342.62

Movements during the year: The following table contains movements in share options during the year: (Numbers in lakhs)

Particulars	March 31, 2024		March 31, 2023	
	Scheme 2014	Scheme 2015	Scheme 2014	Scheme 2015
Total No. of options under the grant	25.00	5.00	25.00	5.00
Outstanding at April 1	0.75	2.15	0.75	2.55
Exercised during the year	0.28	0.15	-	0.38
Expired during the year	-	-	-	0.03
Outstanding at March 31	0.47	2.00	0.75	2.15
Exercisable at March 31	-	1.00	-	0.65

The weighted average share price at the date of exercise of these options was Rs 803.47 (March 31, 2023: Rs 485.10).

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2024 and as at March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Scheme 2014	5.33	5.58
Scheme 2015	2.33	3.15

The range of exercise prices for the options outstanding at the beginning, forfeited, exercised, expired and outstanding at the end of the year is Rs 10 - Rs 506 (March 31, 2023: Rs 240 - Rs 506).

There are no grants during the current year and previous year. The following tables list the inputs to the model used for the year ended March 31, 2022:

Particulars	March 31, 2022	
	Scheme 2014	Scheme 2015
Dividend yield	0.49%-0.54%	0.49%
Expected volatility	42.98% - 47.40%	43.33% - 49.12%
Risk-free interest rate	4.31% - 6.20%	4.77% - 6.05%
Expected life of options granted in years	2 - 5 years	2 - 5 years
Weighted average share price	494.26	505.90
Model used	Black-Scholes model	

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

33 Segment reporting

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

Geographical information

a) Revenue	Year ended March 31, 2024	Year ended March 31, 2023
India	8,866.80	8,311.61
US	142,474.11	130,516.48
Rest of the world	30,160.42	25,929.99

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

c) No single customer revenue is more than 10% of the group's revenue.

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34 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Primentor Inc.	Enterprise over which Key Management Personnel exercise significant influence.
Key Management Personnel	
Mr. C. V. Subramanyam	Director (Chairman & Managing director upto November 3, 2023)
Mr. C. Srikanth	Director & Chief Executive Officer (w.e.f January 20, 2024)
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Phaneesh Murthy	Independent director
Mr. Ram Krishna Agarwal	Independent director
Mr. Srinath Batni	Independent director
Ms. Nooraine Fazal	Independent director
Mr. K CH Subbarao	Non-Executive Director (upto June 16, 2023)*
Mr. Sudhakar Pennam	Non-executive Director (w.e.f March 07, 2024)

Transactions/balances with the above parties

March 31, 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
Transactions during the year									
Professional fees	273.20	-	-	-	-	-	-	-	-
Remuneration	-	200.33	656.94	923.71	35.88	43.26	43.26	43.26	-
Gratuity paid	-	20.00	-	-	-	-	-	-	-
Director sitting fees	-	6.00	-	-	-	26.00	24.00	24.00	2.00
Reimbursement of expenses	35.49	-	2.10	-	-	-	-	-	-
Balances receivable/(payable):									
Remuneration payable	-	(79.24)	(28.42)	(711.57)	(1.50)	(43.26)	(43.26)	(43.26)	-
Trade payables	(22.91)	-	-	-	-	-	-	-	-

March 31, 2023

	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions during the year								
Professional fees	265.10	-	-	-	-	-	-	-
Remuneration	-	725.00	582.43	174.09	28.04	48.00	48.00	48.00
Director sitting fees	-	-	-	-	-	24.00	17.00	18.00
Reimbursement of expenses	41.82	-	11.31	-	-	-	-	-
Balances receivable/(payable):								
Remuneration payable	-	(465.00)	(242.09)	(10.15)	(1.17)	(48.00)	(48.00)	(48.00)
Trade payables	(22.60)	-	-	-	-	-	-	-

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.

In the previous year, the key management personnel (Mr. C.V Subramanyam) has given personal guarantees to bankers in connection with cash credit facility whose closing balance on March 31, 2023 was Rs. 3,043.67 lakhs. There is no personal guarantee for the current year ended March 31, 2024.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

*Mr. K CH Subbarao was the director of the Group until June 16, 2023. Accordingly, any transactions of the Company with Mr. K CH Subbarao and the entities (where he is a director / member) have not been disclosed as related party transactions for the period after June 16, 2023.

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35 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:
• Capital management Note 39
• Financial risk management objectives and policies Note 37
• Sensitivity analyses disclosures Notes 31 and 37.

Judgements

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension 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	3,580.98	-	3,580.98

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 3.1.

(ii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (refer note 29).

(iii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 31.

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(iv) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(v) Allowance for credit losses on receivables and unbilled revenue

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

36 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets				
Investments	24,989.35	17,728.30	24,989.35	17,728.30
Trade receivables	31,863.65	25,515.42	31,863.65	25,515.42
Cash and cash equivalents	10,396.45	4,378.79	10,396.45	4,378.79
Bank balances other than cash and cash equivalents	5,650.11	6,295.70	5,650.11	6,295.70
Other financial assets	11,446.49	14,218.70	11,446.49	14,218.70
Financial liabilities				
Borrowings	3,493.44	3,043.67	3,493.44	3,043.67
Trade payables	11,388.30	11,548.60	11,388.30	11,548.60
Lease liabilities	2,230.03	2,532.90	2,230.03	2,532.90
Other financial liabilities	798.37	1,325.20	798.37	1,325.20

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 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

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Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Particulars	As at March 31, 2023	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 Lambda Testing Inc.	82.19	-	-	82.19
Investment in Simnovus Corporation	82.19	-	-	82.19
Investments carried at fair value through profit and loss				
Investment in bonds, quoted	8,155.41	8,155.41	-	-
Investment in debentures, quoted	4,122.28	4,122.28	-	-
Investment in mutual funds, quoted	5,286.23	5,286.23	-	-
Liabilities				
Contingent consideration	1,166.19	-	-	1,166.19

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

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

The following table represents changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

Particulars	Investment in unquoted equity and preferred instruments
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
As at April 01, 2022	-
Purchases	164.38
Re-measurement recognised in other comprehensive income	-
Sales	-
As at March 31, 2023	164.38

37 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. None of the financial instruments of the Group results in material concentration of credit risk, except for trade receivables.

The Group considers a counterparty whose payment is due more than 90 days after the due date as a defaulted party. This is based on considering the market and economic forces in which the entities in the Group are operating. The Group creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 90 days from the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk.

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Trade receivables as contract asset:
The customer credit risk is managed by the Group's established policy, procedures and controls relating to customer credit risk management. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

As at March 31, 2024, the Company had 24 customers (March 31, 2023: 23 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 61% (March 31, 2023: 55%) of all the receivables outstanding. There are 4 customers (March 31, 2023: 1) with balance greater than 5% of total receivable and accounted for approximately 26% (March 31, 2023: 7%) of all the receivables outstanding.

The Group has adequate provision as at March 31, 2024 amounting to Rs. 713.61 lakhs (As at March 31, 2023: Rs. 364.49 lakhs) for receivables.

B Liquidity Risk
Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, by availing appropriate borrowing facilities from banks as and when required, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

March 31, 2024:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	3,493.44	-	-	-	3,493.44
Trade payables	-	11,388.30	-	-	11,388.30
Lease liabilities	-	1,470.44	904.47	-	2,374.91
Other financial liabilities	-	798.37	-	-	798.37
	3,493.44	13,657.11	904.47	-	18,055.02

March 31, 2023:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	3,043.67	-	-	-	3,043.67
Trade payables	-	11,548.60	-	-	11,548.60
Lease liabilities	-	1,256.09	1,451.13	-	2,707.22
Other financial liabilities	-	843.01	684.00	-	1,527.01
	3,043.67	13,647.70	2,135.13	-	18,826.50

C Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.
The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2024 and March 31, 2023.

C1. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's working capital obligations with floating interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit before tax	
	Increase	Decrease	Increase	Decrease
March 31, 2024				
Indian Rupees	0.50%	-0.50%	7.28	(7.28)
March 31, 2023				
Indian Rupees	0.50%	-0.50%	8.53	(8.53)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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C2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Unhedged foreign currency exposure:

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Group's net financial assets (which includes cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities), which are denominated in various foreign currencies (viz. USD,EUR, AED, SGD, CAD, AUD, NZD, ZAR etc.).

For the year ended March 31, 2024 and March 31, 2023 , every 1% increase / (decrease) of the respective foreign currencies compared to functional currency of the Group would impact profit before tax and equity before tax as follows for the respective currencies:

	March 31, 2024	
Currency	Increase by 1%	Decrease by 1%
USD	61.96	(61.96)
EUR	10.51	(10.51)
ZAR	5.36	(5.36)
AED	31.63	(31.63)
SGD	3.58	(3.58)
CAD	19.31	(19.31)
AUD	1.17	(1.17)
NZD	0.06	(0.06)

	March 31, 2023	
Currency	Increase by 1%	Decrease by 1%
USD	21.78	(21.78)
EUR	6.33	(6.33)
ZAR	1.48	(1.48)
AED	12.10	(12.10)
SGD	1.83	(1.83)
CAD	0.83	(0.83)
AUD	0.06	(0.06)
NZD	0.04	(0.04)

38 Commitments, contingencies and other litigations

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 35.00 lakhs (March 31, 2023: Nil).

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. 2078.18 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 Commissioner (Appeals) / Dispute Resolution Panel (DRP).

(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) 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).

(iii) (a) In the earlier years, the Company had received a letter from Office of the Joint Director, Enforcement Directorate, Hyderabad, initiating enquiry under the provisions of Foreign Exchange Management Act, 1999 (FEMA) requesting for certain documents. The Joint Director had called for an in person hearing where the Company had submitted the necessary information. Subsequently, the Company has received a show cause notice dated September 4, 2023, from ED to show cause as to why the inquiry should not be held and penalty should not be imposed against the Company for the certain contraventions relating to issue of shares to a resident entity against money received from an overseas entity and other procedural delays in filing documents. The Company has submitted responses and has made application to RBI for compounding of delays.

(b) 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.

(c) The Company has incorporated subsidiary i.e. Cigniti Technologies CR Limitada in Costa Rica, US, in the previous year and 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

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 end, 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. Further, 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.

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

39 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Group's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2024	March 31, 2023
Borrowings	3,493.44	3,043.67
Less: Cash and cash equivalents (refer note 7)	(10,396.45)	(4,378.79)
Bank balances other than cash and cash equivalents (refer note 8)	(5,650.11)	(6,295.70)
Current investments (refer note 4(b))	(24,714.20)	(17,563.92)
Net debt*	-	-
Equity	2,730.01	2,725.70
Other equity	71,077.25	56,209.07
Total capital	73,807.26	58,934.77
Capital and net debt	73,807.26	58,934.77
Gearing ratio (Net debt / Capital and net debt)	0%	0%

* Since the Company has cash surplus, the net debt for the purpose of computation of gearing ratio is taken as zero.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

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40. Statutory group information

Name of the entity in the Group	March 31, 2024							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount in lakhs	As a % of consolidated profit/(loss)	Amount in lakhs	As a % of consolidated other comprehensive income	Amount in lakhs	As a % of total comprehensive income	Amount in lakhs
Parent – Cigniti Technologies Limited	67.19%	51,078.67	56.04%	9,479.02	100.00%	11.13	56.06%	9,490.15
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.08%	57.09	0.00%	(0.26)	-	-	0.00%	(0.26)
Aparaa Digital Private Limited	0.06%	46.46	-0.42%	(71.05)	-	-	-0.42%	(71.05)
Subsidiaries – Foreign								
Cigniti Technologies Inc., USA	30.34%	23,066.21	38.12%	6,448.06	-	-	38.10%	6,448.06
Cigniti Technologies (UK) Limited, UK	2.17%	1,649.04	3.99%	674.86	-	-	3.99%	674.86
Cigniti Technologies (Australia) Pty Ltd, Australia	-0.69%	(525.20)	1.09%	183.82	-	-	1.09%	183.82
Cigniti Technologies (Canada) Inc., Canada	1.82%	1,386.52	2.29%	388.08	-	-	2.29%	388.08
Cigniti Technologies (SG) Pte. Ltd, Singapore	-0.17%	(127.85)	-0.03%	(4.28)	-	-	-0.03%	(4.28)
Cigniti Technologies (CZ) Limited s.r.o, Czech Republic	-0.69%	(527.72)	-0.61%	(102.71)	-	-	-0.61%	(102.71)
Cigniti Technologies CR Limitada , Costa Rica	-0.11%	(82.70)	-0.47%	(79.22)	-	-	-0.47%	(79.22)
RoundSqr Pty Ltd, Australia	-	-	-	-	-	-	-	-
Gross amounts	100.00%	76,020.52	100.00%	16,916.32	100.00%	11.13	100.00%	16,927.45
Adjustments arising out of consolidation		(2,213.26)		(357.12)		387.99	-	30.87
Net amounts		73,807.26		16,559.20		399.12		16,958.32

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	March 31, 2023							
Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount in lakhs	As a % of consolidated profit/(loss)	Amount in lakhs	As a % of consolidated other comprehensive income	Amount in lakhs	As a % of total comprehensive income	Amount in lakhs
Parent – Cigniti Technologies Limited	71.86%	43,674.35	59.35%	10,172.36	95.27%	153.68	59.69%	10,326.04
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.10%	58.35	0.00%	(0.19)	-	-	0.00%	(0.19)
Aparaa Digital Private Limited	0.16%	98.74	-0.33%	(56.66)	4.73%	7.63	-0.28%	(49.03)
Subsidiaries – Foreign								
Cigniti Technologies Inc., USA	26.88%	16,334.06	35.54%	6,091.23	-	-	35.19%	6,091.23
Cigniti Technologies (UK) Limited, UK	1.53%	932.65	3.46%	592.84	-	-	3.43%	592.84
Cigniti Technologies (Australia) Pty Ltd, Australia	-1.18%	(717.91)	1.20%	206.28	-	-	1.19%	206.28
Cigniti Technologies (Canada) Inc., Canada	1.62%	982.84	2.09%	357.71	-	-	2.07%	357.71
Cigniti Technologies (SG) Pte. Ltd, Singapore	-0.20%	(123.60)	-0.17%	(28.50)	-	-	-0.16%	(28.50)
Cigniti Technologies (CZ) Limited s.r.o, Czech Republic	-0.77%	(466.35)	-1.57%	(269.71)	-	-	-1.56%	(269.71)
Cigniti Technologies CR Limitada , Costa Rica	-	-	-	-	-	-	-	-
RoundSqr Inc., USA (dissolved w.e.f January 30, 2023)	0.00%	-	0.39%	66.72	-	-	0.39%	66.72
RoundSqr Pty Ltd, Australia	0.00%	0.10	0.04%	7.47	-	-	0.04%	7.47
Gross amounts	100.00%	60,773.23	100.00%	17,139.55	100.00%	161.31	100.00%	17,300.86
Adjustments arising out of consolidation		(1,838.46)		(307.49)		934.83	-	627.34
Net amounts		58,934.77		16,832.06		1,096.14		17,928.20

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41. 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, 2022	-
Liability arising on business combination	954.01
Changes in fair value of financial liabilities	212.18
Consideration paid in the current year	-
Closing balance as at March 31, 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

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 March 31, 2024 is Rs. 172.37 (March 31, 2023 Rs. 310.27) and Rs. 137.90 (March 31, 2023 Rs. 103.42) of deferred tax was reversed during the current year.

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 fair value and gross contractual amount for trade receivables acquired is Rs. 248.85 lakhs and is expected to be collectable. The goodwill amounting to Rs. 1,910.61 lakhs is attributable to the value of expected synergies arising from the acquisition, a customer list, which is not separately 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.

During the current year, the Company has paid the first earnout of Rs. 684 lakhs upon satisfaction of the targets mentioned in the SPA.

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42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	63.82	103.63
Interest due on above	-	-
	63.82	103.63
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

43. 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 10% per annum as per the terms of the lease agreement. There are no sub-leases. The Group also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

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

	March 31, 2024	March 31, 2023
Opening balance	1,876.15	2,550.62
Additions	948.43	276.09
Exchange differences	7.07	(61.55)
Amortization	(1,087.24)	(889.01)
Closing balance	1,744.41	1,876.15

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

	March 31, 2024	March 31, 2023
Opening balance	2,532.90	3,307.76
Additions	948.43	276.09
Accretion of interest	162.69	177.36
Exchange differences	7.07	(61.55)
Payments	(1,421.06)	(1,166.76)
Closing balance	2,230.03	2,532.90
Current	1,374.24	1,141.24
Non-current	855.79	1,391.66

The maturity analysis of lease liabilities are disclosed in Note 37.
The effective interest rate for lease liabilities is 5%-8.5% , with maturity between 2024-2028.

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

	Year ended March 31, 2024	Year ended March 31, 2023
Amortization of right to use asset	1,087.24	889.01
Interest on lease liabilities	162.69	177.36
Expense relating to short term and low value leases (refer note 26)	165.72	198.79
	1,415.65	1,265.16

The Group had total cash outflows for leases of Rs. 1,421.06 lakhs in the current year (March 31,2023: Rs. 1,166.76 lakhs). The entire amount is in the nature of fixed lease payments. The Group has Rs. 948.43 lakhs (March 31, 2023: Rs. 276.09 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 option is reasonably certain to be exercised (refer note 35).

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(v) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(vi) The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Group does not have any transactions with companies struck off.
(viii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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

46. The Holding Company and its subsidiaries, incorporated in India has used an accounting software which is operated by a third-party software service provider, for maintaining its books of account. In the absence of controls on audit trail in Service Organization Controls report, management is unable to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

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: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

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Independent Auditor's Report

To the Members of Cigniti Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cigniti Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

S.R. BATLIBOI & ASSOCIATES LLP
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Key audit matters	How our audit addressed the key audit matter
Impairment assessment of non-current investment in subsidiaries carried at cost (as described in note 4 of the Standalone Financial Statements)	
As at March 31, 2024, the Company has investments of Rs. 8,783.50 lakhs in subsidiaries which is tested for impairment annually, using discounted cash-flow models of subsidiaries' recoverable value compared to the carrying value. The determination of recoverable amounts of the Company's investments in the subsidiaries relies on management's estimates of forecast of future cash flows and their judgment with respect to the forecast of the subsidiaries future performance. The inputs to the impairment testing model include: • Projected revenue growth, operating margins and operating cash-flows in the years 1-5; • Stable long-term growth rates beyond five years and in perpetuity; and • Discount rates that represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money. The impairment testing includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate. The impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balance to the Standalone Financial Statements as a whole.	Our audit procedures included the following: • We tested the design, implementation and operative effectiveness of management's key internal controls over investment impairment assessment; • We assessed the methodology applied by the Company in its impairment analysis. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process; • With the assistance of a specialist, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used, in consideration of the current and estimated future economic conditions; • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • We discussed potential changes in key drivers as compared to previous year/ actual performance with management in order to evaluate whether the inputs and assumptions like projected revenue growth, EBIDTA, etc. used in the cash flow forecasts were suitable; • We tested the arithmetical accuracy of the impairment model; and • We assessed the adequacy of the related disclosures as described in note 4 to the Standalone Financial Statements.

Other Information

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

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

CHARTERED ACCOUNTANTS
S.R. BATLIBOI & ASSOCIATES LLP
HYDERABAD

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that daily backups are maintained in servers located outside India as explained in note 45 to the Standalone Financial Statements and for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);

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

(h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer note 41(b) to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, , no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
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v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

c) As stated in note 13 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, and as explained in note 46 to the Standalone Financial Statements, the Company, has used an accounting software, which is operated by a third-party software service provider, for maintaining its books of account. In the absence of controls on audit trail in Service Organization Controls report, we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

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: 24218576BKGENJ3365
Place of Signature: Hyderabad
Date: May 1, 2024

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in property, plant and equipment are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve inventories. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 15 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The monthly statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company does not have any working capital limits sanctioned from financial institutions.

(iii) During the year, the investments made in companies are not prejudicial to the Company's interest. During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order to such extent is not applicable to the Company.

(iv) Investments in respect of which provisions of section 186 of the Act are applicable have been complied with by the Company. There are no loans, guarantees and securities given in respect of which provisions of section 185 and 186 of the Act are applicable.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax and other statutory dues applicable to it. The provisions relating to service tax, sales tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee' state insurance, income-tax, duty of customs, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, provident fund, employees' state insurance, duty of customs and other statutory dues which have not been deposited on account of any dispute.

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	268.56	FY 17-18	Income Tax Appellate Tribunal
		24.46	FY 20-21	Deputy Commissioner of Income Tax

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or borrowing or in payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year. Accordingly, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
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(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 43 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 27 to the Standalone Financial Statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 27 to the Standalone Financial Statements.

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

per Harish Khemnani
Partner
Membership Number: 218576
UDIN: 24218576BKGENJ3365
Place of Signature: Hyderabad
Date: May 1, 2024

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Cigniti Technologies Limited

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Cigniti Technologies Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Harish Khemnani
Partner
Membership Number: 218576
UDIN: 24218576BKGENJ3365
Place of Signature: Hyderabad
Date: May 1, 2024

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Standalone Balance Sheet as at March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	**3**	2,149.27	2,745.46
Other intangible assets	**3**	-	-
Right-to-use asset	**42**	1,327.36	1,342.24
Financial assets			
Investments	**4**	10,147.60	10,175.51
Other financial assets	**6**	963.78	1,992.21
Deferred tax asset (net)	**12**	743.74	700.79
		15,331.75	**16,956.21**
Current assets			
Financial assets			
Investments	**5**	24,714.20	17,563.92
Trade receivables	**7**	14,227.47	9,977.47
Cash and cash equivalents	**8**	1,618.47	1,907.70
Bank balances other than cash and cash equivalents	**9**	5,631.57	6,278.17
Other financial assets	**6**	4,064.03	4,119.46
Other current assets	**11**	1,282.99	1,479.24
Current tax assets (net)	**10**	803.89	138.05
		52,342.62	**41,464.01**
Total Assets		**67,674.37**	**58,420.22**
Equity and Liabilities			
Equity			
Equity share capital	**13**	2,730.01	2,725.70
Other equity	**14**	48,348.66	40,948.65
		51,078.67	**43,674.35**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	**17**	513.53	927.81
Other financial liabilities	**18**	-	520.15
Provisions	**19**	2,410.57	1,665.07
		2,924.10	**3,113.03**
Current liabilities			
Financial liabilities			
Borrowings	**15**	3,493.44	3,043.67
Lease liabilities	**17**	1,245.87	1,024.55
Trade payables	**16**		
- total outstanding dues of micro enterprises and small enterprises		63.82	103.63
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,550.98	1,876.74
Other financial liabilities	**18**	2,082.02	2,660.24
Provisions	**19**	1,359.98	996.54
Other current liabilities	**21**	1,013.64	723.37
Current tax liabilities (net)	**20**	861.85	1,204.10
		13,671.60	**11,632.84**
Total Equity and Liabilities		**67,674.37**	**58,420.22**
Summary of material accounting policies	**2.2**		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Standalone Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	**22**	78,872.73	69,664.29
Other income	**23**	346.73	353.80
Finance income	**24**	2,227.58	981.35
Total income		**81,447.04**	**70,999.44**
Expenses			
Employee benefits expense	**25**	58,769.00	47,211.75
Hired contractors costs	**26**	1,586.10	2,279.89
Other expenses	**27**	6,047.19	5,645.58
Depreciation and amortization expense	**28**	2,191.63	1,941.71
Finance costs	**29**	215.45	207.79
Total expenses		**68,809.37**	**57,286.72**
Profit before tax		**12,637.67**	**13,712.72**
Tax expenses	**30**		
Current tax		3,205.34	3,803.08
Deferred tax		(46.69)	(262.72)
Total tax expenses		**3,158.65**	**3,540.36**
Net profit for the year		**9,479.02**	**10,172.36**
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains on employee defined benefit plans, net of tax		11.13	153.68
Total other comprehensive income for the year, net of tax	**32(I)(E)**	**11.13**	**153.68**
Total comprehensive income for the year, net of tax		**9,490.15**	**10,326.04**
Earnings per share (EPS) (Nominal value of equity share is Rs. 10/- each) (amount in Rs.)	**31**		
Basic EPS		34.74	37.06
Diluted EPS		34.58	36.99
Summary of material accounting policies	**2.2**		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

CIGNITI TECHNOLOGIES LIMITED Hyderabad

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Standalone Statement of Changes in Equity for the year ended March 31, 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 year ended March 31,2024		
As at April 1, 2023	**27,256,959**	**2,725.70**
Add: Issued during the year (refer note 13)	43,125	4.31
As at March 31, 2024	**27,300,084**	**2,730.01**
For the year ended March 31,2023		
As at April 1, 2022	**28,052,509**	**2,805.25**
Add: Issued during the year (refer note 13)	37,500	3.75
Less: Buyback during the year (refer note 13)	(833,050)	(83.30)
As at March 31, 2023	**27,256,959**	**2,725.70**

b. Other equity

	Other components of equity				
	Securities premium	**Share based payment reserve**	**Capital redemption reserve**	**Retained earnings**	**Total reserves**
For the year ended March 31,2024					
As at April 1, 2023	**25,737.43**	**419.69**	**83.30**	**14,708.23**	**40,948.65**
Profit for the year	-	-	-	9,479.02	9,479.02
Dividend	-	-	-	(2,318.96)	(2,318.96)
Re-measurement gains on employee defined benefit plans	-	-	-	11.13	11.13
Issue of equity shares on exercise of employee stock options	185.70	(151.20)	-	-	34.50
Share-based payment expense	-	194.32	-	-	194.32
As at March 31, 2024	**25,923.13**	**462.81**	**83.30**	**21,879.42**	**48,348.66**
For the year ended March 31,2023					
As at April 01, 2022	**29,390.20**	**111.53**	**-**	**6,019.13**	**35,520.86**
Profit for the year	-	-	-	10,172.36	10,172.36
Dividend	-	-	-	(687.70)	(687.70)
Re-measurement gains on employee defined benefit plans	-	-	-	153.68	153.68
Issue of equity shares on exercise of employee stock options	120.71	(34.46)	-	-	86.25
Buy back of equity shares	(3,773.48)	-	-	(865.94)	(4,639.42)
Amount transferred to capital redemption reserve upon buyback	-	-	83.30	(83.30)	-
Share-based payment expense	-	342.62	-	-	342.62
As at March 31,2023	**25,737.43**	**419.69**	**83.30**	**14,708.23**	**40,948.65**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

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

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

CIGNITI TECHNOLOGIES LIMITED
Hyderabad

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Standalone Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Year ended	
		March 31, 2024	**March 31, 2023**
Cash flows from operating activities			
Profit before tax		12,637.67	13,712.72
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		2,191.63	1,941.71
Finance income		(2,227.58)	(981.35)
Loss on sale of property, plant and equipments		7.91	-
Changes in fair value of financial liabilities		(327.85)	212.18
Provision for diminution in the value of investment		52.91	-
Finance costs		215.45	207.79
Unrealised foreign exchange gain, net		(111.99)	(55.00)
Share-based payment expense		-	1.18
Provision for expected credit loss, net		0.26	(10.03)
Operating profit before working capital changes		**12,438.41**	**15,029.20**
Movements in working capital			
Increase in trade payables		1,556.15	729.11
Increase in other liabilities		290.27	179.57
Increase in provisions		1,123.81	813.98
(Decrease)/increase in other financial liabilities		(82.56)	398.99
Increase in trade receivables		(4,059.99)	(1,204.15)
Decrease/(increase) in other assets		196.25	436.99
(Increase)/decrease in other financial assets		(98.40)	(926.33)
Cash generated from operations		**11,363.94**	**15,457.36**
Income taxes paid (net of refunds)		(4,213.43)	(3,378.39)
Net cash flows from operating activities	**(A)**	**7,150.51**	**12,078.97**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(462.78)	(1,165.92)
Acquisition of a subsidiary, net of cash acquired		-	(2,280.19)
Payment of contingent consideration pertaining to acquisition of a subsidiary		(684.00)	-
Investment in other entities		(25.00)	-
Investments in mutual funds and other debt instruments		(13,356.59)	(11,833.41)
Redemption of mutual funds and other debt instruments		8,014.29	6,884.30
Investment in bank deposits		(4,441.33)	(5,962.50)
Redemption of bank deposits		6,276.90	8,534.69
Interest received		412.89	294.48
Net cash flows used in investing activities	**(B)**	**(4,265.62)**	**(5,528.55)**
Cash flows used in financing activities			
Proceeds from shares issued against stock options		38.81	90.00
Buyback of equity shares including transaction cost and tax on buyback		-	(4,722.73)
Dividend paid		(2,305.86)	(674.62)
Interest and other borrowing cost paid		(78.75)	(55.88)
Payment towards lease liabilities		(1,278.09)	(1,060.54)
Net cash flows used in financing activities	**(C)**	**(3,623.89)**	**(6,423.77)**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C)**	(739.00)	126.65
Cash and cash equivalents at the beginning of the year		(1,135.97)	(1,262.62)
Cash and cash equivalents at the end of the year		**(1,874.97)**	**(1,135.97)**
Components of cash and cash equivalents			
Balances with banks including cash on hand		1,618.47	1,907.70
Cash credit facility		(3,493.44)	(3,043.67)
Total cash and cash equivalents		**(1,874.97)**	**(1,135.97)**

Refer note 9.1 for change in liabilities arising from financing activities and non-cash investing activities

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Harish Khemnani
Partner
Membership No. 218576

Place: Hyderabad
Date: May 1, 2024

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

C. V. Subramanyam
Director
DIN: 0071378

CIGNITI TECHNOLOGIES LIMITED Hyderabad

C. Srikanth
Director & CEO
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024

1. Corporate information
Cigniti Technologies Limited ("the Company") (CIN: L72200TG1998PLC030081) is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Dwarakapuri Colony, Panjagutta, Hyderabad. The Company is principally engaged in providing Digital Assurance and Engineering (Software testing) Services across the world.

The Standalone Financial Statements were approved for issue in accordance with a resolution of the directors on May 1, 2024.

2. Material accounting policies

2.1 Basis of preparation
The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

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

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

The Standalone Financial Statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Summary of material accounting policies

(a) Use of estimates and judgements
The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(b) Current versus non-current classification
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

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- 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 Company classifies all other liabilities as non-current.

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

(c) Foreign currencies
The Company's Standalone Financial Statements are presented in INR, which is the functional currency of the Company.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in 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 Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

(d) Fair value measurement
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

(e) Revenue from contracts with customer

The Company 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 Company expects to be entitled in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Rendering of services

Revenue from Digital Assurance and Engineering (Software testing) Services rendered to its subsidiary companies is recognised on accrual basis for services rendered and billed as per the terms of specific contract.

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

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

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

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

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

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

Other income
- Income from Government incentive:
  Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 is recognised on expected realisable value based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS scrips are classified as 'Other financial assets' as "Export incentive receivable"

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

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

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(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss 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.

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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.

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 purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included.

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

(g) Property, plant and equipment

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

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

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

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

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

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

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

Intangible assets	Useful lives
Software licenses	3 years

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

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

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

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

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

ROU	Useful lives
Office premises	3-5 years

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

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

ii) Lease liabilities

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

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

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

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

(j) Impairment of non-financial assets

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

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company's CGU. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project

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future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. After impairment, amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(k) Provisions, contingent liabilities and commitments

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

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

Contingent liability

Contingent liability is disclosed in the case of:

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

The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

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

(l) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Employee State Insurance is a defined contribution schemes. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is 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.

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The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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

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

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

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

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

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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 Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

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

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

(o) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

- Financial assets at amortized 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 amortized cost (debt instruments)

A 'debt instrument' is measured at the amortized 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 amortized cost using the EIR method. Amortized 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.

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

Upon initial recognition, the Company 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 Company 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 Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

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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 Company 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 Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the asset, and

  i. the Company has transferred substantially all the risks and rewards of the asset, or
  ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortized 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 Company follows 'simplified approach' for recognition of impairment loss allowance on:

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

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

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

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

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

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

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognised during the period is recognised as 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 amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, 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 Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

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Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

(p) Cash and cash equivalents

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

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

(q) Segment information

The Company has only one reportable business segment, which is rendering of Digital Assurance and Engineering (Software testing) Services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

(r) Dividend

The Company recognises a liability to pay dividend to its equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws

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in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder 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 its equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 New and amended standards.

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2023. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the standalone financial statements of the Company.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

2.4 Standards notified but not yet effective.

There are no standards that are notified and not yet effective as on the date.

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Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Notes to standalone financial statements for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3. Property, plant and equipment and other intangible assets

	Property, plant and equipment								Other intangible assets	
	Buildings	Electrical equipments	Leasehold improvements	Furniture and fixtures	Office equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment	Software license	Total other intangible assets
Cost										
As at April 1, 2022	193.53	536.43	317.10	331.95	352.33	3,090.91	176.10	4,998.35	246.66	246.66
Additions	-	1.84	98.61	2.53	14.62	816.63	-	934.23	-	-
As at March 31, 2023	193.53	538.27	415.71	334.48	366.95	3,907.54	176.10	5,932.58	246.66	246.66
Additions	-	186.78	113.82	15.12	129.41	265.27	-	710.40	-	-
Disposals	-	-	-	-	-	-	(176.10)	(176.10)	-	-
As at March 31, 2024	193.53	725.05	529.53	349.60	496.36	4,172.81	-	6,466.88	246.66	246.66
Depreciation, amortisation and impairment										
As at April 1, 2022	25.13	236.86	177.94	164.71	272.38	1,081.04	54.34	2,012.40	246.66	246.66
Charge for the year	4.27	55.27	21.50	26.06	53.60	992.30	21.72	1,174.72	-	-
As at March 31, 2023	29.40	292.13	199.44	190.77	325.98	2,073.34	76.06	3,187.12	246.66	246.66
Charge for the year	4.26	54.30	39.25	26.33	40.63	1,041.78	21.77	1,228.32	-	-
Disposals	-	-	-	-	-	-	(97.83)	(97.83)	-	-
As at March 31, 2024	33.66	346.43	238.69	217.10	366.61	3,115.12	-	4,317.61	246.66	246.66
Net book value										
As at March 31, 2023	164.13	246.14	216.27	143.71	40.97	1,834.20	100.04	2,745.46	-	-
As at March 31, 2024	159.87	378.62	290.84	132.50	129.75	1,057.69	-	2,149.27	-	-

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

4 Investments

	March 31, 2024	March 31, 2023
Trade investments (Valued at cost unless stated otherwise)		
Investment in equity instruments		
Investment in subsidiaries (Unquoted)		
(a) 1,000 (March 31, 2023 : 1,000) equity shares of $ 1 each, fully paid-up in Cigniti Technologies Inc., USA (refer note 41 (b) (iii b))	5549.49	5549.49
(b) 10,000 (March 31, 2023 : 10,000) equity shares of Rs. 10 each, fully paid-up in Gallop Solutions Private Limited, India	110.00	110.00
(c) 1 (March 31, 2023 : 1) equity shares of CAD 1 each, fully paid-up in Cigniti Technology Canada Inc., Canada (refer note 41 (b) (iii b))*	0.00	0.00
(d) 855,001 (March 31, 2023 : 855,001) equity shares of GBP 1 each, fully paid-up in Cigniti Technologies (UK) Limited, UK	839.57	839.57
(e) 865,001 (March 31, 2023: 865,001) equity shares of AUD 1 each, fully paid-up in Cigniti Technologies (Australia) Pty Ltd., Australia	442.25	442.25
(f) 1 (March 31, 2023: 1) equity shares of NZD 1 each, fully paid-up in Cigniti Technologies (NZ) Limited, New Zealand (refer note 41 (b) (iii b))*	0.00	0.00
(g) 1 (March 31, 2023 : 1) equity shares of SGD 1 each, fully paid-up in Cigniti Technologies (SG) Pte. Ltd, Singapore (refer note 41 (b) (iii c))*	0.00	0.00
(h) 5,000 (March 31, 2023 : 5000) equity shares of CZK 1 each, fully paid-up in Cigniti Technologies (CZ) Limited, Czech Republic (refer note 41 (b) (iii c))	0.17	0.17
(i) 44,248 (March 31, 2023 : 44,248) equity shares of Rs 10 each, fully paid-up in Aparaa Digital Private Limited, India	3234.01	3,234.01
(j) 120 (March 31, 2023 : 120) equity shares of CRC 100 each, fully paid-up in Cigniti Technologies CR Limitada, Costa Rica (refer note 41 (b) (iii c))	0.02	0.02
Less: Provision for diminution in value of investment in Cigniti Technologies (NZ) Limited, New Zealand* (refer note a)	(0.00)	(0.00)
Provision for diminution in value of investment in Gallop Solutions Private Limited, India (refer note b)	(52.91)	-
Preferred instruments of other entities (Unquoted)		
Investments carried at fair value through profit and loss		
100 (March 31, 2023: Nil) compulsory convertible preference shares of Rs. 10 fully paid-up in Hirexai Private Limited	25.00	-
Total	10,147.60	10,175.51
Aggregate value of unquoted investments	10,147.60	10,175.51
Aggregate amount of impairment in value of investments	(52.91)	(0.00)

Notes:
a) Cigniti Technologies (NZ) Limited, New Zealand, wholly owned subsidiary of the Company, was wound up effective January 30, 2019. The Company has made provision for the investment in the subsidiary in earlier years.

b) Gallop Solutions Private Limited, wholly owned subsidiary of the Company based on networth of the subsidiary has made provision for diminution in value of investments amounting to Rs. 52.91 lakhs (March 31, 2023: Rs. Nil).

c) Investment impairment testing: The carrying amount of the investment is tested annually for impairment using discounted cash-flow models of subsidiary's recoverable value compared to the carrying value and comparable multiple method. A deficit between the recoverable value and the carrying value of investment would result in impairment. The inputs to the impairment testing model which have the most significant impact on recoverable value include:
- Projected revenue growth, operating margins and operating cash-flows in the years 1-5;
- Stable long-term growth rates beyond five years and in perpetuity; and
- Discount rates that represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money.

The impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate.
Based on the approved business plan and valuation assessment, the management of the Company expects growth in operations and sustained profitability. The projections of the business is above the book value of its investments except for those in (a) & (b) above, indicating no signs of impairment. Accordingly, these financial statements do not include any adjustment relating to impairment of investments.

* Investments value rounded off in lakhs.

5 Current investments

	March 31, 2024	March 31, 2023
Valued at fair value through profit and loss		
Investment in bonds, quoted		
Unsecured, considered good	10,130.75	8,155.41
Investment in debentures, quoted		
Unsecured, considered good	8,569.89	4,122.28
Investment in commercial paper, quoted		
Unsecured, considered good	2,128.89	-
Investment in mutual funds, quoted		
Unsecured, considered good	3,884.67	5,286.23
	24,714.20	17,563.92
Aggregate book value of quoted investments	24,714.20	17,563.92
Aggregate market value of quoted investments	24,714.20	17,563.92
Aggregate amount of impairment in value of investments	-	-

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

		March 31, 2024		March 31, 2023	
		Units	Amount	Units	Amount
Bonds					
Bharat Bond ETF		80,000.00	1,082.06	80,000.00	1,002.20
India Grid Trust		60,000.00	644.89	60,000.00	643.21
Bank of Baroda		49.00	504.60	49.00	504.37
State Bank of India		15.00	626.51	60.00	619.23
Mahindra & Mahindra		500.00	519.97	110.00	1,039.28
Shriram Transport Finance		440.00	4,593.48	220.00	2,271.89
Aditya Birla		50.00	578.73	50.00	531.95
Bajaj Finance		50.00	531.12	50.00	512.60
Kotak Mahindra		500.00	543.50	500.00	500.46
Punjab National Bank		50.00	505.89	-	-
IIFL Home Finance Ltd		-	-	50.00	530.22
	(A)		10,130.75		8,155.41
Debentures					
Non-convertible debentures of L & T Finance MLD		200.00	2,214.33	200.00	2,056.27
Non-convertible debentures of HDB Financial Services		50.00	502.24	-	-
Non-convertible debentures of Muthoot Finance Ltd		112,000.00	3,200.18	-	-
Non-convertible debentures of ICICI HFCL		100.00	1,109.69	200.00	2,066.01
Non-convertible debentures of Bharti Telecom		1,500.00	1,543.45	-	-
	(B)		8,569.89		4,122.28
Commercial Paper					
360 One Wam Limited		460.00	2,128.89	-	-
	(C)		2,128.89		-
Mutual Funds					
Kotak Debt hybrid -Growth Regular Plan		1,278,681.66	670.14	1,278,681.66	571.29
Kotak Credit Risk Fund - Growth Regular Plan		2,434,478.82	655.18	2,434,478.82	605.33
Axis Regular Saver Fund - Regular Growth (ISGPG)		-	-	3,280,338.03	803.93
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan		138,826.44	915.07	138,826.43	848.86
Aditya Birla Sun Life Regular Savings Fund Regular Plan Growth		-	-	1,870,167.65	985.74
ICICI Prudential PAMP Asset Allocation Fund (FOF)_Growth		508,022.72	524.98	508,022.72	432.38
ICICI PLFRAG Medium Term Bond Fund Growth		1,134,765.86	457.86	1,134,765.86	426.21
ICICI Prudential Savings Fund- Direct Plan		132,407.63	661.44	132,407.63	612.49
	(D)		3,884.67		5,286.23
	(A+B+C+D)		24,714.20		17,563.92

6 Other financial assets

	Non current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Bank deposits (having remaining maturity of more than twelve months)	224.53	1,413.50	-	-
Unsecured, considered good				
Interest receivable	-	-	315.85	309.14
Export incentives receivable (refer note 41 (b) (ii))	-	-	1,770.78	1,770.78
Advances/ reimbursements receivable from related parties (refer note below)	-	-	374.50	796.91
Security deposits	739.25	578.71	-	-
Other receivables	-	-	70.36	-
Unbilled receivables (refer note 7.2)	-	-	1,532.54	1,242.63
	963.78	1,992.21	4,064.03	4,119.46

Advances/ reimbursements receivable from related parties (refer note 35)	March 31, 2024	March 31, 2023
Cigniti Technologies Inc.	255.02	556.84
Cigniti Technologies (UK) Limited	-	53.72
Cigniti Technologies Canada Inc.	-	66.57
Cigniti Technologies (Australia) Pty Limited	-	5.37
Cigniti Technologies (SG) Pte. Ltd.	119.48	114.41
	374.50	796.91

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7 Trade receivables

	March 31, 2024	March 31, 2023
Unsecured, considered good		
Trade receivables from related parties (refer note 35)	10,668.74	7,859.25
Trade receivables from other parties	3,745.94	2,304.26
Less: Allowance for expected credit losses	(187.21)	(186.04)
Unsecured, credit impaired		
Trade receivables from related parties (refer note 35)	-	-
Trade receivables from other parties	-	-
Less: Allowance for credit impairment	-	-
	14,227.47	9,977.47

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

	March 31, 2024	March 31, 2023
Balance at the beginning of the year	186.04	191.89
Provision made / (reversed) during the year	0.26	(10.03)
Exchange difference	0.91	4.18
Balance at the end of the year	187.21	186.04

7.2 Ageing schedule- Trade receivables and unbilled receivables

As at March, 31 2024

	Unbilled receivables	Trade 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	1,532.54	10,663.83	3,603.98	28.91	-	-	117.96	14,414.68
Credit impaired	-	-	-	-	-	-	-	-
Total	1,532.54	10,663.83	3,603.98	28.91	-	-	117.96	14,414.68
Less: Allowance for expected credit losses								(187.21)
Balance as at year end	1,532.54							14,227.47

As at March, 31 2023

	Unbilled receivables	Trade 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	1,242.63	9,342.88	675.45	8.24	33.21	44.01	59.72	10,163.51
Credit impaired	-	-	-	-	-	-	-	-
Total	1,242.63	9,342.88	675.45	8.24	33.21	44.01	59.72	10,163.51
Less: Allowance for expected credit losses								(186.04)
Balance as at year end	1,242.63							9,977.47

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

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has recorded an allowance for credit loss of Rs. 20.44 lakhs on receivables relating to amounts owed by related party (March 31, 2023: Rs. 20.44 lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

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8 Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balance with banks		
- On current accounts	1,588.87	1,868.60
- Remittance in transit	-	22.47
Unpaid dividend	29.60	16.50
Cash on hand	-	0.13
	1,618.47	1,907.70

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents (refer note 8)	1,618.47	1,907.70
Less: Cash credit facility (refer note 15)	(3,493.44)	(3,043.67)
	(1,874.97)	(1,135.97)

9 Bank balances other than cash and cash equivalents

	Non- Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Other deposit accounts				
Bank deposits with original maturity of more than 12 months	224.53	1,413.50	5,631.57	6,278.17
Less: Amount disclosed under other financial assets (refer note 6)	(224.53)	(1,413.50)	-	-
	-	-	5,631.57	6,278.17

Fixed deposits amounting to Rs. 1,810 lakhs (March 31, 2023: Rs. 1,700 lakhs) are subject to charge to fulfill collateral requirements of cash credit facility from bank.

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

Financing activities

	April 1, 2023	Addition	Cash flows	Others*	March 31, 2024
Lease liabilities	1,952.36	948.43	(1,278.09)	136.70	1,759.40
Total liabilities from financing activities	1,952.36	948.43	(1,278.09)	136.70	1,759.40

	April 1, 2022	Addition	Cash flows	Others*	March 31, 2023
Lease liabilities	2,861.00	-	(1,060.55)	151.91	1,952.36
Total liabilities from financing activities	2,861.00	-	(1,060.55)	151.91	1,952.36

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

Non-cash investing activities

	March 31, 2024	March 31, 2023
Acquisition of Right-of-use assets	948.43	-
	948.43	-

10 Current tax assets (net)

	March 31, 2024	March 31, 2023
Income tax receivable (net of provision for tax)	803.89	138.05
	803.89	138.05

11 Other current assets

	March 31, 2024	March 31, 2023
Unsecured, considered good unless stated otherwise		
Advances to vendors	32.93	6.45
Staff advances	33.45	140.14
Prepaid expenses	369.58	301.95
Balance with government authorities	847.03	1,030.70
	1,282.99	1,479.24

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

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12 Deferred tax asset (net)

	March 31, 2024	March 31, 2023
Deferred tax asset		
Provision for employee benefits	948.97	669.87
Provision for doubtful debts	47.12	46.82
Right to use assets / lease liabilities	108.74	153.55
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation / amortization charged to financial reporting	70.81	-
Gross deferred tax asset	1,175.64	870.24
Deferred tax liability		
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation / amortization charged to financial reporting	-	(22.03)
Revaluations of investments to fair value	(431.90)	(147.42)
Gross deferred tax liability	(431.90)	(169.45)
	743.74	700.79

March 31, 2024

	Opening balance	Recognised in the statement of profit and loss*	Closing balance
Deferred tax assets/(liabilities) in relation to :			
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation / amortization charged to financial reporting	(22.01)	92.82	70.81
Provision for employee benefits	669.87	279.10	948.97
Provision for doubtful debts	46.82	0.30	47.12
Right to use assets / lease liabilities	153.55	(44.81)	108.74
Revaluations of current investments to fair value	(147.44)	(284.46)	(431.90)
	700.79	42.95	743.74

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

March 31, 2023

	Opening balance	Recognised in the statement of profit and loss*	Closing balance
Deferred tax assets/(liabilities) in relation to :			
Property, plant and equipment and intangible asset, the impact of difference between tax depreciation / amortization charged to financial reporting	(29.44)	7.43	(22.01)
Provision for employee benefits	503.69	166.18	669.87
Provision for doubtful debts	48.30	(1.48)	46.82
Right to use assets / lease liabilities	189.20	(35.65)	153.55
Revaluations of current investments to fair value	(221.97)	74.53	(147.44)
	489.78	211.01	700.79

* Includes deferred tax credit of Rs. 51.71 lakhs recognised through other comprehensive income on re-measurement gains on employee defined benefit plans.

13 Equity share capital

	March 31, 2024	March 31, 2023
Authorized share capital		
36,000,000 (March 31, 2023: 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, 2023: 27,256,959) equity shares of Rs. 10/- each fully paid-up	2,730.01	2,725.70
Total issued, subscribed and fully paid-up share capital	2,730.01	2,725.70

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

	March 31, 2024		March 31, 2023	
	No's	Amount	No's	Amount
At the beginning of the year	27,256,959	2,725.70	28,052,509	2,805.25
Shares issued during the year against stock options	43,125	4.31	37,500	3.75
Less: Shares bought back (refer note a(i))	-	-	(833,050)	(83.30)
Outstanding at the end of the year	27,300,084	2,730.01	27,256,959	2,725.70

(a)(i) Buy-back of shares

The Board, at its meeting held on May 18, 2022, approved the buyback of the Company's fully paid-up equity shares of face value of Rs. 10 each, from the eligible equity shareholders of the Company, other than promoters, promoter group and persons who are in control of the Company at a price not exceeding Rs. 500 per equity share (maximum buyback price), for an aggregate amount not exceeding Rs.3,800 lakhs (maximum buyback size, excluding buyback tax) from the open market through the stock exchange mechanism, in accordance with the provisions of Companies Act, 2013 and SEBI (Buyback of securities) Regulations, 2018, subject to shareholders' approval in the ensuing Annual General Meeting. The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2022. The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange was completed on June 29, 2022. During this buyback period, the Company had purchased and completely extinguished a total of 8,33,050 equity shares from the stock exchange at a volume weighted average buyback price of Rs. 456.13 per equity share comprising ~1.66% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of Rs. 3,799.77 lakhs (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, as at March 31, 2023, the Company has created 'Capital Redemption Reserve' of Rs. 83.30 lakhs equal to the nominal value of the above shares bought back as an appropriation from the retained earnings. The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. The Company has only one class of equity shares and has no debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

(b) Terms/rights attached to equity shares
The Company has one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2024		March 31, 2023	
Name of the shareholder	No's	% holding	No's	% holding
P. Sapna	35.59	13.04%	35.59	13.06%
C. V. Subramanyam	27.98	10.25%	29.35	10.77%
C. Srikanth	25.00	9.16%	25.00	9.17%
Kukunuru Madhava Lakshmi	15.50	5.68%	16.00	5.87%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 33.

(e) Details of shares held by promoters
As at March 31, 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%	-

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As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
P. Sapna	34.59	1.00	35.59	13.06%	2.89%
C. V. Subramanyam	32.35	(3.00)	29.35	10.77%	-9.27%
C. Srikanth	25.00	-	25.00	9.17%	-
C. Rajeshwari	3.14	1.25	4.39	1.61%	39.76%
P. Sudhakar	0.01	-	0.01	0.00%	-

(f) Dividends distribution made and proposed

	March 31, 2024	March 31, 2023
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: Rs. 5.50 per share (March, 31 2022: Rs. 2.50 per share)*	1,499.96	687.70
Interim dividend for the year ended on March 31, 2024: Rs. 3.00 per share (March, 31 2023: Rs. Nil)*	819.00	-
	2,318.96	687.70
Proposed dividend on equity shares:		
Proposed dividend for the year ended on March 31, 2024: Rs. Nil (March 31, 2023: Rs. 5.50 per share)	-	1,499.13
	-	1,499.13

*Includes unclaimed dividend amount of Rs. 29.60 lakhs (March 31, 2023: 16.50 lakhs).

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2023. The dividend declared / paid and proposed is in accordance with Section 123 of The Companies Act, 2013.

There are no equity shares issued as bonus and issued for consideration other than cash during the period of five years immediately preceding the reporting date.

14 Other equity

	March 31, 2024	March 31, 2023
Securities premium		
Opening balance	25,737.43	29,390.20
Add: Issue of equity shares on exercise of employee stock options	185.70	120.71
Less: Buyback of equity shares (refer note 13(a)(i))	-	(3,773.48)
Closing balance	25,923.13	25,737.43
Capital redemption reserve		
Opening balance	83.30	-
Transfer from retained earnings upon buyback (refer note 13(a)(i))	-	83.30
Closing balance	83.30	83.30
Share based payment reserve		
Opening balance	419.69	111.53
Less: Issue of equity shares on exercise of employee stock options	(151.20)	(34.46)
Add: Share-based payment expense	194.32	342.62
Closing balance	462.81	419.69
Retained earnings		
Opening balance	14,708.23	6,019.13
Less: Dividend	(2,318.96)	(687.70)
Add: Profit during the year	9,479.02	10,172.36
Less: Tax on buyback of shares (refer note 13(a)(i))	-	(865.94)
Less: Transfer to capital redemption reserve upon buyback (refer note 13(a)(i))	-	(83.30)
Items recognised directly in other comprehensive income		
Re-measurement gain on employee defined benefit plans, net of tax	11.13	153.68
Closing balance	21,879.42	14,708.23
	48,348.66	40,948.65

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Nature and purpose of reserves

14.1 Security premium reserve

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

14.2 Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer note 33 for further details of these plans.

14.3 Retained earnings

Retained earnings comprises of prior year's undistributed earnings after taxes along with current year profit.

14.4 Capital redemption reserve

Capital redemption reserve is created for the amount equal to face value of shares bought back during the previous year.

15 Borrowings

	March 31, 2024	March 31, 2023
Secured		
Cash credit from banks (refer note below)	3,493.44	3,043.67
	3,493.44	3,043.67

(a) Cash credit from banks of Rs. 3,493.44 lakhs (March 31, 2023: Rs 3,043.67 lakhs) is secured by hypothecation of trade receivables of the Company and exclusive charge - cash collateral amounting to Rs. 1,810 lakhs (March 31, 2023 : Rs. 1,700 lakhs) in the name of Company. It is repayable on demand and carries floating interest rate of 8.50%p.a. (March 31, 2023: 8.50%p.a). The Company had available Rs. 106.56 lakhs (March 31, 2023: Rs. 556.33 lakhs) of undrawn committed borrowing facilities as at March 31, 2024.

The Company 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.

16 Trade payables

		March 31, 2024	March 31, 2023
Outstanding dues of micro enterprises and small enterprises (refer note 34)		63.82	103.63
	A	63.82	103.63
Outstanding dues to related parties (refer note 35)		924.35	620.32
Outstanding dues to other parties		2,626.63	1,256.42
	B	3,550.98	1,876.74
	A+B	3,614.80	1,980.37

Trade payable ageing schedule

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	531.44	259.16	2,757.71	0.47	2.20	-	3,550.98
	531.44	297.15	2,783.54	0.47	2.20	-	3,614.80

As at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues							
Micro enterprises and small enterprises	-	82.80	20.83	-	-	-	103.63
Others	1,020.92	200.23	652.70	2.89	-	-	1,876.74
	1,020.92	283.03	673.53	2.89	-	-	1,980.37

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

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

For explanations on the Company's credit risk management processes, refer to note 38.

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

17 Lease liabilities

	Non-current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Lease liabilities (refer note 42)	513.53	927.81	1,245.87	1,024.55
	513.53	927.81	1,245.87	1,024.55

Interest payable is normally settled monthly throughout the financial year.

18 Other financial liabilities

	Non-current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At amortised cost				
Advances from related parties (refer note 35)	-	-	1,599.01	1,875.89
Contingent consideration	-	520.15	154.34	646.04
Capital creditors	-	-	299.07	121.81
Unclaimed dividend	-	-	29.60	16.50
	-	520.15	2,082.02	2,660.24

19 Provisions

	Non-Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Provisions for employee benefits				
Provision for gratuity (refer note 32)	2,410.57	1,665.07	500.00	500.00
Provision for leave benefits	-	-	859.98	496.54
	2,410.57	1,665.07	1,359.98	996.54

20 Current tax liabilities (net)

	March 31, 2024	March 31, 2023
Provision for taxation (net of advance tax)	861.85	1,204.10
	861.85	1,204.10

21 Other current liabilities

	March 31, 2024	March 31, 2023
Statutory dues	1,013.64	723.37
	1,013.64	723.37

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22 Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Digital Assurance and Engineering (Software testing) Services	78,872.73	69,664.29

22.1 Disaggregated revenue information

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

	Year ended March 31, 2024	Year ended March 31, 2023
Related parties (refer note 35)	70,233.97	62,199.21
Others	8,638.76	7,465.08
Total revenue from contracts with customers	78,872.73	69,664.29

22.2 Contract balances

	March 31, 2024	March 31, 2023	March 31, 2022
Contract assets			
Trade receivables, net (refer note 7)	14,227.47	9,977.47	8,709.47
Unbilled receivables (refer note 6)	1,532.54	1,242.63	928.52

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 year ended March 31, 2024, Rs. 1,239.27 lakhs of unbilled receivables as at March 31, 2023 has been reclassified to trade receivables on completion of performance obligation. During the year ended March 31, 2023, Rs. 912.87 lakhs of unbilled receivables as at March 31, 2022 has been reclassified to trade receivables on completion of performance obligation.

22.3 Performance obligation

The Company has arrangements with the customer which are "time and material" basis. The performance obligation in case of time and material contracts is satisfied over time. Revenue is recognised as and when the services are performed.

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

The payment is due with in 0-90 days from the time the customer accepts the work performed by the Company.

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	78,872.73	69,664.29
Adjustments :		
Discounts	-	-
Revenue from contracts with customers	78,872.73	69,664.29

23 Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Exchange differences, net	18.88	334.57
Change in fair value of financial liabilities	327.85	9.20
Reversal of provision for expected credit loss, net	-	10.03
	346.73	353.80

24 Finance income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on bank deposits	419.60	373.35
Income on fair valuation of investments through profit and loss	1,807.98	601.86
Interest income on income tax refund	-	6.14
	2,227.58	981.35

25 Employee benefits expense

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus*	55,855.26	44,931.88
Contribution to provident and other funds (refer note 32(II))	693.11	655.39
Share-based payment expense	-	1.18
Gratuity expense (refer note 32(I))	1,057.61	854.02
Staff welfare expenses	1,163.02	769.28
	58,769.00	47,211.75

*Salaries, wages and bonus includes an amount of Rs. 2,031.00 lakhs (March 31, 2023: Rs. Nil) towards accrual of long service rewards for certain employees on completion of 25 years of the Company.

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

26 Hired contractors costs

	Year ended March 31, 2024	Year ended March 31, 2023
Hired contractors costs	1,586.10	2,279.89
	1,586.10	2,279.89

27 Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	516.50	410.24
Rent	82.08	87.37
Repairs and maintenance - others	544.78	294.67
Advertising, marketing and sales promotion	775.67	359.30
Travelling and conveyance	1,240.95	1,410.67
Communication costs	319.82	161.97
Software licensing cost	1,285.71	1,384.01
Legal and professional fees	469.63	663.18
Rates and taxes	226.87	127.62
Insurance	34.42	23.72
Printing and stationery	67.96	87.00
Recruitment expenses	87.42	153.18
Payment to auditor (refer note below)	165.72	147.67
Provision for expected credit loss, net	0.26	-
Changes in fair value of financial liabilities	-	212.18
Corporate social responsibility expenditure (refer note below)	168.58	119.01
Provision for diminution in the value of investment	52.91	-
Loss on sale of fixed assets (net)	7.91	-
Miscellaneous expenses	-	3.79
	6,047.19	5,645.58

Payment to Auditor

	Year ended March 31, 2024	Year ended March 31, 2023
As auditor		
Audit fee	94.35	78.00
Limited review	67.98	60.00
In other capacity		
Certification services	2.06	7.00
Reimbursement of expenses	1.33	2.67
	165.72	147.67

Details of Corporate social responsibility expenditure

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year:	168.58	119.01
(b) Amount approved by the Board to be spent during the year	168.58	119.01
(c) Amount spent during the year	Paid in cash	Paid in cash
i) Construction / Acquisition of any asset	-	-
ii) On purposes other than (i) above	168.58	119.01
(d) Details related to spent / unspent obligations		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	168.58	119.01
iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

Nature of CSR Activities: Promoting education, healthcare initiatives and other social projects.

There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

28 Depreciation and amortization expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3)	1,228.32	1,174.72
Amortization of right-to-use asset (refer note 42)	963.31	766.99
	2,191.63	1,941.71

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

29 Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense	51.53	21.96
Interest on lease liabilities (refer note 42)	136.70	151.91
Other borrowing costs	18.25	14.87
Factoring and bank charges	8.97	19.05
	215.45	207.79

30 Tax expense

(a) Income tax expense:

The major components of income tax expenses are :

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	3,205.34	3,803.08
Deferred tax	(46.69)	(262.72)
Total income tax expense recognised in statement of profit and loss relating to current year	3,158.65	3,540.36

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax (A)	12,637.67	13,712.72
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A * B)	3,180.65	3,451.22
Reconciling items:		
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	18.09	59.19
Tax on expenses not tax deductible	(40.09)	29.95
Total tax expense	3,158.65	3,540.36
Effective tax rate	24.99%	25.82%

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

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 year and that of provision for taxation.

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Cigniti Technologies Limited
CIN: L72200TG1998PLC030081
Notes to standalone financial statements for the year ended March 31, 2024
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to equity shareholders for basic earnings	9,479.02	10,172.36
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	272.88	274.50
Add: Effect of dilution:		
Employee stock options (No. in lakhs)	1.23	0.50
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	274.11	275.00
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	34.74	37.06
- Diluted (Rs.)	34.58	36.99

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

32 Retirement and other employee benefits

I Defined benefit plan

The Company has a defined benefit gratuity plan, governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days of last drawn basic salary for each completed year of service. The scheme is funded through a policy with LIC. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in Employee benefits expense)

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	934.98	753.82
Interest cost	216.58	145.09
Expected return on plan assets	(66.19)	(44.89)
Less: Gratuity cost reimbursed by the subsidiary company for employees transferred to the Company	(27.76)	-
Net employee benefit expenses	1,057.61	854.02
Actual return on plan asset	66.19	44.89

B) Amount recognised in the Balance Sheet

	March 31, 2024	March 31, 2023
Defined benefit obligation	3,939.39	2,965.16
Fair value of plan assets	1,028.82	800.09
	2,910.57	2,165.07

C) Changes in the present value of the defined benefit obligation

	March 31, 2024	March 31, 2023
Opening defined benefit obligation	2,965.16	2,476.53
Current service cost	934.98	753.82
Interest cost	216.58	145.09
Benefits paid	(162.45)	(195.86)
Net actuarial gain on obligation for the year recognised under OCI	(14.87)	(214.42)
Closing defined benefit obligation	3,939.39	2,965.16

D) Change in the fair value of plan assets

	March 31, 2024	March 31, 2023
Opening fair value of plan assets	800.09	707.57
Investment income	66.19	44.89
Employer's contribution	324.99	252.54
Benefits paid	(162.45)	(195.86)
Return on plan assets, excluding amount recognised in net interest expense	-	(9.05)
Closing fair value of plan assets	1,028.82	800.09

The Company expects to contribute Rs. 500 lakhs to the gratuity fund in the next year (March 31, 2023: Rs. 500 lakhs).
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2024	March 31, 2023
Investments with LIC	100.00%	100.00%

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E) Remeasurement adjustments:

	Year ended March 31, 2024	Year ended March 31, 2023
Experience (gain) / loss on plan liabilities	(75.41)	32.43
Financial loss / (gain) on plan liabilities	60.54	(246.87)
Return on plan assets, excluding amount recognised in net interest expense	-	9.05
Remeasurement gains recognised in other comprehensive income	(14.87)	(205.39)

Remeasurement gains recognised in the current year are excluding the impact of deferred tax expense of Rs. 3.74 lakhs (March 31,2023 : Rs 51.71 lakhs).

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.51%
Expected rate of return on assets	7.24%	5.95%
Salary rise	12.00%	12.00%
Attrition rate	20.00%	20.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

	March 31, 2024	March 31, 2023
Expected benefit payments for the year ended:		
1 year	455.85	373.68
2-5 years	2,028.60	1,529.62
6-10 years	1,865.83	1,410.58
More than 10 years	2,105.28	1,619.07

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2023: 6.43 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption on defined benefit obligation is as shown below:

	March 31, 2024	March 31, 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(208.35)	(154.10)
- 1% decrease	231.58	171.15
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	199.64	149.51
- 1% decrease	(191.78)	(142.98)
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	(426.99)	(305.25)
- decrease by 50% of the attrition rate	800.09	575.02

II Defined contribution plan

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to provident and other funds	693.11	655.39

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33 Share based payments

Under the Employee Stock Option Plan, the Company, at its discretion, may grant share options to employees of the Company. The remuneration committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period ranging from 1 to 5 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions*	194.32	342.62

*The above expense include expense arising from equity-settled share-based payment transactions of the subsidiaries amounting to Rs. 194.32 lakhs (March 31, 2023: Rs 341.44 lakhs).

Movements during the year: The following table illustrates movements in share options during the year:

(Numbers in lakhs)

Particulars	March 31, 2024		March 31, 2023	
	Scheme 2014	Scheme 2015	Scheme 2014	Scheme 2015
Total No. of options under the scheme	25.00	5.00	25.00	5.00
Outstanding at April 1	0.75	2.15	0.75	2.55
Exercised during the year	0.28	0.15	-	0.38
Expired during the year	-	-	-	0.03
Outstanding at March 31	0.47	2.00	0.75	2.15
Exercisable at March 31	-	1.00	-	0.65

The weighted average share price at the date of exercise of these options was Rs 803.47 (March 31, 2023: Rs 485.10)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2024 and as at March 31, 2023

	March 31, 2024	March 31, 2023
Scheme 2014	5.33	5.58
Scheme 2015	2.33	3.15

The range of exercise prices for the options outstanding at the beginning, forfeited, exercised, expired and outstanding at the end of the year is Rs 10 - Rs 506 (March 31, 2023: Rs 240 - Rs 506).

There are no grants during the current year and previous year. The following tables list the inputs to the model used for the year ended March 31, 2022:

	March 31, 2022	
	Scheme 2014	Scheme 2015
Dividend yield	0.49% - 0.54%	0.49%
Expected volatility	42.98% - 47.40%	43.33% - 49.12%
Risk-free interest rate	4.31% - 6.20%	4.77% - 6.05%
Expected life of options granted in years	2 - 5 years	2 - 5 years
Weighted average share price	494.26	505.90
Model used	Black-Scholes model	

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

34 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	63.82	103.63
Interest due on above	-	-
	63.82	103.63
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	-	-

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

35 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Subsidiaries	
Cigniti Technologies Inc., USA	Wholly owned subsidiary
Cigniti Technologies Canada Inc., Canada	Wholly owned subsidiary
Cigniti Technologies (UK) Limited, UK	Wholly owned subsidiary
Cigniti Technologies (Australia) Pty Ltd, Australia	Wholly owned subsidiary
Cigniti Technologies (NZ) Ltd, New Zealand	Wholly owned subsidiary
Cigniti Technologies (SG) Pte. Ltd., Singapore	Wholly owned subsidiary
Cigniti Technologies (CZ) Limited s.r.o, Czech Republic	Wholly owned subsidiary
Cigniti Technologies CR Limitada,Costa Rica	Wholly owned subsidiary
Gallop Solutions Private Limited, India	Wholly owned subsidiary
Aparaa Digital Private Limited, India	Wholly owned subsidiary
RoundSqr, Inc.,USA	Step down subsidiary (dissolved on January 30, 2023)
RoundSqr Pty Ltd.,Australia	Step down subsidiary
Key Management Personnel	
Mr. C. V. Subramanyam	Director (Chairman & Managing director upto November 3, 2023)
Mr. C. Srikanth	Director & Chief Executive Officer (w.e.f January 20, 2024)
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Ram Krishna Agarwal	Independent director
Mr. Phaneesh Murthy	Independent director
Ms. Nooraine Fazal	Independent director
Mr. Srinath Batni	Independent director
Mr. Sudhakar Pennam	Non-Executive Director (w.e.f March 07, 2024)
Mr. K CH Subbarao	Non-Executive Director (upto June 16, 2023)*

Transactions/ balances with above parties

March 31, 2024

Subsidiaries	Cigniti Technologies Inc., USA	Cigniti Technologies Canada Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Private. Ltd, India	Aparaa Digital Private. Ltd, India	Cigniti Technologies (SG) Pte. Ltd., Singapore	Cigniti Technologies (CZ) Limited s.r.o., Czech Republic	Cigniti Technologies CR Limitada, Costa Rica
Transactions during the year										
Rendering of Digital Assurance and Engineering (Software testing) Services	59,104.91	2,782.55	7,432.36	697.85	-	-	216.30	-	-	-
Reimbursement of expenses incurred by CTL India	266.93	17.99	7.34	5.26	-	0.08	102.25	3.50	-	-
Reimbursement of expenses incurred by CT Inc. USA	(67.75)	-	-	-	-	-	-	-	-	-
Provision for diminution in the value of investment	-	-	-	-	-	52.91	-	-	-	-
Balances receivable/(payable)										
Trade receivables (including unbilled revenue)	6,183.18	983.59	3,912.63	111.60	20.44	-	233.61	-	-	-
Allowance for expected credit losses	-	-	-	-	(20.44)	-	-	-	-	-
Advances receivable	255.02	-	-	-	-	-	-	119.48	-	-
Advances payable	(1,546.27)	-	-	-	-	(52.56)	-	-	(0.17)	-
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00	3,234.01	0.00	0.17	0.02
Provision for diminution in the value of investment	-	-	-	-	-	(52.91)	-	-	-	-

Key Management Personnel (KMP)

	Mr. C. V. Subramanyam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni	Mr. C. Srikanth	Mr. Sudhakar Pennam
Transactions during the year								
Remuneration	200.33	923.71	35.88	43.26	43.26	43.26	9.86	-
Gratuity paid	20.00	-	-	-	-	-	-	-
Director sitting fees	6.00	-	-	26.00	24.00	24.00	-	2.00
Balances receivable/(payable)								
Remuneration payable	(79.24)	(711.57)	(1.50)	(43.26)	(43.26)	(43.26)	(2.28)	-

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March 31, 2023

Subsidiaries	Cigniti Technologies Inc., USA	Cigniti Technologies Canada Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Pvt. Ltd, India	Aparaa Digital Private. Ltd, India	Cigniti Technologies (SG) Pte. Ltd., Singapore	Cigniti Technologies (CZ) Limited s.r.o., Czech Republic	Cigniti Technologies CR Limitada, Costa Rica
Transactions during the year										
Rendering of Digital Assurance and Engineering (Software testing) Services	54,013.15	2,395.39	5,311.35	479.32	-	-	-	-	-	-
Hired contractors cost	-	-	-	-	-	-	728.83	-	-	-
Reimbursement of expenses incurred by CTL India	419.46	39.38	20.08	2.18	-	-	727.29	23.87	-	-
Reimbursement of expenses incurred by CT Inc. USA	(43.55)	-	-	-	-	-	-	-	-	-
Balances receivable/(payable)										
Trade receivables (including unbilled revenue)	4,905.84	570.27	2,082.63	123.12	20.44	-	-	-	-	-
Advances receivable	556.84	66.57	53.72	5.37	-	-	-	114.41	-	-
Advances payable	(1,821.99)	-	-	-	-	(52.64)	(1.09)	-	(0.17)	-
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00	3,234.01	0.00	0.17	0.02

Key Management Personnel (KMP)

	Mr. C. V. Subramanyam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions during the year						
Remuneration	725.00	174.09	28.04	48.00	48.00	48.00
Director sitting fees	-	-	-	24.00	17.00	18.00
Balances receivable/(payable)						
Remuneration payable	(465.00)	(10.15)	(1.17)	(48.00)	(48.00)	(48.00)

In the previous year, the key management personnel (Mr. C.V Subramanyam) has given personal guarantees to bankers in connection with cash credit facility whose closing balance on March 31, 2023 was Rs. 3,043.67 lakhs. There is no personal guarantee for the current year ended March 31, 2024.

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

*Mr. K CH Subbarao was the director of the Group until June 15, 2023 and resigned w.e.f June 16, 2023. Accordingly, any transactions of the Company with Mr. K CH Subbarao and the entities (where he is a director / member) have not been disclosed as related party transactions for the period after June 15, 2023.

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

36 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:
• Capital management Note 40
• Financial risk management objectives and policies Note 38
• Sensitivity analyses disclosures Notes 32 and 38.

Judgements

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension options. The Company 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 Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (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	3,580.98	-	3,580.98

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (Refer note 30).

(ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 32.

(iii) Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(iv) Allowance for credit losses on receivables and unbilled revenue

The Company has determined the allowance for credit losses based on the ageing status and historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered historical pattern of credit loss, the likelihood of increased credit risk.

37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets				
Investments	24,739.20	17,563.92	24,739.20	17,563.92
Trade receivables	14,227.47	9,977.47	14,227.47	9,977.47
Cash and cash equivalents	1,618.47	1,907.70	1,618.47	1,907.70
Bank balances other than cash and cash equivalents	5,631.57	6,278.17	5,631.57	6,278.17
Other financial assets	5,027.81	6,111.67	5,027.81	6,111.67
Financial liabilities				
Borrowings	3,493.44	3,043.67	3,493.44	3,043.67
Lease liabilities	1,759.40	1,952.36	1,759.40	1,952.36
Other financial liabilities	2,082.02	3,180.39	2,082.02	3,180.39
Trade payables	3,614.80	1,980.37	3,614.80	1,980.37

The management assessed that the fair value of cash and cash equivalents, 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.

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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 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 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 commercial paper, quoted	2,128.89	2,128.89	-	-
Investment in mutual funds, quoted	3,884.67	3,884.67	-	-
Liabilities				
Contingent consideration	154.34	-	-	154.34

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Particulars	As at March 31, 2023	Fair value measurement at the end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments carried at fair value through profit and loss				
Investment in bonds, quoted	8,155.41	8,155.41	-	-
Investment in debentures, quoted	4,122.28	4,122.28	-	-
Investment in mutual funds, quoted	5,286.23	5,286.23	-	-
Liabilities				
Contingent consideration	1,166.19	-	-	1,166.19

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

Reconciliation of fair value measurement of investments classified as FVTOCI assets (level 3) :
The following table represents changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

Particulars	Investment in unquoted equity and preferred instruments
As at April 01, 2023	-
Purchases	25.00
Re-measurement recognised in other comprehensive income	-
Sales	-
As at March 31, 2024	25.00
As at April 01, 2022	-
Purchases	-
Re-measurement recognised in other comprehensive income	-
Sales	-
As at March 31, 2023	-

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38 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

The Company considers a counterparty whose payment is due more than 90 days after the due date as a defaulted party. This is based on considering the market and economic forces in which the entities in the Company are operating. The Company creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 90 days from the due date. In calculating expected credit loss, the Company has also considered historical pattern of credit loss, the likelihood of increased credit risk.

Trade receivables as contract assets

The customer credit risk is managed by the Company's established policy, procedures and controls relating to customer credit risk management. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Company's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

As at March 31, 2024, the Company had 16 customers (March 31, 2023: 18 customers) that owed the Company more than 1% each of total receivable from parties other than related parties and accounted for approximately 94% (March 31, 2023: 94%) of receivables. There were 3 customers (March 31, 2023: 6 customers) with balances greater than 5% accounting for approximately 62% (March 31, 2023: 68%) of total amounts receivable from parties other than related parties.

The Company has adequate provision as at March 31, 2024 amounting to Rs.187.21 lakhs (As at March 31, 2023: Rs. 186.04 lakhs) for receivables.

B Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, by availing appropriate borrowing facilities from banks as and when required, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

March 31, 2024:	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	3,493.44	-	-	-	3,493.44
Lease liabilities	-	1,322.05	542.36	-	1,864.41
Trade payables	-	3,612.13	2.67	-	3,614.80
Other financial liabilities	-	2,082.02	-	-	2,082.02
	3,493.44	7,016.20	545.03	-	11,054.67

March 31, 2023:	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	3,043.67	-	-	-	3,043.67
Lease liabilities	-	1,113.62	947.98	-	2,061.60
Trade payables	-	1,980.37	-	-	1,980.37
Other financial liabilities	-	2,698.20	684.00	-	3,382.20
	3,043.67	5,792.19	1,631.98	-	10,467.84

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.
The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2024 and March 31, 2023.

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C1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's working capital obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit before tax	
	Increase	Decrease	Increase	Decrease
March 31, 2024				
Indian Rupees	0.50%	-0.50%	2.77	(2.77)
March 31, 2023				
Indian Rupees	0.50%	-0.50%	1.42	(1.42)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

C2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Unhedged foreign currency exposure:

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Company's net financial assets (which includes cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities), which are denominated in various foreign currencies (viz. USD, AED, AUD, ZAR, GBP, CAD, EUR, SGD etc.).

For the year ended March 31, 2024 and March 31, 2023 , every 1% increase /(decrease) of the respective foreign currencies compared to functional currency of the company would impact profit before tax and equity before tax as follows for the respective currencies:

	March 31, 2024	
Currency	Increase by 1%	Decrease by 1%
USD	59.13	(59.13)
EUR	1.43	(1.43)
ZAR	5.36	(5.36)
AED	31.55	(31.55)
SGD	3.58	(3.58)
CAD	9.84	(9.84)
AUD	1.12	(1.12)
GBP	39.13	(39.13)

	March 31, 2023	
Currency	Increase by 1%	Decrease by 1%
USD	59.19	(59.19)
EUR	2.20	(2.20)
ZAR	1.48	(1.48)
AED	15.25	(15.25)
SGD	1.83	(1.83)
CAD	6.37	(6.37)
AUD	1.28	(1.28)
GBP	21.36	(21.36)

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39 Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

40 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2024	March 31, 2023
Borrowings	3,493.44	3,043.67
Less: Cash and cash equivalents (refer note 8)	(1,618.47)	(1,907.70)
Bank balances other than cash and cash equivalents (refer note 9)	(5,631.57)	(6,278.17)
Current investments (refer note 5)	(24,714.20)	(17,563.92)
Net debt*	-	-
Equity	2,730.01	2,725.70
Other equity	48,348.66	40,948.65
Total capital	51,078.67	43,674.35
Capital and net debt	51,078.67	43,674.35
Gearing ratio (Net debt / Capital and net debt)	0%	0%

* Since the Company has cash surplus, the net debt for the purpose of computation of gearing ratio is taken as zero.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

41 Commitments, contingencies and other litigations

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 is Rs. 19.88 lakhs (March 31, 2023 : Rs. Nil).

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. 2078.18 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 Commissioner (Appeals) / Dispute Resolution Panel (DRP).

(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 has assessed the order and based on expert advice and its documentation relating to the international transactions, believes that the Company has a strong basis to support its position and that the likelihood of any liability devolving on the Company 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.

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(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).

(iii) (a) In the earlier years, the Company had received a letter from Office of the Joint Director, Enforcement Directorate, Hyderabad, initiating enquiry under the provisions of Foreign Exchange Management Act, 1999 (FEMA) requesting for certain documents. The Joint Director had called for an in person hearing where the Company had submitted the necessary information. Subsequently, the Company has received a show cause notice dated September 4, 2023, from ED to show cause as to why the inquiry should not be held and penalty should not be imposed against the Company for the certain contraventions relating to issue of shares to a resident entity against money received from an overseas entity and other procedural delays in filing documents. The Company has submitted responses and has made application to RBI for compounding of delays.

(b) 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.

(c) The Company has incorporated subsidiary i.e. Cigniti Technologies CR Limitada in Costa Rica, US, in the previous year and 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:

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 end, 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. Further, 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.

42 Leases

Company as lessee

The Company has entered into leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 0% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. The Company also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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

	March 31, 2024	March 31, 2023
Opening balance	1,342.24	2,109.24
Additions	948.43	-
Amortization	(963.31)	(766.99)
Closing balance	1,327.36	1,342.24

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

	March 31, 2024	March 31, 2023
Opening balance	1,952.36	2,861.00
Additions	948.43	-
Accretion of interest	136.70	151.91
Payments	(1,278.09)	(1,060.55)
Closing balance	1,759.40	1,952.36
Current	1,245.87	1,024.55
Non-current	513.53	927.81

The maturity analysis of lease liabilities are disclosed in note 38.

The effective interest rate for lease liabilities is 6.5%, with maturity between 2024-2027.

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

	March 31, 2024	March 31, 2023
Amortization of right to use asset	963.31	766.99
Interest on lease liabilities	136.70	151.91
Short term lease expense (refer note 27)	82.08	87.37
Expense relating to short term and low value leases	1,182.09	1,006.27

The Company had total cash outflows for leases of Rs. 1,278.09 lakhs in current year (March 31, 2023: Rs. 1,060.54 lakhs). The entire amount is in the nature of fixed lease payments. The Company has Rs. 948.43 lakhs (March 31, 2023: Rs. Nil) of non-cash additions to right-of-use assets.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension option are reasonably certain to be exercised (refer note 36).

43 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio	Current assets	Current liabilities	3.83	3.56	7%	
Debt- Equity Ratio	Total debt*	Shareholder's equity	0.10	0.11	-10%	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest & Lease Payments + Principal repayments	9.59	11.76	-18%	
Return on equity ratio	Net profits after taxes	Average shareholder's equity	20%	25%	-19%	
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	6.52	7.46	-13%	
Trade payable turnover ratio	Other expenses + Employee benefit expense + Hired contractors cost	Average trade payables	23.74	34.12	-30%	Note (a)
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.04	2.34	-13%	
Net profit ratio	Net profit after taxes	Net sales = Total sales - sales return	12%	15%	-18%	
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total debt	23%	29%	-20%	
Return on investment#	Finance income	Time weighted average investment	9%	4%	110%	Note (b)

*Debt includes lease liabilities.

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

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

Notes:

a) Change in ratio is due to increase in trade payables on account of accrual of long service rewards during the current year.

b) Change in ratio is due to increase in returns from investments in current year.

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44 Other Statutory Information

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

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

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

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

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

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

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

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

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

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

45 The Company maintains its books of account on the cloud, which is managed by a global service provider based in the USA. The service provider has confirmed that they ensure that a daily backup is taken of such data as required under law, which is stored on a separate server in the USA but not in India. The Company is currently in discussions with the service provider to establish a mechanism to ensure that a copy of such backup is taken in India as well on a daily basis.

46 The Company has used an accounting software which is operated by a third-party software service provider, for maintaining its books of account. In the absence of controls on audit trail in Service Organization Controls report, management is unable to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

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: May 1, 2024

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

CIGNITI TECHNOLOGIES LIMITED
Hyderabad

C. V. Subramanyam
Director
DIN: 0071378

C. Srikanth
Director & CEO
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 1, 2024