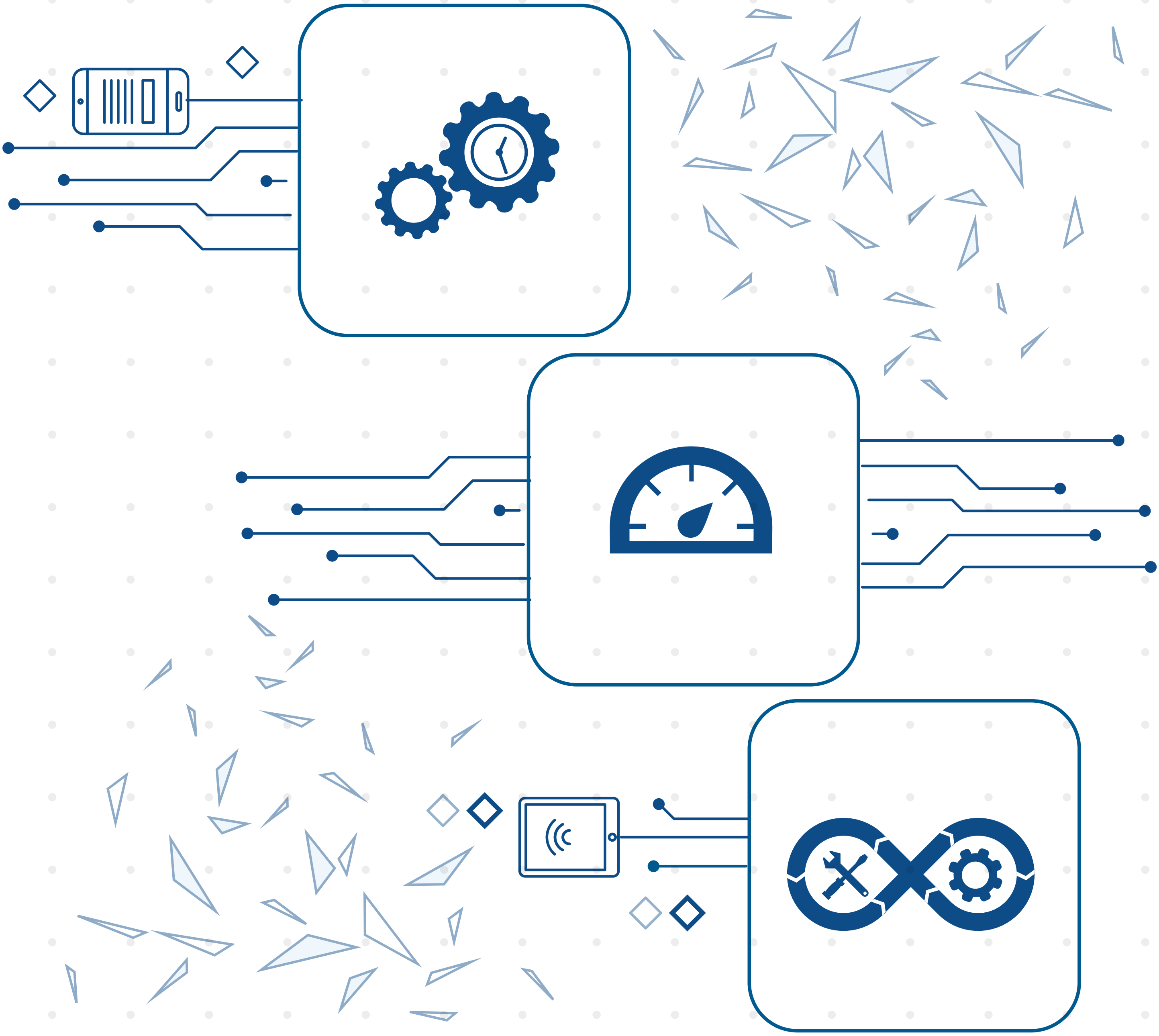
Cigniti
Software Quality | Assured



Powering Digital Transformation

with Quality Engineering & DevOps

Automate. Accelerate. Assure.

Annual Report 2017-18

Contents

Corporate Overview

Management Reports

Financial Statements

Cautionary Statement Regarding Forward-Looking Statement

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

POWERING DIGITAL TRANSFORMATION
THROUGH QUALITY ENGINEERING & DEVOPS

Today, digital transformation has become a mandate and a critical topic for board-room discussions as opposed to just being an innovative trend just a few years ago. Organizations across the globe are implementing the best-in-class quality engineering & DevOps practices to address their digital needs and to provide a fillip to their digital transformation endeavors.

The digital transformation journey is as much about strategic approaches as it is about technology and people. To succeed in their digital journey, enterprises need to have their quality engineering strategies thought out thoroughly and executed impeccably. They also need to leverage strategic partnerships globally to help them achieve the much needed agility in the overall business processes.

According to an IDC forecast, Worldwide spending on digital transformation (DX) technologies (hardware, software, and services) is expected to be nearly $1.3 trillion in 2018. Based on Industry estimates, the spending on Digital transformation initiatives will increase to 40%-50% of the overall IT budget by 2020.

New age digital businesses therefore require the best possible quality engineering services that are driven by artificial intelligence and automation, and built for a DevOps environment. Implementing DevOps practices will help CXOs deliver these initiatives in a high speed, iterative, and continuous manner while delivering quality @ speed. Delivering with high quality @ speed in digital transformation initiatives requires a completely new way of approaching testing because of the trending development approaches (Agile, DevOps), Technologies (Social, Mobile, Analytics, Cloud, Big Data, & IoT) & Tools (significantly open source, seamlessly coupled with commercial).

Cigniti is powering the Digital Transformation journey of organizations by establishing comprehensive testing frameworks and strategy across the organizations' digital value chain that comprises of digital marketing, web portals, web content, digital assets, web analytics, and the overall digital ecosystem – Cloud, Mobility, Big Data, AI, and smart devices. Our test offerings include Quality Engineering, Advisory & Transformation, Digital Assurance, and Quality Assurance solutions. Cigniti's Verita is a robust quality engineering platform and dashboard that comes with the ability to analyze and provide data that is descriptive, diagnostic, predictive, and prescriptive.

At Cigniti, we take pride in building enterprises of the future.

THE NEED FOR DIGITAL TRANSFORMATION

With constant changes in technology and rising competition, businesses are getting wireless and 'digitally' connected as it is imperative for them to stay relevant in a dynamic and ever-evolving marketplace. Hence, organizations spend substantial time, efforts and resources while undergoing transformation, which is essential for continued customer retention in the longer run.

Thousands of business apps are being launched daily, and the user expectations and number of connected devices are skyrocketing. CIOs today thus need to focus on making their projects future-ready. Digital Transformation is a proven practice that has a far reaching impact on every aspect of an enterprise. In order to grow and compete effectively in the market, a company's vision, thus, must include digital transformation.

Forrester in its report (for CIOs) titled 'Digital Rewrites the Rules of Business' mentions that "While digital customer engagement is common across all industries, every industry has a unique transformation opportunity. Manufacturers, for example, are digitizing their products and their manufacturing and supply chain processes. Retailers are transforming the role of stores in customer loyalty and engagement. Banks are building digital platforms to embed their services into partner's services. And media companies are ramping up to deliver content via any channel."

Digital Transformation is a proven practice that has a far reaching impact on every aspect of an enterprise.

Key Elements of Digital Transformation

- Consumer Experience & Empowerment
- Digital Technologies
- Digital Maturity
- Organizational Transformation
- Process Digitization
- Performance Management

ROLE & CRITICALITY OF QUALITY ENGINEERING AND QUALITY ASSURANCE

As digital trends evolve, so must a business' approach to building and integrating a seamless digital customer experience. Digital transformation requires examining technology and business models to make sure they effectively engage customers at every touchpoint in the customer experience lifecycle. Clients need to drive towards digital transformation to unlock the value and reap the benefits by helping create, deliver and sustain technology solutions that offer experiences to engage customers at every touchpoint.

Quality Engineering, or QE is the model that provides the flexibility and the power to underpin this kind of organizational change.

Performance, functionality, security, and accessibility are some of the key factors that are expected from an application. These cannot be possibly achieved without following a stringent process and scrupulous monitoring. Technically speaking, Quality Engineering is a quarterly review process that focuses on quality control and quality assurance management by leveraging physical technology, defined standards, and measurable tools. These defined processes help teams to emphasize on quality even on a firefighting mode, especially when the focus is primarily on resolving the current issue.

QE efforts are needed to not only test the software quality, but also to analyze and enhance quality throughout the application development lifecycle. It helps teams to align with various quality metrics to achieve them even in the longer run.

Businesses are demanding faster turnaround time and shorter delivery cycles to deal with changing market dynamics. Likewise, teams are focusing on automating the software development process and making it cost effective. QE helps teams to stay on track and check the relevant quality metrics throughout the development cycle. Ultimately, teams are able to validate the quality of a build and stay in sync with the quality metrics.

There are multiple quality factors that are addressed in the process – usability, accessibility, stability, and security. QE enables teams to meet all these quality metrics by setting up the necessary quality standards and processes for every sprint.

QA can be decoded differently for different organizations. Nonetheless, customer experience can be achieved by ensuring performance, security, functionality, and accessibility. This can be realized with rigorous testing and constant monitoring efforts. QE works essentially to streamline processes and support the teams to align effectively with the quality metrics.

Cigniti's quality engineering services cover the Software Testing Life cycle, Test Consulting and Test Advisory services, Test Implementation and Managed Testing services including Test Environment Management and Test Data Management, leveraging process frameworks, methodologies, and tools. We help customers across various industries achieve first-time-right solution releases, quality improvements, and deliver a superior customer experience.

THE TOP 10 DIGITAL QUALITY ENGINEERING TRENDS OF 2018

MACHINE LEARNING (ML) & ARTIFICIAL INTELLIGENCE (AI)

ML enhances the capability of computer systems to evolve, learn & get programmed. While AI-enabled driverless cars & delivery drones are a reality, rigorous testing & QE are needed to make them successful.

MOBILE & CLIENT COMPUTING

The underlying idea of Mobile & Client Computing is to centralize data & communication, which enhances its mobility & helps seamless flow of data. Streamlining the flow of information & engaging the client systems will be an enabling factor in the digital transformation process.

INTERNET OF THINGS (IOT)

Engaging, interesting and inventive, IoT has been a point of experimentation for global enterprises and industries. Applications of IoT have been spreading across industries and will be a driving factor for growth.

BOTS

The application of bots is prevalent across sectors, including consulting & service domains. The idea is to automate the recurring & structurally repetitive activities so your employees can be freed up to perform more complex tasks.

SECURITY

Whether it is connected devices, AI, VR or AR, there will be open nodes that will need a secure interface. Security will dominate corporate decisions, high-level discussions and development strategies.

BLOCKCHAIN

The concept of Blockchain apps is being explored across domains to leverage its intrinsic benefits. With industries exploring ways in which it can be applied even at the conceptual level, QE is poised to become an integral aspect of the development process as a result.

INTELLIGENT APPS

Businesses need high-processing intelligent apps to enable better decision making & quick turnarounds. These apps must provide actionable business & customer insights that enable decision making & positive business outcomes.

DIGITAL TWIN

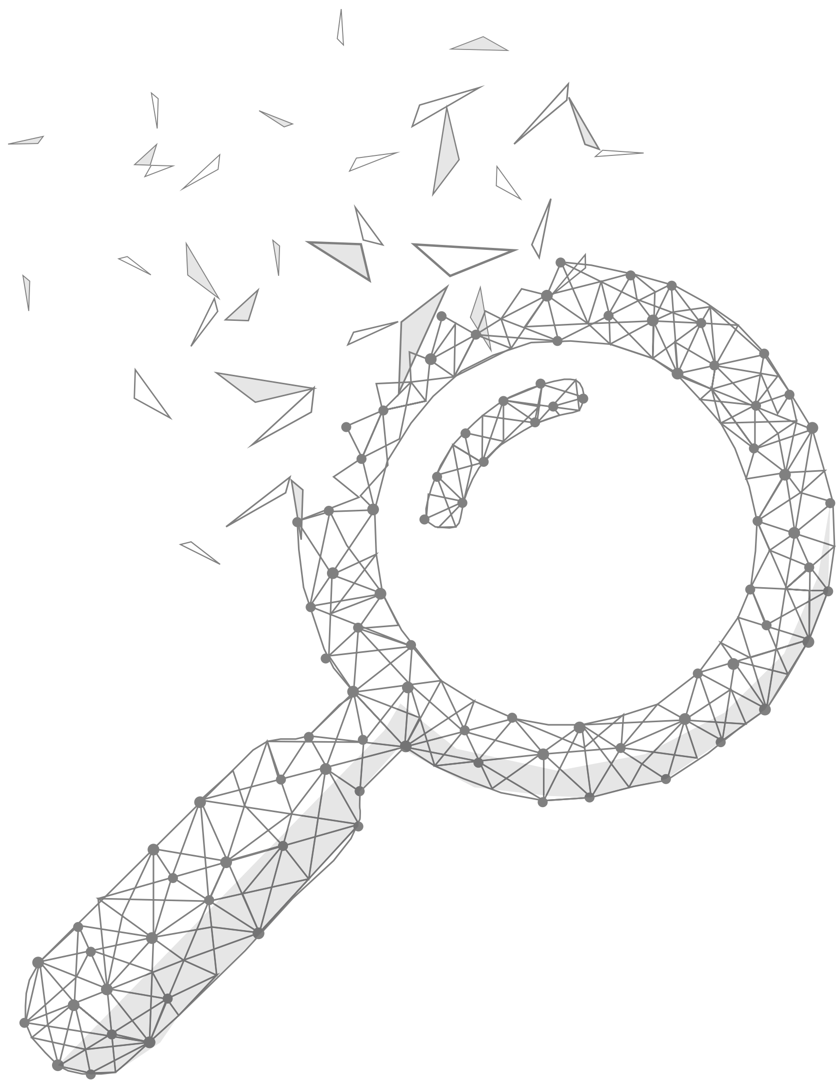
Digital twins refer to the digital representation of physical objects. They drive the business impact of IoT by offering a powerful way to monitor and control assets and processes.

CLOUD IMPLEMENTATION

Cloud implementation works continuously to offer connectivity, bandwidth scalability and greater functionality for the software development process in the realm of digital transformation.

BUSINESS INTELLIGENCE (BI) & ANALYTICS

BI and Analytics provide foresight for businesses by showcasing a historical, contemporary and even futuristic perspective for the business. BI and Analytics tools enable various organizational functions to make informed decisions and stay prepared for any potential challenges.



ROLE OF DEVOPS IN THE WORLD OF DIGITAL TRANSFORMATION

A successful implementation of DX technologies is absolutely critical to ensure desired customer experience and improved RoI. Analysts, CIOs, and strategists claim that the DevOps approach has been winning digital wars for their enterprises with its intrinsic principle of Collaborative and Continuous Development.

Consistent experimentation and upgrade is the key to growth, which also means that there is a growing and constant need to test these platforms for sustainability, experience, and quality assurance. DevOps provides this much needed approach to build a process that supports continuous delivery and continuous testing. It's an approach that encourages seamless collaboration between development and operations to deliver a software/application.

This reduces the gap between developers and operations in the software development process. This facilitates added productivity and smooth workflow that enables continuous delivery for the organization to empower it in the longer run. DevOps tools are also leveraged to support the process and make it traceable for the respective teams.

At the conceptual level, DevOps encourages transformation not just at the development level, but also at the organizational level. Only when all the functions collectively work, DevOps can be a complete success. But how does this add value for Digital Transformation initiatives?

Digital Transformation involves building applications that can be quickly updated without impacting consumer experience. These consumer-centric applications are needed by every business to reach out to the customers and make an impact. This is the fundamental reason why enterprises are leveraging DevOps to build contemporary web and mobile applications.

DevOps comes with some robust features to enable the much needed Digital Transformation initiatives and ensure the best possible ROI with it. Most important of all, the practice of DevOps brings together cross-functional teams that team up and streamline various outcomes to reach the desired business outcomes. Tools are needed to manage the same, such as the business, performance, database, functionalities, applications, and much more. Nevertheless, the basic concept remains the same, that is, to encourage collaboration and shared responsibility.

Digital Transformation is all about gaining speed, quality, and ensuring RoI from every new technology implemented. DevOps enables the same by facilitating Continuous Development, Testing, and Integration in the Application development process. An application can be loaded on the Cloud or could be on premise, however, a DevOps approach is needed to ensure that there is no downtime and the consumer experience is not impacted. Meeting the expectations of the consumers in this scenario of minimal attention span is integral to any Digital Transformation initiative.

When companies bring in DevOps practices they tend to achieve larger goals with minimal impact and with less complexities. DevOps organizations are able to deliver with added speed, functionality, and more innovation. It also offers technical benefits such as Continuous Software delivery, reduced complexities to manage, and faster resolution of problems.

Moreover, there are cultural benefits for the organization as well – more productive teams, higher engagement of resources, and better growth opportunities with more collaboration. Consequently on the business front, it enables faster delivery of features, much more stable operating environments, enhanced communication, and more focus on innovative outcomes.

It is evident that practices such as DevOps offer the flexibility that is important for successfully implementing Digital Transformation.

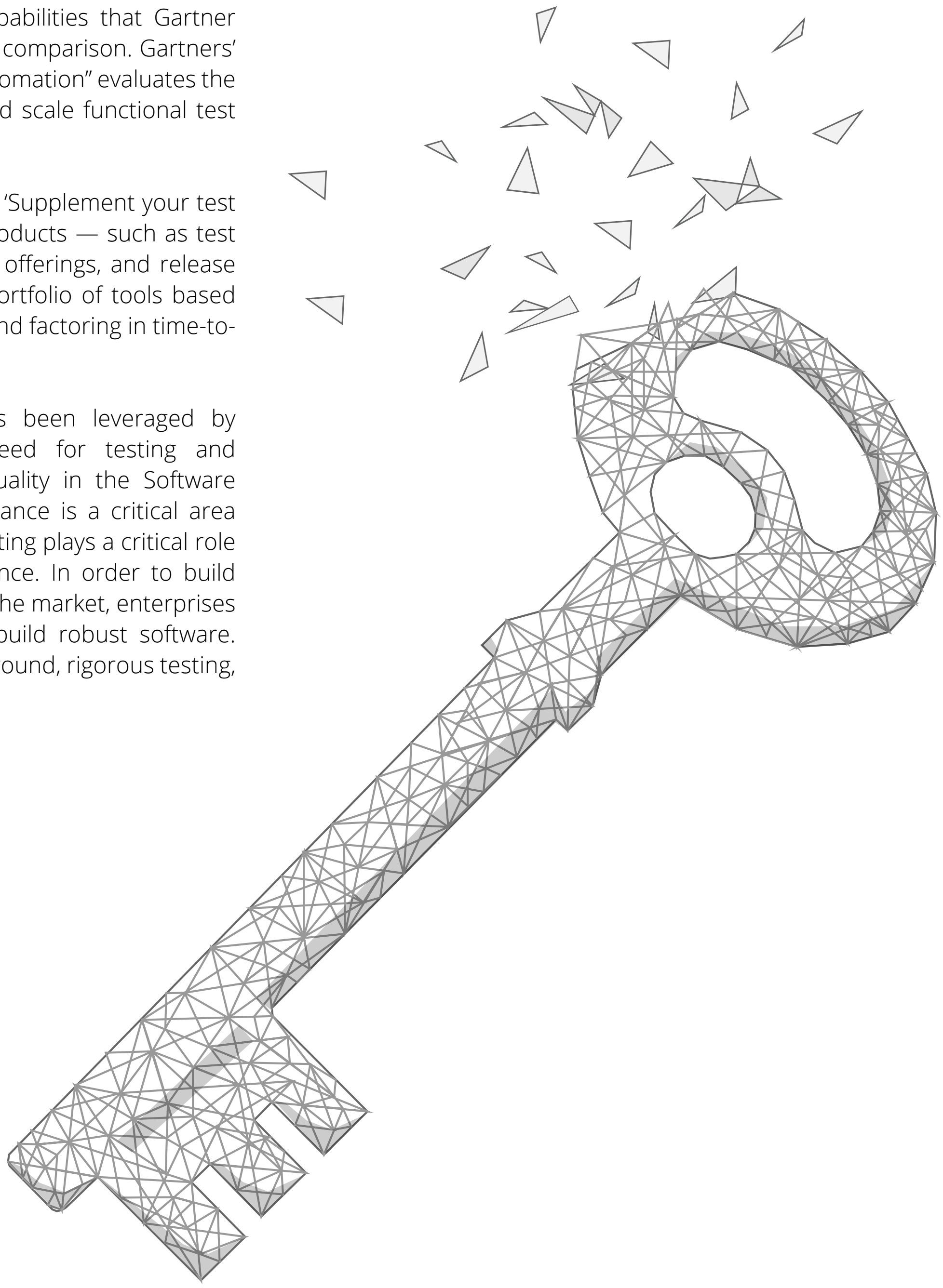
DevOps organizations are able to deliver with added speed, functionality, and more innovation. It also offers technical benefits such as Continuous Software delivery, reduced complexities to manage, and faster resolution of problems.

UNLOCKING THE POWER OF DIGITAL TRANSFORMATION WITH TEST AUTOMATION

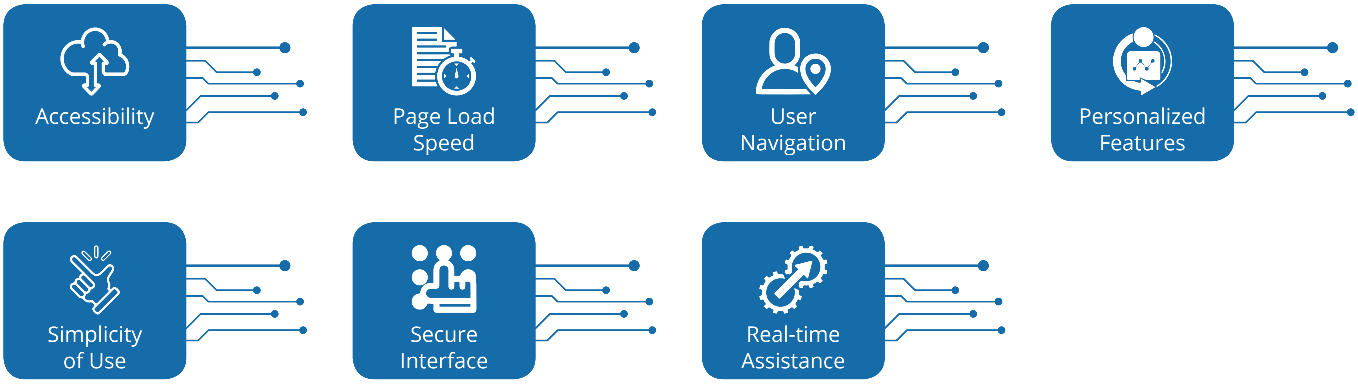
Gartners' latest test automation research "Critical Capabilities for Software Test Automation" (published February 2018) evaluates 10 popular functional software test automation offerings. The research focuses on how test automation tools compare on the 14 critical capabilities that Gartner selected as the most critical points of comparison. Gartners' "Magic Quadrant for Software Test Automation" evaluates the major vendors used to accelerate and scale functional test automation.

One of the inferences of the report is 'Supplement your test automation investment with other products — such as test management, continuous integration offerings, and release automation tools — to zero in the portfolio of tools based on alignment with available skill sets and factoring in time-to-market requirements.'

Test Automation as a practice has been leveraged by enterprises to not only bring speed for testing and development, but also to assure quality in the Software Development Lifecycle. Quality Assurance is a critical area for every industry, where software testing plays a critical role to ensure desired customer experience. In order to build products that can meet the needs of the market, enterprises are embracing Test Automation to build robust software. Test Automation ensures faster turnaround, rigorous testing, and cost-effectiveness in the long run.



Factors Impacting Customer Experience



Test Environments and Digital Transformation

The test environments are evolving and getting more equipped, which is adding feasibility for all testing requirements. Digital Transformation is propelling the need for Agile and DevOps methodologies to offer greater flexibility and instantaneous updates. Test Automation is adapting to these changes and offer solutions to operate in these volatile development scenarios.

Testing frameworks will have to get more robust and reusable to bring in cost-effectiveness and efficiency not just for single testing requirement but for any similar testing needs in the future. Currently, we see a lot of permanent test environments, which is going to change and virtualization will be the key to boost agility and speed.

Adoption of New and Emerging Technologies

Test Automation is imperative across diverse industries, especially when organizations have to adopt new technologies and build innovative applications for enhanced consumer experience. Software testing and quality assurance help businesses to effectively adopt a new technology. Test automation suites and frameworks enable testing and development teams to rigorously and repeatedly test their enterprise applications under varying environments. This empowers organizations to confidently launch their applications in the consumer environment for commercial success.

Performance Test Automation: A Strategic Step for Assured Customer Experience

Performance Testing with automation is an essential and conscious decision that organizations take not only to achieve sustainability, but also speed. While building a super powerful gaming application that can run across devices and is targeted for online gamers, it is important to check its performance under varying network conditions or high user-traffic that can create unreasonable load on the application.

A rigorous performance testing strategy and a team of skilled testers are needed to check for any defects or discrepancies with the business application. Tool-driven performance testing helps to provide stakeholders with key details about the application's speed, stability, and overall scalability during peak working hours. In general, developers and testers are able to gauge whether the application meets the speed requirements, and continues to stay stable and accessible even during unforeseen circumstances.

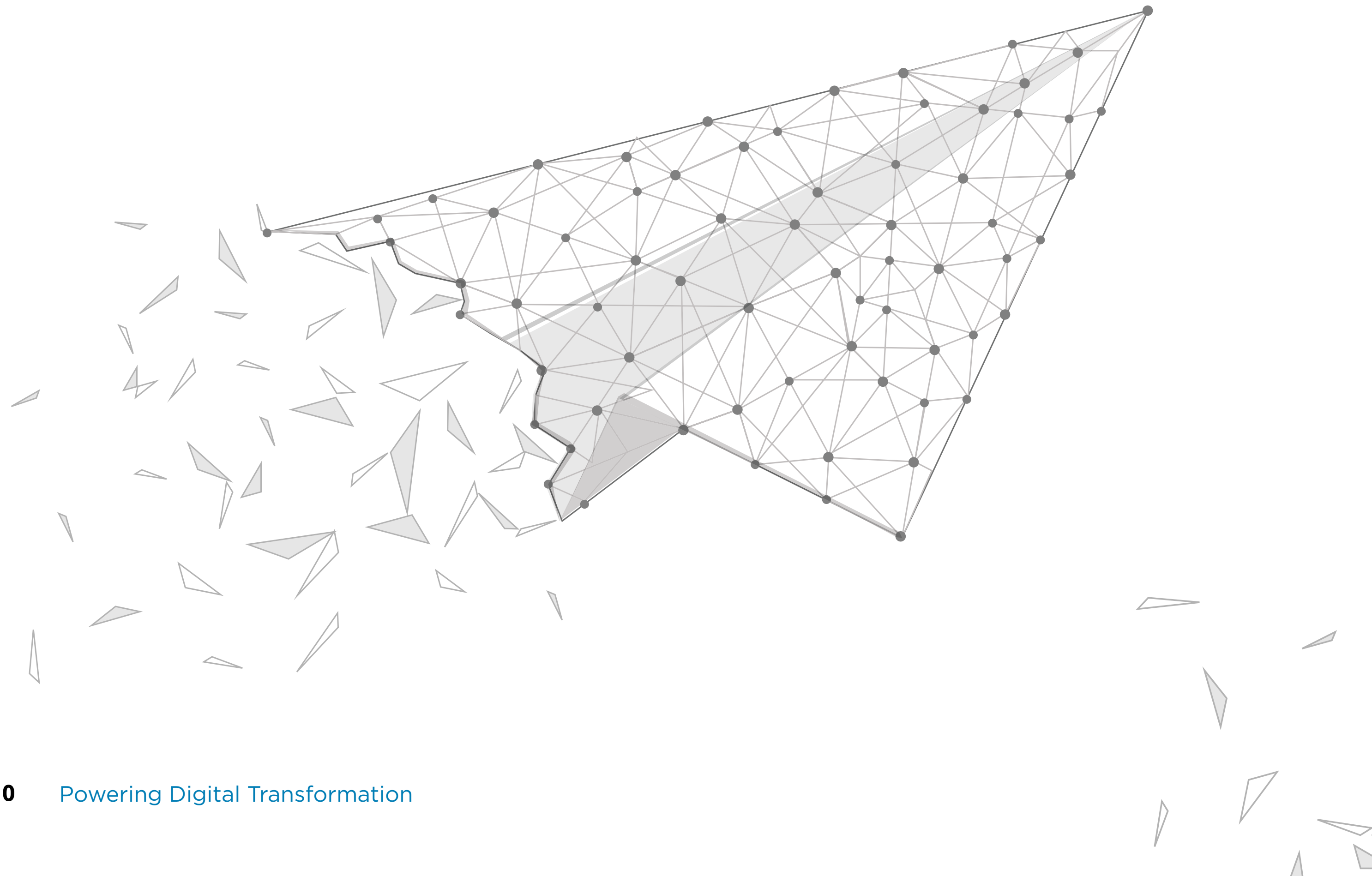
ACCELERATION OF DIGITAL TRANSFORMATION IS IMPERATIVE FOR FASTER TIME-TO-MARKET

A Forrester report titled 'Your Digital Transformation Is Not Bold Enough - Five Signs of Trouble and Key Fixes' mentions, 'Today's technology management leaders must: Prioritize quick wins, fast failure, and a high appetite for risk over detailed planning. Real digital transformation requires fast, sweeping modernization of old systems into new cloud-based systems that are agile, mobile, and able to deliver disruptive, real-time intelligence.'

Digital Transformation has been enabling enterprises to understand their end customers better and ultimately reaching out to them with the expected solutions/products

Digital Transformation has been enabling enterprises to understand their end customers better and ultimately reaching out to them with the expected solutions/products. Speed is critical, so that organizations stay competent and profitable. Nonetheless, no amount of haste can replace quality, which will help businesses to sustain in the competitive marketplace.

Approaches such as TDD/BDD are used to understand the requirements clearly without any ambiguities and help developers to write tests in a way that makes code execution successful. These methods enable testers to think of solutions using a bottom up approach that helps prevention of defects in the later stages. The mind-set and ability to focus on producing quality product with minimum to no defects from inception/upstream process is enabled by these methods that complement the shift-left approach.



Additionally, it is not just important to develop an excellent and commercially viable software application. It is equally critical to focus on Data Privacy and Confidentiality while building business critical applications/software.

Strategic partnerships also play a critical role in the software development and testing cycle. They help organizations to accelerate the development cycle and deliver the expected results.

Cigniti has multiple strategic partnerships with leading software testing tool vendors that help us to extend a wide variety of solutions and expertise to our clients. We nurture partnerships across key Testing areas – Test Automation, Test Data Management, Functional Testing, ERP Testing, Performance Testing, and Security Testing/Monitoring and many more areas, highly relevant in delivering Quality Engineering services.

Early Defect Detection & Cost-Efficiency for Your Business

Digital Testing is expected to bring almost 65% of automation in the testing process. Test Automation and compatible processes such as DevOps not only accelerate the testing activity, but also help in early defect detection. This brings down the cost of defects at a later stage.

Defects are detected way ahead in the development cycle, so it is easier to clear off any possible glitches from applications at a much early stage. So, the testing efforts are rightly channelized and the application is effectively sanitized. It is estimated that the maintenance costs can be reduced up to almost 20% with automation in the Digital Testing approach.

Speed, Quality, & UX are the Fundamentals of a Successful Market Strategy

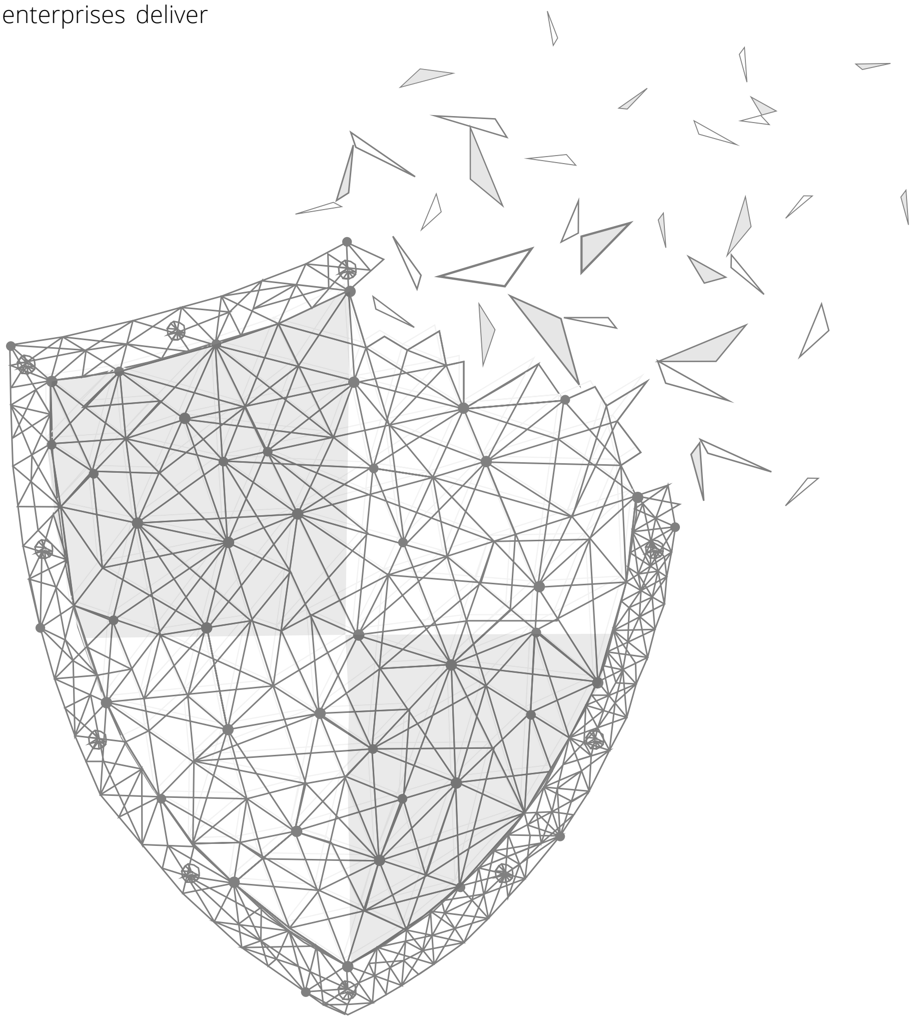
A recent Harvard Business Review Analytics Services study states that 84% of 783 respondents believed that their industry had already passed the 'digital disruption' tipping point or will pass it by 2020. Interestingly, almost half of the respondents also believe that their organization's traditional business model will be obsolete by 2020.

Digital Technologies have transformed the way smartphones interact and connect with the users. While it's happening, there is a growing need to ensure performance and security of these technologies. This has amplified the importance of Digital Test Assurance for enterprises to stay prepared. Digital Assurance and Testing will help organizations to stay relevant, bring speed, ensure quality, and offer the expected User Experience.

MITIGATING RISKS OF DIGITAL TRANSFORMATION WITH QUALITY ENGINEERING & DIGITAL ASSURANCE

Digital Transformation hikes up the need for a greater focus on QA and Testing. Ultimately, it is not just about adopting new technologies, but it's about making them more applicable and creative for your business needs. Digital Technologies must enable businesses to grow and sustain the competition. At the same time, businesses should be able to offer better solutions to the customers and enhance the overall experience. Digital QA helps enterprises deliver premium customer experience.

Digital assurance refers to Q&A practices that ensure the relationship between various components of digital ecosystem remains smooth. The digital ecosystem includes various interconnected people, processes & things cutting across the Social, Mobile, Analytics and Cloud (SMAC) stack.



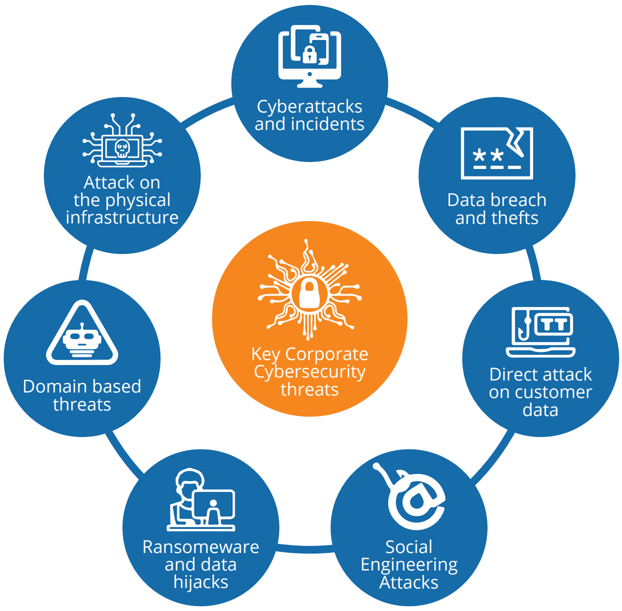
Digital QA helps enterprises deliver premium customer experience.

Growing Cybersecurity Risks Due to Implementation of Digital Technologies

Gartner had estimated that Worldwide spending on information security products and services will grow to $93 billion in 2018.

Experts also estimated that 2018 will witness a lot more instances where enterprises will have to review and strengthen their Security / Cybersecurity strategies.

While this is being estimated, enterprises will continue to consider security testing strategies such as vulnerability assessment, Penetration (or Pen) Testing, Security scanning, Risk Assessment, and Ethical Hacking. Amongst these, Pen Testing helps teams to not just assess the vulnerabilities, but also digs deeper to open them up and expose their impact.



Digital Assurance and Testing helps organizations to assure their customers that none of their personal data is vulnerable to get exploited by hackers. This in turn ensures maximum customer satisfaction and enhanced customer experience.

A research by Forrester claims that testing is currently the "most popular phase of the software delivery life cycle in which to apply AI. Testing is a recurring activity, and has to be rigorously performed to derive the expected outcome and detect defects or vulnerabilities.

Organizations are considering AI to accelerate test automation efforts and even look at smarter methodologies to make the testing activity more and more cost-effective. QA plays a major role in ensuring consumer experience, where test automation is very much necessary. AI can bring in the ease of automation and execution in instances where the performance and functionality needs to be rigorously tested.

Robotics and artificial intelligence platforms are gradually taking over the software testing activities, as they are easy to use, implement, and cost as well as time effective.

Cigniti's quality engineering specialists and thought leaders have come up with a next generation Proprietary Testing platform that aligns with the needs of the market in the digital era. It also fortifies our IP-led software testing services approach along with the Cigniti services and domain centric approach for offering world class testing services to business across the different verticals and also helps accelerate quality engineering for the digital enterprises.

Cigniti's Next Generation Quality Engineering Platform and QE Dashboard with Predict Capabilities aligns with the needs of enterprises and helps them in accelerating their Digital Transformation. It comes with the ability to analyze and provide data from descriptive, diagnostic, predictive, and prescriptive viewpoints. It helps to drive business outcomes, improve predictability, accelerate transformation and promote collaboration.

With our proprietary testing platform we bring the power of AI to Agile & DevOps to accelerate the digital transformation efforts of businesses.

Cigniti is the world's largest Independent Quality Engineering company, bringing the power of AI to Agile & DevOps, to accelerate your Digital Transformation.

THE WORLD OF CIGNITI

Headquartered at Hyderabad, Cigniti Technologies is the largest software testing pure-play company. Our business operations are spread across US, UK, India, Australia, and Canada. Furthering our business objective, is a committed, competent and passionate team of 2100+ professionals. We are the world's first Independent Software Testing Services Company to be appraised at CMMI-SVC, L5 and ISO 9001:2015 & ISO 27001:2013 certified.

Cigniti in Numbers

5
Continents

13
Countries - Global Presence

2,100+
Human Capital Worldwide

200+
Active Customers

71
of Global 2000

50+
of Fortune 1000

49
of Fortune 500 Diversified Clientele Served

Our Edge

Quality Engineering for Digital enterprises in the age of Social, Cloud, Internet of things, Mobility and Analytics (SCIMA) needs alignment, assurance and acceleration of business outcomes. Cigniti assures this leveraging its differentiation.

Strengthening Global Leadership

Quality Engineering & Digital Assurance	Labs for Connected World	IP-Led Next Generation Proprietary Testing Platform	Advisory & Transformation Service and Domain Competency Groups

Business Highlights

Operational Highlights

Leadership Announcement

- Mr. Srikanth Chakkilam took charge as CEO of Cigniti Technologies Inc., spearheading sales from the Dallas office, US.
- Prominent personalities from diversified industries brought in significant diversity to the Board with appointment of Mr. Phaneesh Murthy, Mr. Srinath Batni, Mr. R K Agarwal and Ms. Nooraine Fazal.

Renewed Focus

- Building Cigniti with renewed vigor and focus on customers, investors and employees.
- Won logos outsmarting big players, bagged marquee accounts, and built a strong presence across all verticals.

New Client Wins

- In FY18, we won 100+ new clients including 7 Fortune 500 and 10+ Global 2000 Companies.

Better Corporate Image

- Keeping in line with corporate governance, the company has appointed S.R. Batliboi & Associates LLP, Chartered Accountants as auditors and a independent firm of chartered accountants, M/s Sharat Associates, as internal auditors of the company.

Aligning Company Towards the Future of Software Testing

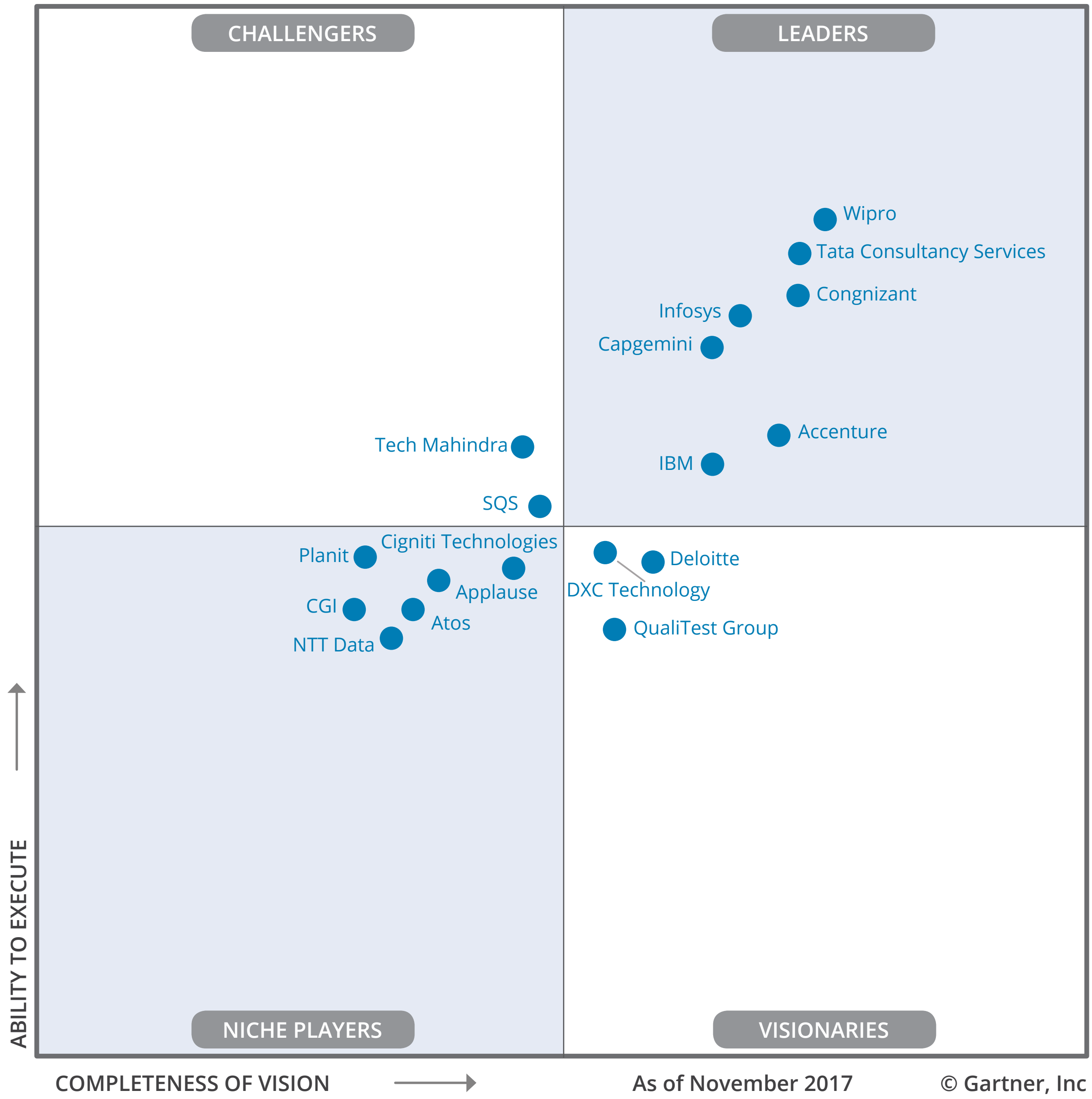
- New Service lines focusing on IoT, Artificial Intelligence and Digital Quality Engineering which cater to Enterprise Accounts across the globe.
- Recruited 50+ SDETs with experience in diverse industries to further scae up DevOps delivery.
- Created a Digital Lab, IoT Lab and Smart Meters Lab in addition to the Mobile, Performance Engineering & Robotics Labs.
- Scaling up Internal Training Programs & Lateral hiring to match the need for Artificial Intelligence and IoT testing.
- Working on ramping up Sales & Marketing efforts for new Testing services around Blockchain.

Analyst Mentions

Gartner

Cigniti Technologies has been positioned as a "Niche Player" in the 2017 Gartner Magic Quadrant for Application Testing Services, Worldwide.

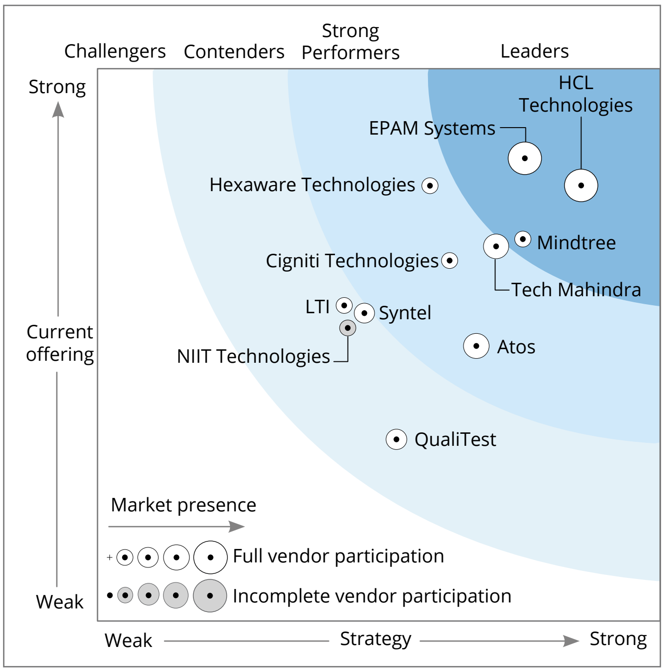
Cigniti has been positioned in the Magic Quadrant for 3 years in a row. This achievement reinforces our ability to provide world class testing and Quality Engineering services to clients of all sizes, helping them succeed in their Digital, Agile and DevOps transformation initiatives. We have invested in our domain capabilities and over the years we have developed strong success stories in airlines, BFSI, high tech, retail, and energy & utilities verticals.



Forrester

Cigniti is recognized as a Strong Performer in Forrester Wave™ for Continuous Testing Service Providers, Q3 2017. We are among the top three global vendors for clients looking for independent and pure-play Continuous Testing (CT) services focused on Agile & DevOps.

Forrester in its report said, "Cigniti Technologies differentiates its pure-play CT services with a DevOps focus. Cigniti Technologies, an India-based provider of pure-play testing services with a growing presence in the US and UK, is rapidly maturing its Agile and DevOps CT services. Cigniti stands out for its IP investments in a comprehensive testing services platform accelerator; in LiQE, a US testing client community growing globally; and in an innovative, machine-learning-powered tool for analyzing user experience for the airline industry. These, coupled with Cigniti's strong, diverse engineering skills and its DevOps consulting capabilities, support Cigniti in its shift. The vendor also has solid client programs, methods, and frameworks for CT transformation consulting. It provides a breadth of CT practices and services with points of excellence in test execution automation, test environment provisioning, and testing in production."

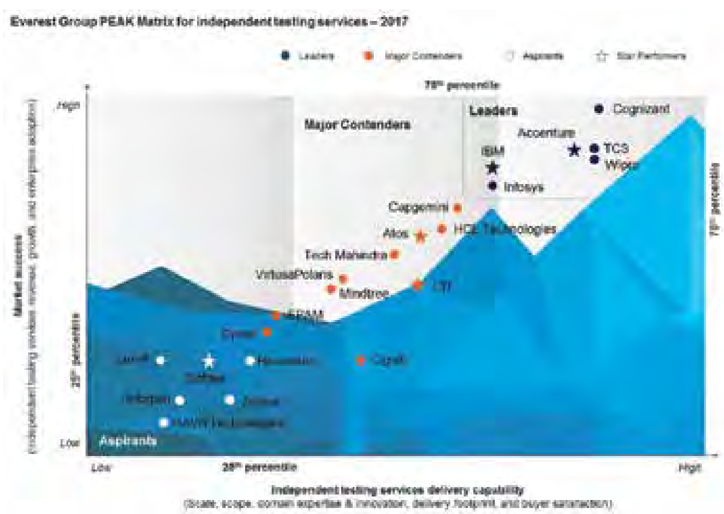


Source: The Forrester Wave™: Continuous Testing Service Providers, Q3 2017

Everest Group

Everest Group has recognized Cigniti for 3 consecutive years now in its PEAK Matrix™ report. Cigniti is positioned as the 'Major Contender' and conferred with 'Best in Class' for buyer satisfaction in its PEAK Matrix™ 2017.

As a part of PEAK Matrix™, Everest Group analyzed 22 leading service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix specific for independent testing services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix™ is a composite framework that provides an objective, data-driven, and comparative assessment of independent testing service providers based on their absolute market success and delivery capability.



Source: Everest Group Independent Testing Services - PEAK Matrix™ Assessment, August 2017

Key Clients Won in FY 2017-18 Across Continents & Industry Verticals

Strategic Quality Engineering Partner for Leading Enterprises

- World's largest hotel chain with 4200 hotels in 100 countries
- World's largest low-cost carrier
- Largest general insurer and a leading life and pensions provider
- One of the world's leading hotel companies
- Regional leader in providing healthcare insurance
- Leading manufacturer across the Globe
- One of the World's largest car manufacturers
- Cruise company from a leading travel house
- A Large Utility company that serves nearly 1.3 million customers
- Leading hotel and vacation stay chain
- A Dept. of Defense sub-agency serving military retirees & their families for 121 years
- Global leader in Digital Security
- One of the world's largest non-profit membership organizations
- Largest single-brand restaurant chain and the largest restaurant operator in the world
- Leading global provider of innovative climate control solutions for heating, ventilation etc.

Awards

Cigniti Technologies was honored with the prestigious CEO Report Philadelphia 2018 Velocity50 Award.

AICPA.

Cigniti joins the elite club of organizations who have successfully undergone the audit for SOC 1, SOC2, and SOC3 in the independent testing services space. This success stands testament to Cigniti's dedication and assures control over the security, availability and processing integrity of the systems used by a service organization.

Service Organization Controls (SOC) reports are designed to help service organizations, organizations that operate information systems and provide information system services to other entities, build trust and confidence in their service delivery processes and controls, through a report by an independent Certified Public Accountant. Each type of SOC report is designed to help service organizations meet specific user needs.

Events

During the year, Cigniti participated, hosted and sponsored a host of industry events – including Agile Maine Day, Philadelphia Software Testing Group meet up, Aviation Festivals at London and Americas, LiQE events at US, London, Australia amongst others.

AVIATION FESTIVAL 2017, Miami–May 9-10, 2017

Our President & CTO, Mr. Pradeep Govindasamy at the event. "Sentiment Analysis of Top Airlines' Digital Apps", a Cigniti 2017 Research Report was distributed at the event.

Platinum Sponsor at StarEast, Orlando, FL – May 7-12, 2017

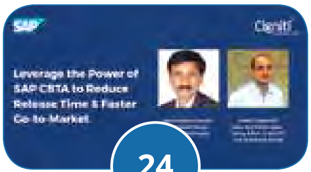
Our President Mr. Kalyana Rao Konda spoke at the StarEast event on "A Practical Approach to QA Transformation in a Global Enterprise – Challenges, Learnings, & Best Practices."

Dublin Tech Summit

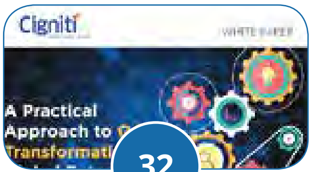
Our Sr. Vice President & Head UK&EU, Mr. Nanda Padmaraju, spoke at the Dublin Tech Summit on "Eastern Innovation – emerging tech from India and Asia."

Cigniti's Thought Leadership

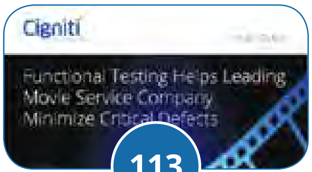
As a leader in software testing and digital assurance segments, Cigniti continues to strengthen its position by disseminating its insights through researched articles, webinars, blogs, white papers, events, magazines, and other publications. These publications / media provide deep insight to the readers/ followers to stay ahead of the curve.



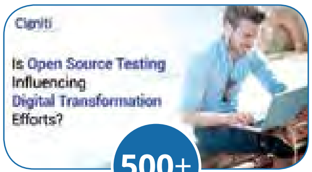
24
Webinars



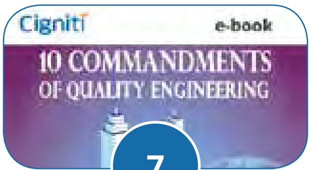
32
Whitepapers



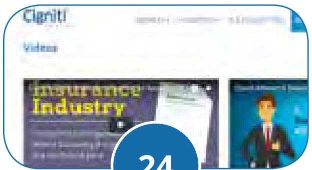
113
Case Studies



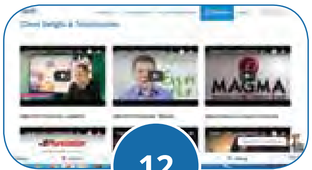
500+
Blogs



7
E-Books



24
Videos



12
Testimonials

LiQE

Every year, Cigniti organizes Global Event series – Leadership in Quality Engineering (LiQE), which is a platform for discussing how Digital Assurance, Quality Engineering and Quality Assurance solutions can help achieve the Quality at Speed.

LiQE is a global thought leadership event connecting software testing professionals across geographies. Since February 2015, six editions of LiQE were organized across Dallas, New York, California, London and Sydney.

1000+ QA Professionals

3 Continents

60 Thought Leaders Shared Insights

30+ Quality Engineering Topics

6 Global LiQE Editions till date

We Serve

7 LEADING GLOBAL AIRLINES

5 LARGE BANKS ACROSS THE GLOBE

4 WORLD'S LARGEST HOTEL CHAINS

6 PREMIUM INSURANCE COMPANIES

5 RETAIL CHAINS

4 LARGEST PHARMA COMPANIES

1 WORLD'S NO. 1 E-COMMERCE COMPANY

5 ENERGY & UTILITY COMPANIES

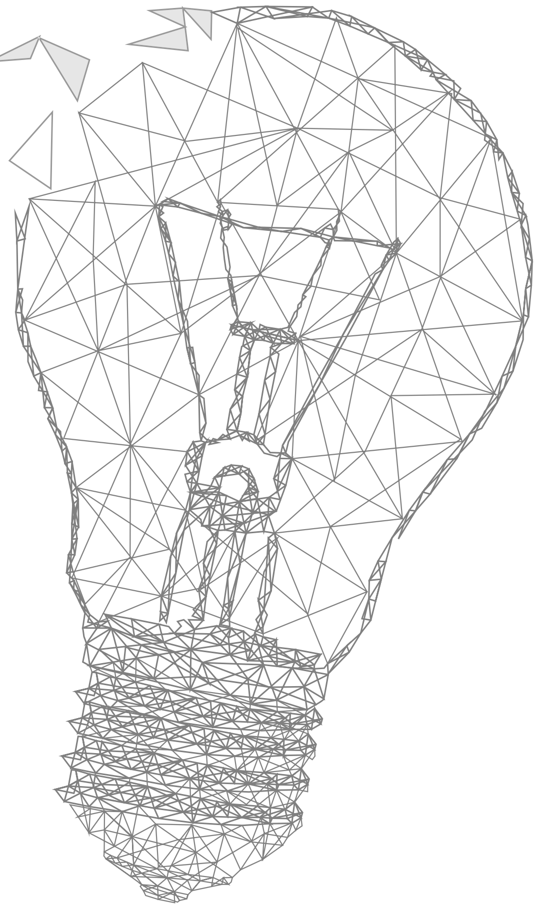
QUALITY ENGINEERING (QE)

Quality engineering is the management, development, operation and maintenance of IT systems and enterprise architectures with high quality standards. It is a means of improving software quality by focusing on improving the whole process, as opposed to the traditional processes, where QA kicks in only at the final stages of development.

QE goes beyond the areas of software engineering, information security management or software product management as it integrates management issues, design, operations and compliances. QE is the answer to numerous issues, which corporations face such as enhancing customer experiences, agility, better integrations, taking informed business decisions through help of data analytics.

In today's fast changing AI and Augmented Reality–powered world, clients are increasingly seeking improved quality, combined with faster TATs, agility, better integration with other softwares. We at Cigniti strongly believe that Quality Engineering is one of the most critical factors, which could help organizations achieve these targets.

QE is the answer to numerous issues, which corporations face such as enhancing customer experiences, agility, better integrations, taking informed business decisions through help of data analytics.



Success Story

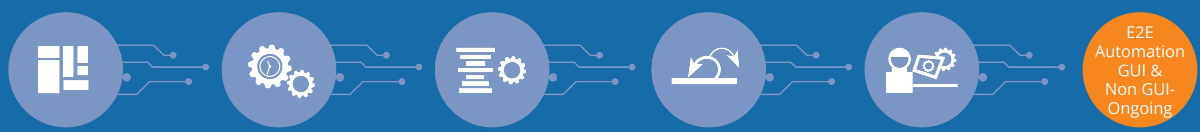
Assisted world's largest low-cost airlines improve operational efficiency by 95%

We believe that IP-led Testing is the best accelerator for QE and Cigniti is leading by example in the field of IP-led testing for QE. There are many success stories, however, we would highlight a prime one. With focus on quality engineering, Cigniti helped world's largest low cost airline to increase its Operational Efficiency by 95%. The client had a requirement of an E2E Test Automation of its Web and Mobile Apps, with implementation of Continuous Integration Framework for testing & delivery.

We delivered a solution which incorporated the following salient features (in addition to the basic client requirements):

- QE framework was imbibed in QA to drive higher automation, reduce manual testing and lower the costs
- Customized Integrated framework for GUI and non-GUI level test automation
- Test script automation that can be run on multiple OS-Browser combination

Quality Engineering Approach Followed



- Built Quality Engineering framework that ensures the QA organization to automate more, test less (Manual) while driving costs lower
- Developed Customized integrated framework for GUI and Non-GUI level test automation
- Automated text scripts that can be run on multiple OS-Browser combination with minimal effort to reach 100% automation coverage
- Built and implemented Continuous Testing, Continuous Development, and Continuous Delivery
- QE taken to the next level with implementation of Ciginitis solution for DevOps and Service virtulization

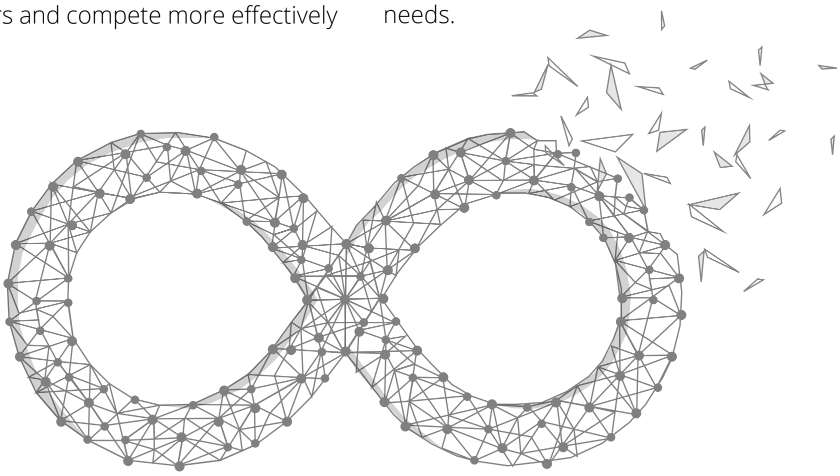
ABOUT THE CLIENT

The Client is a major U.S. airline and the world's largest low-cost carrier, headquartered in Dallas, Texas. The airline operates more than 3,400 flights per day and carries the most Domestic passengers of any U.S. airline.

DEVOPS

DevOps is a combination of philosophies, practices, and tools that enhances an organization's ability to deliver applications and services at high velocity, evolving and improving products at a faster pace than traditional software development and infrastructure management processes, enabling organizations to better serve their customers and compete more effectively in the market.

Through DevOps, an organization would be able to scale up its releases, decrease its Time-To-Market for any new releases – be it feature releases or bug fixes, ultimately allowing it to innovate faster. It helps in better collaboration, better quality and allows organizations to be more responsive to business needs.



Success Story

95% improvement in Operational Efficiency achieved by one of world's leading Insurance Company with our help

As a leading player in DevOps, Cigniti with its expertise has helped its numerous clients to change the market scenario altogether.

One such case to highlight here would be of a leading Insurance Company, which was able to improvise its operational efficiency by 95%.

The Client was looking for a solution to decrease the IT operational costs, while improving the quality and the customer satisfaction, and also fasten the time to market.

Cigniti was able to provide the client with an E2E DevOps Dashboard, implemented Service Virtualization and formed strategic partnerships for E2E testing across different lines of businesses.

These solutions worked and results were:

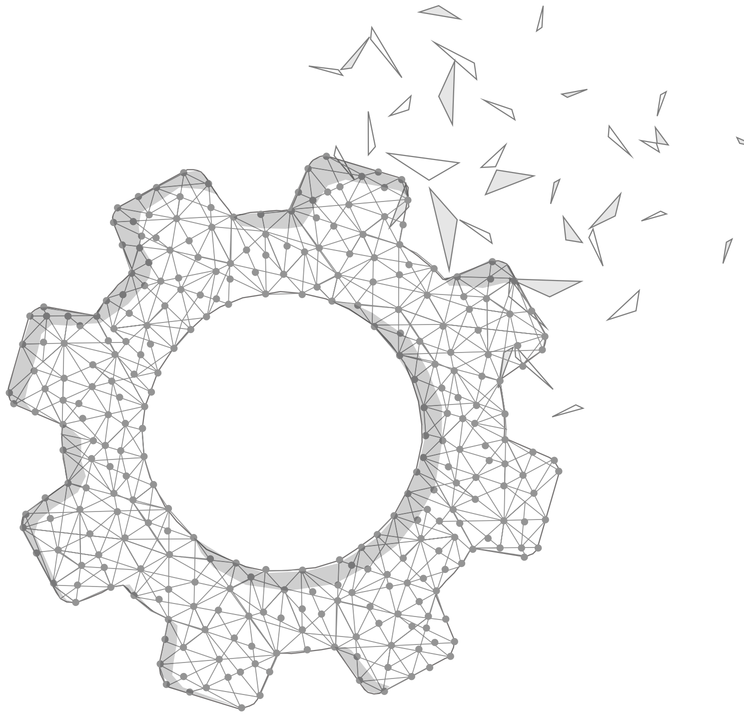
- An increased mobile app traffic by 45%
- Continuous testing reduced human intervention by 30%
- Reduced costs
- Improved operational efficiency by 95% through reliability of internal system with hybrid monitoring model

ABOUT THE CLIENT

The Client is a leading insurance company founded in 1946 to provide quality fire insurance to federation members. They offer an excellent array of insurance coverage including life, property, and automobile and are known for superior customer service.

AUTOMATE

Digital Transformation is the need of the hour. It remains a top priority for CEOs and a prime discussion point for the Board members. While most organizations are faced with an overwhelming choice of machine learning, artificial intelligence and automation tools, they are simultaneously confused with a complicated, rapidly changing technology landscape. Automation is of utmost importance to create a transformative digital environment and improve speed and quality of delivery. Automation helps in 100% error-free deliveries, since human element is eliminated. The road towards digital transformation is a critical one for any business. Organizations embarking on this journey will need to consider how each aspect of their business can be optimized to fulfil new digital objectives and new growth potential. Automation technology is set to play a pivotal role in digital transformation, enabling organizations to optimize their existing processes and keep pace with the competition.



Success Story

80% reduction in Test Execution Time was achieved by one of the world's leading Insurance player with the help of Cigniti's Test Automation solutions

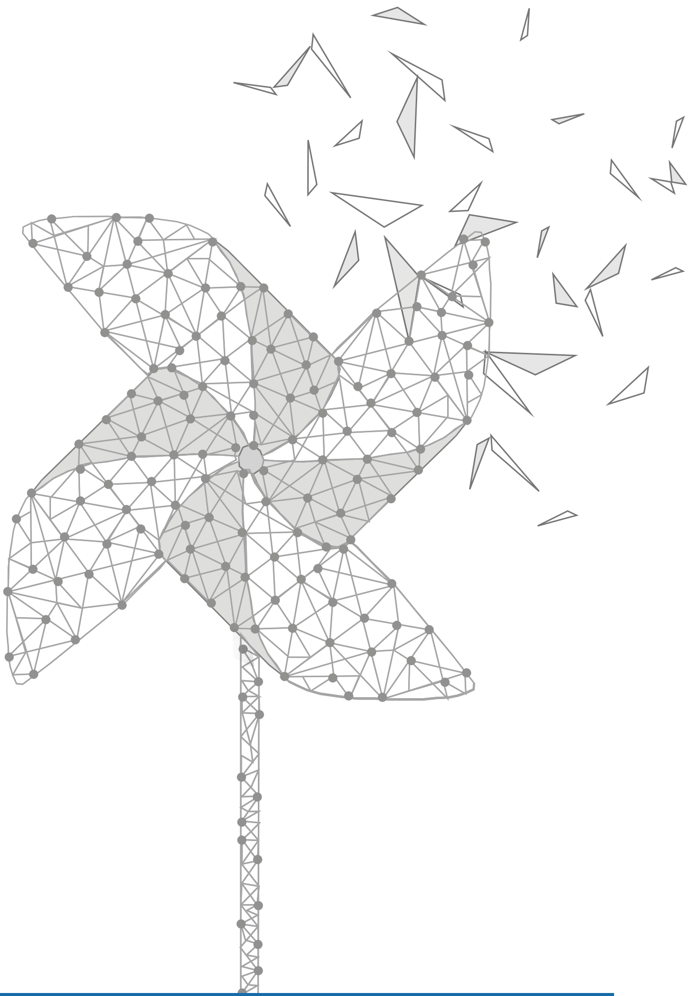
Cigniti offers a wide range of Test Automation solutions and has helped clients in saving a considerable amount of testing time. With the help of Cigniti's Test Automation, a leading Insurance Company was able to achieve 80% reduction in Test Execution Time.

ABOUT THE CLIENT

The Client is a leading insurance company in the US, offering an excellent array of insurance coverage including life, property and automobile to customers through its web and mobile applications.

ACCELERATE

Acceleration in product development is one of the prime benefits of Quality Engineering and DevOps. Acceleration may be in terms of faster turnaround time for releases leading to more number of releases. Organizations can make more number of releases – be it for bug fixes, normal maintenance or feature releases. QE and DevOps help companies in reducing the time taken to reach market with their new innvoations, thus, providing them a winning edge over their competition.



Success Story

75% reduction in Test Life Cycle and accelerated time to market for a leading consumer finance services company

We were approached by a leading consumer finance company for Testing Automation and standardization of the QA process. Cigniti's testing team assessed the existing tools to recommend the best suite for test automation. The team customized Cigniti's Test Automation framework to fit client's requirements. This resulted in a 75% reduction in regression test cycle through automation, leading to a 75% saving in tool license cost and ensured high quality testing resulted in early defect detection.

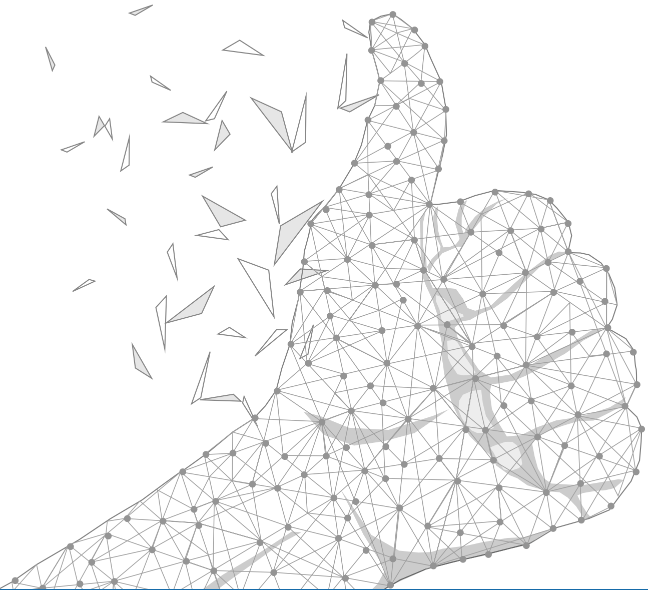
ABOUT THE CLIENT

The Client is a Texas-based leading consumer finance company with more than 7,800 team members worldwide and service portfolio including non-recourse pawn loans, short-term unsecured loans, sale of pre-owned merchandise, prepaid debit card services.

ASSURE

The goal of digital transformation initiatives is to assure a high level customer experience. This assurance is provided by the QA function. Software quality assurance has to go through an ever-evolving process to deliver various aspects, right from building much more compatible applications to confirming with different security protocols. Organizations are increasingly investing in QA and software testing to not only ensure quality of their applications, but also to bring sustainability and profitability for their business.

At Cigniti, we believe that if QE is imbibed in the development process, a major component of QA function gets incorporated in the development stage itself–which leads to what we call the 'Dual Shift Approach'. This Dual Shift approach enables the organizations to 'Test Early, Test Less'. This implies that testing is introduced way ahead in the application development lifecycle, which helps in early defect detection and resolution of issues, which ultimately enables enterprises to bring down the testing efforts and even save overhead costs. This can be summarized as 'Shift Left with a vision to the Right', i.e., the QA process being shifted to the 'left' (at development stage) with a vision to the 'right' (ultimate software development objective holistically combined with organizational objective as a whole).



Success Story

Testing Web Services Helps Leading Software Company Reduce Data consumption by 89%

The Client required comparative analysis of performance metrics and benchmark mobile performance to capture page load times and measure data download sizes for various apps using multiple mobile devices, prior to the launch of new version of its browser. With Cigniti's solutions – the Client browser consumed 89% less data as compared to the peers and provided 26% more battery life as compared to other browsers.

ABOUT THE CLIENT

The Client is a Norwegian software company, known for its family of web browsers with over 350 million users worldwide.

NEW INNOVATIONS

Cigniti continued to invest in building Intellectual Property around Software Testing and Quality Engineering. We are currently working on exciting products in the AI space (work-in-progress) to further enhance our Quality Engineering delivery capabilities.

PNR Generator

A utility to generate PNR based on the test data requirements to support automation and manual testing.

Sentiment Analyzer V2

Started further refining the text based comment inputs, shares from public sources, applied AI-based content analysis for better predictions and fit.

QuickFill

Utility to book maximum persons in each flight to verify typical scenarios like Over Booking and Standby.
Reduces Testing Time by 40%

Delimit-Ex

One-step solution to decrypt and read complex financial files such as EFT and ABA.
Reduces Testing Time by 40%

QuickShot

QuickShot is created in Java to capture the screenshots with all user and other required details in a single document and store against the test case in a central repository, real-time.

CETA

Cigniti ETL Test Automation (CETA) is a GUI-based desktop application that helps in automating ETL / Data Warehouse Testing and Data Migration Testing.

Feature Focus: CETA

Cigniti ETL Test Automation (CETA) is a GUI-based desktop application that helps in automating ETL / Data Warehouse Testing and Data Migration Testing. CETA is built from a decade long experience in testing ETL & data warehouse implementations. CETA can help users quickly identify data issues generated by ETL processes, speed up testing cycles, increase data coverage, reduce risk of data failure and ensure data quality.

Key features of CETA are listed below:

HIGH PERFORMANCE

Validates millions of records in ETL Source, Stage and Target within seconds

ACCURACY

Accurately identifies data issues generated by ETL processes without manual intervention

COVERAGE

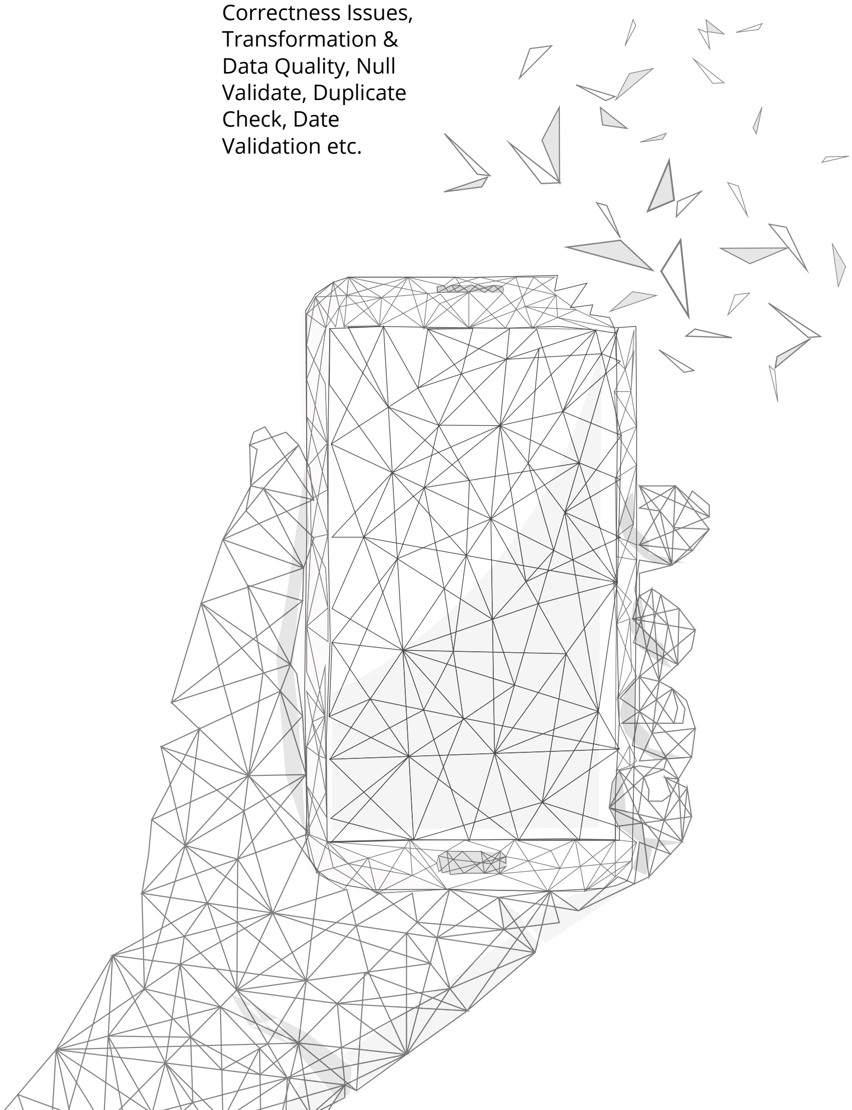
Automatically tests standard ETL Test scenarios such as Data Constraint Validation, Data Consistency Issues, Completeness & Correctness Issues, Transformation & Data Quality, Null Validate, Duplicate Check, Date Validation etc.

DATA SOURCE TYPE INDEPENDENT

Supports XML, Excel, CSV, Database Tables etc. All files need to be converted into CSV format.

DATABASE INDEPENDENT

Supports leading databases such as Oracle, SQL Server, MySQL, Teradata, Sybase etc.



CHAIRMAN'S MESSAGE

Dear Shareholders,

I am very happy to connect with you as I share our performance for the financial year 2017-18.

This year marks a new beginning for Cigniti as we started focusing on providing pure play end-to-end Quality Engineering services to our customers. The year saw us crossing the milestone of $100 Million in revenue. My heartfelt congratulations to all the leaders and employees, who have strived very hard to make this milestone a reality.

The market opportunity for independent testing businesses continues to grow exponentially. Digital Transformation has taken the market by storm and today organizations are striving hard to put their best foot forward, so as to keep an edge over their competitors. NelsonHall IT Services Program report, dated October 2017, mentions that the Global Testing Spend accounts for about 6% of the total IT Services Spending, and is estimated to grow at a CAGR 3.5% till 2021. On a statistical note, the global spend by organizations on testing services, which was about $ 40 billion in 2016, is expected to touch about $ 47.6 by 2021. Your company shall stand to benefit in a large way in garnering the potential market as we rank high as an independent software testing services company. Further, your company focusses on providing services in the agile and DevOps arena, which are in great demand in the industry.

While Cigniti's continued investment in developing Next Gen testing platforms acts as a key differentiator and helps the company to differentiate from its competitors, our state-of-the-art Automated Testing Solutions that imbibe Quality Engineering, continue to help our clients improve their measurable outputs such as reduction in operational costs and Testing Cycle time, and accelerate time to market for their software releases, etc. The company is confident of sustaining and growing at an accelerated phase in the coming years.

Our strategic partnerships and acquisitions along with client retention have helped us soar higher this year, with compounding revenues from some of our top accounts that have been with us for over 5 years.

FY18 has been a very significant year for Cigniti. The company continued increasing its focus on digital transformation, thereby laying a foundation for a promising growth. There has been a consistent increase in the client feedback and the satisfaction index stood at 3.6 out of 4 over the year. The company also started focusing on operational excellence resulting in reduction of cost that has led to an enhancement in margins.

Further noteworthy were the changes made to the Board as the company inducted industry veterans into the Board to oversee the affairs of the company. Today I can proudly state that your company is governed by professional independent board members that will help us march ahead in our pursuit for achieving greater heights.

Also keeping in line with corporate governance, the company has appointed S.R. Batliboi & Associates LLP, Chartered Accountants as auditors and an independent firm of chartered accountants, M/s Sharat Associates, as internal auditors of the company.

During the year, the company has won many awards and accolades. We gained prominence in diverse Global Analyst reports and won awards across the globe. We have been recognized as a "Niche Player" in 2017 Gartner Magic Quadrant for Application Testing Services, Worldwide for 3 years in a row. Further the Company has been positioned as the 'Major Contender' and conferred with 'Best in Class' for buyer satisfaction in its PEAK Matrix™ 2017 by Everest Group for 3 consecutive years. We have also been bestowed upon as winner of the prestigious CEO Report Philadelphia 2018 Velocity50 Award for 2018.

The total revenue for the year stood at ₹ 69,328 Lakh, as against ₹ 61,926 Lakh in FY 17. The company registered a net profit of ₹ 3,217 Lakh. The company is confident of its continued growth performance for the ensuing years.

We have set our global footprint in 5 continents and 13 countries, catering to over 200 clients. We serve over 70 companies which are in the Global 2000 list, including notable Fortune 500 companies. We are associated with key clients across industry verticals. Our dedicated 'human capital' consists of over 2,100 valuable resources, including 1800+ career testers.

Our leaders spoke at various conferences on testing, at partner events and symposiums which helped our brand to get more recognition. We sponsored and participated in leading conferences in North America, UK and Europe including StarEast, StarWest, Aviation Festival, Gartner Symposium, SmartBear Connect,etc.

Our strategic partnerships and acquisitions, along with client retention have helped us soar higher this year. Some of our top accounts have been with us for over five years, and the revenues from these accounts have been compounding year over year. Further, we continue to invest in up-skilling, re-skilling, and getting our talent trained and certified to adapt to the new age technologies such as challenges being roped in by AI, Automation, Blockchain, Crypto currencies and the like. We continue to invest in new age technologies such as DevOps, Agile, Digital, Cyber Security, IoT, and Cloud computing as per ever changing business needs. Cigniti has a wide range of clientele pertaining to diverse industry segments such as Airlines, Banking, Financial Services, Healthcare, Insurance, Life Science, Retail, and Travel & Hospitality. Our IP-led testing infrastructure is proficient to satisfy this wide spectrum of clientele across domains and geographies.

With the above efforts, the company is confident of growing at an accelerated phase in the coming years.

I, on behalf of the entire Board of Directors, take this opportunity to thank all our stake holders for their continued faith in our abilities and for all their support that helps us move ahead confidently.

Yours Truly,
C. V. Subramanyam
Chairman & Managing Director

CEO'S MESSAGE

2017-18 has been a very significant year for Cigniti as we achieved a major milestone by crossing the $100 million revenue mark.

The global IT Industry is in a state of transformation with Digital, AI, IoT, Cloud, and multiple other technologies unleashing disruption across industries. QA transformation and digital transformation have today become the key to success in this continuously evolving, fast-paced business world. Today, even brick-and-mortar setups require a digital version to reach out to customers, and to rise above the competition. Businesses who have understood the need to adopt and adapt to these emerging technologies are the ones who are accelerating ahead of their competition.

To maintain an edge over competition, organizations need to imbibe and implement robust Quality Engineering practices. Cigniti, with its proven track record as a Quality Engineering Leader is well positioned to leverage this opportunity using its competitive edge, brand value, and huge team of experienced & dedicated Quality Engineering professionals. While our client satisfaction ratings display excellent performances, we also continued our streak of winning a number of new marquee accounts this year.

The icing on the cake is that Global Industry analysts continued to recognize us as 'Leaders' in the QA & QE space, which boosts our market positioning and credibility.

We are committed towards the exponential growth of Cigniti. We continue to closely monitor technology trends and are investing significantly towards development of new Intellectual property around Quality Engineering which will enable us to successfully offer new and relevant services to our clients. I am happy to share that at Cigniti, everyone of us is aligned towards one common objective of growth and delivering a great customer experience.

With our persistent and focused efforts, I am confident of stellar growth of Cigniti this year and in the years to come..

Srikanth Chakkilam
Chief Executive Officer

While our client satisfaction ratings display excellent performances, we also continued our streak of winning a number of new marquee accounts this year.

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. C. V. Subramanyam
Chairman & Managing Director
(DIN:00071378)

Mr. Ram Krishna Agarwal
Independent Director (DIN: 00416964)

Mr. Phaneesh Murthy
Independent Director (DIN:00388525)

Mr. Srinath Batni
Independent Director (DIN:00041394)

Ms. Nooraine Fazal
Independent Director (DIN: 03110948)

Mr. K. Ch. Subba Rao
Independent Director (DIN: 01685123)

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

CHIEF FINANCIAL OFFICER:

Mr. Krishnan Venkatachary

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mrs.A.N. Vasudha

REGISTERED OFFICE:

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

GLOBAL DELIVERY CENTER:

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

CORPORATE IDENTITY NUMBER:

L72200TG1998PLC030081

STATUTORY AUDITORS:

M/s. S. R. Batliboi & Associates LLP
Chartered Accountants
Oval Office, 18, iLabs Centre,
Hitech City, Madhapur
Hyderabad - 500 081, India

BANKERS:

Federal Bank Ltd
Secunderabad Branch

Axis Bank Ltd
Madhapur Branch, Hyderabad.

HDFC Bank Ltd
Lakidikapool, Branch, Hyderabad

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

AUDIT COMMITTEE:

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

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

REGISTRAR & SHARE TRANSFER AGENTS:

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

LISTED AT:

BSE Limited.
National Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL& CDSL:

INE675C01017

WEBSITE:

www.cigniti.com

INVESTOR E-MAIL ID:

company.secretary@cigniti.com

BOARD OF DIRECTORS

C V Subramanyam
Chairman & MD

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

Srikanth Chakkilam
Chief Executive Officer & Non-Executive Director

Srikanth is the Chief Executive Officer and a member of the founding group at Cigniti Technologies Inc. He is responsible for developing the company strategy to be in-line with the vision, mission and the values of the organization. Prior to taking over as CEO, Srikanth worked as Executive Director and was responsible for driving Sales at U.K., EU, ANZ, SA, Middle East and APAC regions. He also handled Marketing, worked closely with CFO for Investor Relations, client relationship activities in his earlier stints at Cigniti. Srikanth has an MS from the University of Southern California where he was a teaching assistant to Barry Boehm, one of the legends of software engineering and quality. He holds a Graduate Degree in Electronics and Communication Engineering from India.

R K Agarwal
Independent Director

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

Phaneesh Murthy
Independent Director

Phaneesh Murthy, global IT industry veteran, who spearheaded the growth story of companies like Infosys and iGate, has joined the board of Cigniti Technologies Ltd as Independent Director. Phaneesh is a business leader with 25 years of experience in structuring and managing large outsourcing deals for Fortune 500 companies. Phaneesh's previous roles include CEO & President of iGate Corporation and Worldwide Head of Sales and Marketing, Head of Communications, and Product Solutions Group at Infosys Ltd. He also consults for various businesses. Phaneesh is widely recognized as an Industry pioneer in propelling organizations to an all-round, multifold growth, and helping them reach leadership positions.

Srinath Batni
Independent Director

Mr. Srinath Batni is a global IT industry veteran. He is a Co-Founder of Axilor Ventures. Mr. Batni served as Group Co-Head of Worldwide Customer Delivery at Infosys Limited. He served as Head-Delivery (GCARE) and Head of Strategic Groups & Co-Customer Delivery at Infosys Limited. From 1996 to 2000, he served as Senior Vice President and Head-Retail and Telecommunications Business Unit of Infosys Limited. He has been an Independent Director at AXISCADES Engineering Technologies Limited since 2014. He serves as Director of Infosys Technologies China (Shanghai) and Infosys Technologies Australia Pty Limited, subsidiaries of Infosys Technologies Ltd. Mr. Batni served as the Whole-Time Director of Infosys Limited from May 2000 to July 31, 2014. Mr. Batni received a B.E. in Mechanical Engineering from Mysore University and an M.E. in Mechanical Engineering from the Indian Institute of Science, Bangalore.

Nooraine Fazal
Independent Director

Ms.Nooraine Fazal is the Managing trustee, CEO and Co-Founder of Inventure Academy. Ms. Nooraine has a Master of Science degree in Management from Boston University. Nooraine worked with IBM and Reuters for a period of 10 years in a front-line and managerial capacity. Post a period of introspection about the future, Nooraine returned to India in 2003 (after twelve years across the UK, USA, Middle East, Australia and the Greater China region) in order to be a 'citizen with a say' in the way the country is developing.

K. Ch. Subba Rao
Independent Director

Mr. K. Ch. Subba Rao is a post graduate in science and has got varied experience in Real Estates and other related activities. He has 3 decades of rich experience in real estate and logistic business. He is a successful entrepreneur who co-founded one of South India's largest transport and logistics organization which continues to grow stronger since inception.

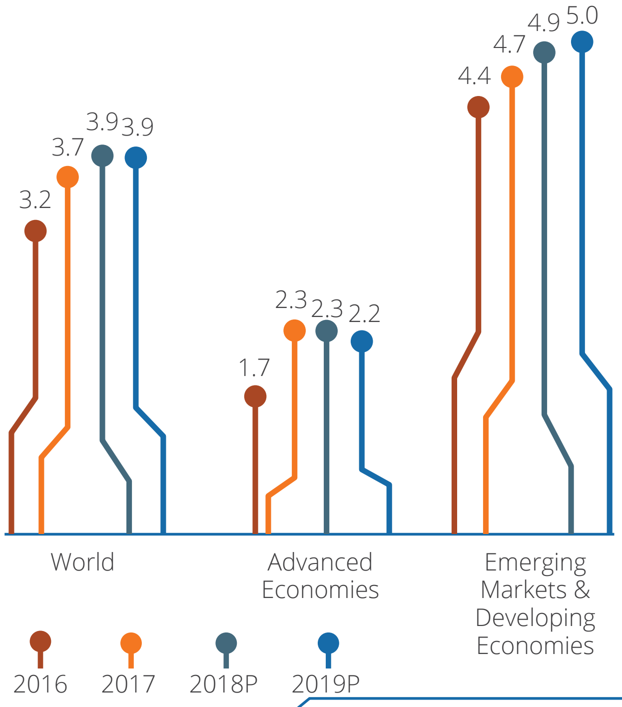
MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

Global Review

The global economic activity grew by 3.7% in 2017, as per the World Economic Outlook report by International Monetary Fund (IMF). During the year 2017, both Advanced Economies (AEs) and the Emerging Markets & Developing Economies (EMDEs) experienced growth thanks to upside surprises in Europe and Asia. The global growth can sustain its momentum with expected favorable global financial conditions and acceleration in demand in export focused economies. United States can spur to global growth with higher projected external demand, anticipated tax reforms, and policy changes. Financial markets correction and inward looking policies might risk global financial conditions. During 2017, the U.S. economy clocked 2.3% GDP growth. As per IMF projection, the EMDEs will grow by 4.9% in 2018, while AEs is likely to grow at 2.3%. It sees the global economic growth at 3.9%.

Exhibit 1: Global GDP Growth (in %)



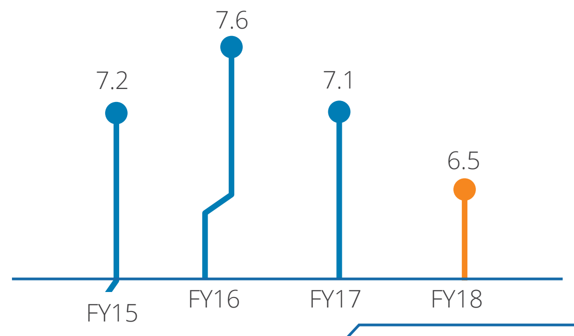
Source: IMF's World Economic Outlook Update, January 2018

Indian Economy

According to first Advanced Estimates released by Central Statistics Office (CSO) in January, 2018; the Indian economy is expected to experience a slowdown growing by 6.5% in FY18, after growing by over 7% for three consistent years. Despite lower growth in FY18, India's GDP growth clocked an average of 7.3% during FY15 to FY18 registering the highest amongst the global economies. The growth is backed by low inflation, improved current account balance and remarkable decline in the fiscal deficit-to-GDP ratio. Manufacturing activity took a hit due complex filing GST procedures. Additionally, delay in refund of input credits hindered lot of exporters and small and medium enterprises compelling them to trim production and stocks. During FY18, the Indian Rupee (INR) depreciated by mere 0.2% to USD 65.12 due to favorable macroeconomic factors like decline in current account deficit (CAD), adequate foreign reserves and lower inflation.

The Union Budget 2018-19 emphasizes on enriching the rural economy by strengthening the agriculture sector and providing important healthcare facilities for the under privileged, augmenting connectivity by better infrastructure and enhancing education quality.

Exhibit 2: India GDP Growth (in %)



Source: CSO

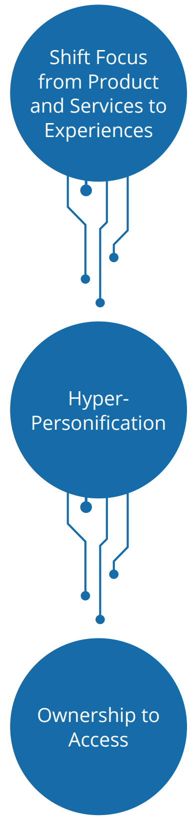
The Era of Digital Transformation

Enterprises are enthralling customers with the ever changing technology. They are using digital tools for creating an enriching customer experience and loyalty. Enterprises are too evolving rapidly to live up to the expectation of delivering to their 'on-demand customers'. Both, new age and legacy businesses operating in Business-to-Consumer (B2C) and

Business-to-Business (B2B) models are making significant investments in their product/service quality around the speed, convenience, and ease of use and racing to be frontrunners in customer experience.

Thanks to the affordable smartphones powered by robust data connectivity, the time spent by digital consumers on digital media is growing at an exponential rate. It has been observed that the internet has overtaken traditional media such as television, radio, and newspaper. Thus, we are witnessing an intensified interest in digital and interactive marketing. Going as per the flow, advertisers today are splurging heavily on interactive marketing vis-à-vis television advertising.

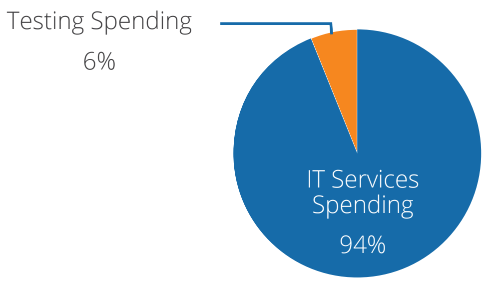
Exhibit 4: Customer Retention Mantra's in Digital World



Global Software Testing Overview

Every enterprise today deploys technological disruptions which enhance their overall software performance along with anchoring solid security for gaining customer loyalty in the digital world. As per NelsonHall IT Services Program report, October 2017 Global Testing Spending accounts for 6% of the total IT Services Spending, and is estimated to grow by CAGR 3.5% during 2016-21.

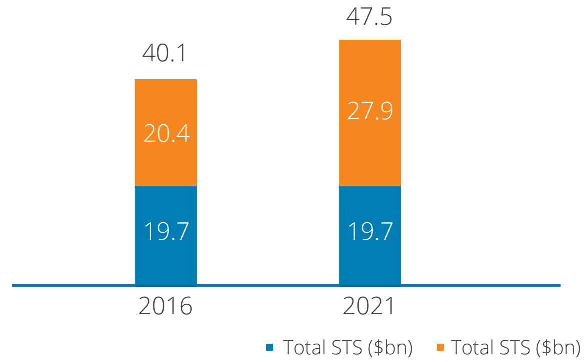
Exhibit 5: Testing Spending as per Type (2015)



Source: NelsonHall IT Service, July 2016 report

The total (global) testing spend - including both Specialized Testing Services (STS) and Traditional Testing Services (TTS) - was $40.1bn in 2016, and would touch $47.6bn by 2021.

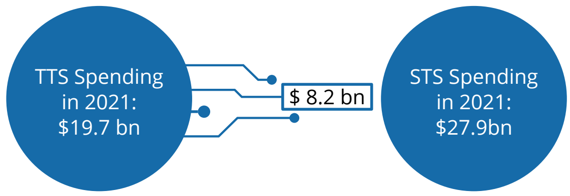
Exhibit 6: Total Testing Spending (in $bn)



Source: NelsonHall IT Service Program, October 2017

As per Exhibit 6, TTS spending would be flat till 2021. With professional testers taking over non-testers, the testing industry is poised to witness a shift from TTS to STS. Agile and DevOps are gaining more prominence amongst the developers.

Exhibit 7: Projected Testing Spending Shift, 2021



While the Specialised Testing Services (STS) is expected to grow by $8.2 Bn by 2021, the Traditional Testing Services (TTS) are going to remain same.

Exhibit 8: STS by Geography

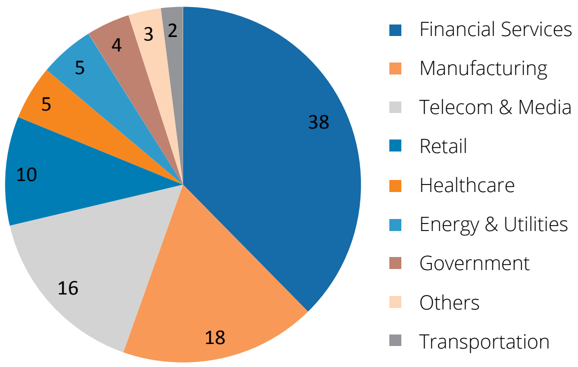
STS ($bn)	2016	2021	CAGR % (2016-21)
North America	9.2	12.1	7.2%
Latin America	0.6	0.9	6.4%
APAC	3.3	4.3	6.2%
EMEA	7.7	10.2	5.7%
Total	13.1	17.3	6.5%

Source: NelsonHall IT Service Program, October 2017

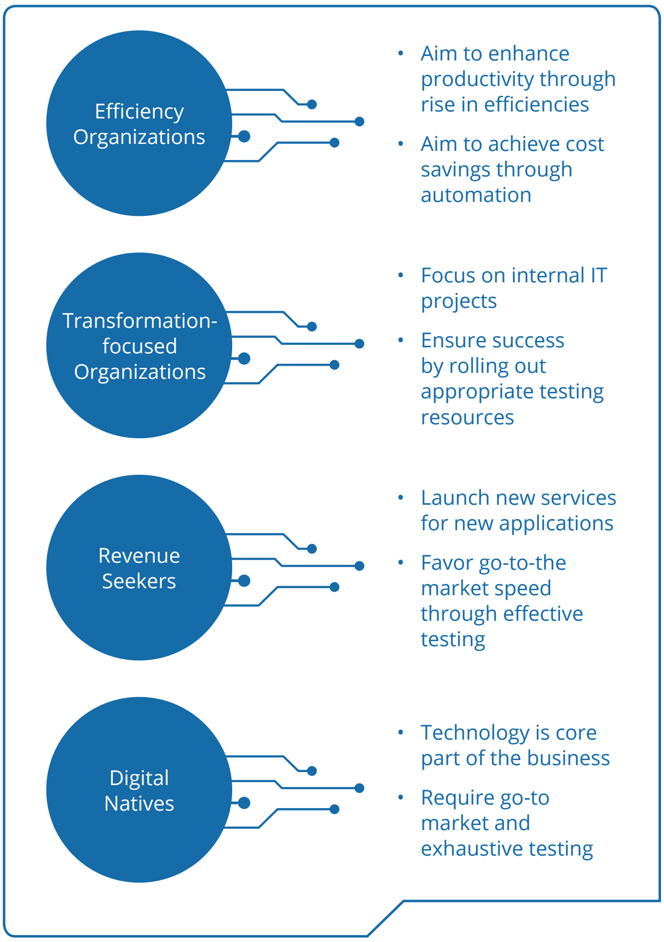
As per Exhibit 8, North America expects to drive highest, i.e. 7.2% CAGR due to its focus on digital testing. Latin America too is poised to witness exciting times with 6.4% CAGR with Brazil leading in the much anticipated revival in spending. APAC region is expected to clock 6.2% CAGR lead by spending in India and China. Additionally, Australia's spending is likely to improve due to bounce back of raw material prices. Japan's spending is expected to remain flat. EMEA spending is likely to register 5.7% CAGR, led by better expected spending in the U.K. despite of Brexit uncertainties. Continental Europe will experience a softer growth because of mixed but improving economic scenario in France and Italy.

On the other hand, Middle East spending will catch up pace due to sharp recovery in oil prices.

Exhibit 9: Sector-wise STS Spending (2016)(in %*)

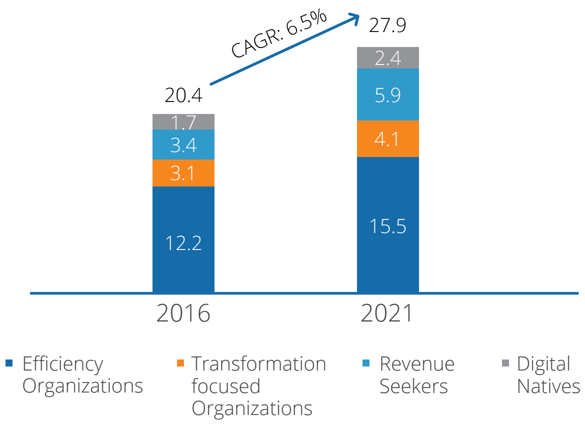


Source: NelsonHall IT Service Program, October 2017
* percentage rounded off to the nearest integer



As per Exhibit 9, BFSI continues to enjoy a lions share (38%) for STS spending in 2016 driven by growing appetite for digital testing. Industry 4.0 backed by improving market conditions led Manufacturing and Telecom & Media to register 18% and 16% growth respectively. Telecom, Media and Entertainment STS spending in North America was curbed by industry consolidation delay in investment decisions.

Exhibit 10: STS Spending 2016 and 2021, (in $bn)



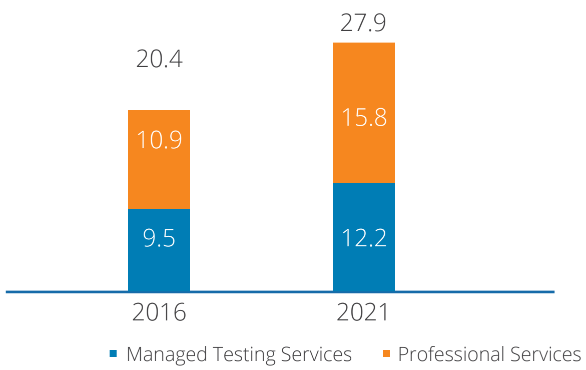
Source: NelsonHall IT Service Program, October 2017

STS: Nature of Clients

As per Exhibit 9, BFSI continues to enjoy lion share (38%) for STS spending in 2016 driven by growing appetite for digital testing. Industry 4.0 backed by improving market conditions led Manufacturing and Telecom & Media to register 18% and 16% growth respectively. Telecom, Media and Entertainment STS spending in North America was curbed by industry consolidation delay in investment decisions.

As per Exhibit 10, Efficiency Organizations will witness slow growth due to shift from managed testing to digital testing. Revenue Seekers will be the second largest client and the

Exhibit 11: Service-Wise STS Spending 2016 and 2021 (in $bn)



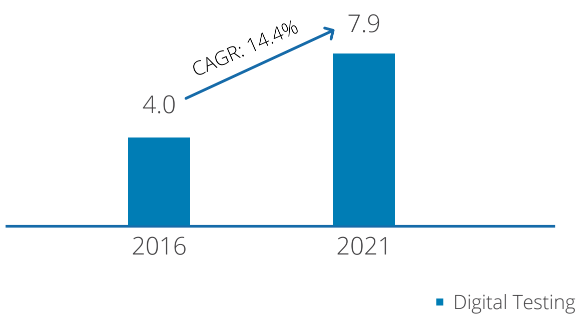
Source: NelsonHall IT Service Program, October 2017

fastest growing (CAGR 2016-21: 11.4%) riding on digital transformation wave. Transformation focused Organizations which survives on on-premise application will witness a CAGR of 11.4% during 2016-21 due to investment shift of digital projects.

As per Exhibit 11, it is clear that enterprisesare looking forward towards Professional services (CAGR 2016-21: 7.7%) against Managed testing contracts (CAGR 2016-21: 5.0%). This is mainly on account of market saturation and clients pushing for reducing vendors TCoEs costs. On the other hand, organizations engage Professional services for digital projects and SDLC functional, non-functional automation, and test support services.

Digital testing is expected to contribute ~28% by 2021, as per NelsonHall IT Service Program report, October 2017. As per Exhibit 11, Digital testing would clock 14% CAGR during 2017-21.

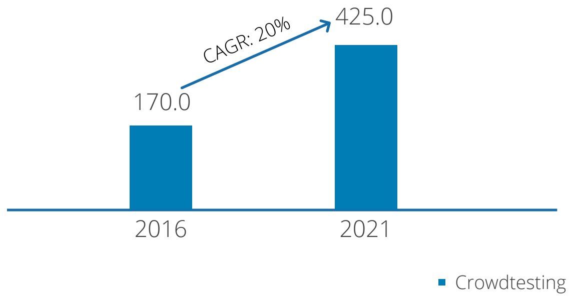
Exhibit 12: Rise of Digital Testing (in $bn)



Source: NelsonHall IT Service Program, October 2017

Crowdtesting is shaping as a prominent delivery model for all testing services. Its scope of work spans software testing services covering digital and non-digital, functional, non-functional and specialized testing services. As per Exhibit 12, Crowdtesting would be a $ 425 million market by 2021 growing by 20% per annum.

Exhibit 13: The Next Wave of Growth: Crowdtesting (in $mn)



Source: NelsonHall IT Service Program, October 2017

Operational Snapshot

Cigniti Technologies through its varied and extensive array of offerings served by 2100+ human capital engages a diversified clientele, both across verticals and geographies. It serves 200+ Active Clients across 13 countries with diversified industry verticals. Cigniti caters to 71 of Global 2000 Companies, 50+ of Fortune 1000 Companies and 49 of Fortune 500 Companies. It is a market leader in North America with growing presence in rest of the world.

Key Highlights for the FY18

- Set the foundation to build Cigniti to provide complete end-to-end Quality Engineering service with focus on customers, investors and employees
- Srikanth Chakkilam appointed as CEO – Cigniti Technologies Inc, to spearhead sales from the US
- Prominent Wand diversified industry leaders such as Phaneesh Murthy, Srinath Batni, R K Agarwal and Nooraine Fazal inducted into the Board
- The Company has appointed S.R. Batliboi & Associates LLP, Chartered Accountants as auditors and an independent firm of chartered accountant's M/s Sharat Associates as internal auditors of the company.
- Overall Client Satisfaction Index levels has improved to 3.6 with 80% of our clients rating us 4/4.
- Won logos outsmarting big players, bagged marquee accounts, and built a strong presence across all verticals.
- Forged Strategic Cyber Security Partnership with SkOUT Secure Intelligence for penetrating deeper into Global Cyber Security and Security Testing Offerings.

Our Global Talent Development Updates

50.5% Increase in No. of Learning Hours from previous years

51.3% Increase in No. of participants covered from previous years

112% No. of courses internally developed

41% Increase in No. of courses delivered from previous years

95% No. of participants covered in Induction

Program	No. of Programs Offered	No. of Participants Covered	Learning Hours	Avg. Feedback
Technical/Domain	174	2599	19742	3.7
Process	50	592	1184	3.7
Behavioral	91	601	1202	3.9
MOOC	110	451	5323	
Induction	15	281	3372	3.8
Total	440	4524	30823	3.77

1. Source: Training tracker maintained by TD team
2. The time frame considered for the above data is from Apr'17 to Mar 2018

Value Add Services that impacted the Top line and Bottom line

Train to Hire: A cost effective hiring model

STEP (Structured Testing Excellence Program):

- Initiative that will help improve overall skill index (all the skills related to delivering excellence to your clients) within your projects, and across the organization.

Upskilling/Re-skilling:

- Initiative to upskill the resources on bench on the potential skills

Analyst Commentary and Awards & Accolades

Analyst Mentions

Gartner

- Cigniti Technologies has been positioned as a "Niche Player" in 2017 Gartner Magic Quadrant for Application Testing Services, Worldwide.
- Cigniti Technologies has been positioned in the Magic Quadrant for 3 years in a row.

Forrester

- Cigniti Technologies was recognized as a Strong Performer in Forrester Wave™ for Continuous Testing Service Providers, Q3 2017.
- Cigniti Technologies is acknowledged as one of the top three global vendors for clients looking for independent and pure-play Continuous Testing services focused on Agile & DevOps.

Everest Group

- Cigniti Technologies was positioned as the 'Major Contender' and conferred with 'Best in Class' for buyer satisfaction in its PEAK Matrix™ 2017.
- Everest Group has recognized Cigniti Technologies for 3 consecutive years now in PEAK Matrix™.

Winning Glory

Cigniti Technologies emerged as a winner of the prestigious CEO Report Philadelphia 2018 Velocity50 Award for 2018.

Financial Review

Revenue

Revenue for the year was at ₹ 69,328 Lakh, a growth of 12% as compared to the FY 2016-17.

EBITDA

The EBITDA during the year stood at ₹5,173 Lakh as against ₹ (2,207) lakhs in FY2016-17.

Profit After Tax

The Profit After Tax (PAT) in the FY 2017-18 was at ₹ 3,217 Lakh as against ₹ (39,483) Lakhs during the prior year.

Interest and Borrowings

The Finance costs increased by 5% to ₹1,698 Lakh during the FY 2017-18. The cash and bank balance stood at ₹1,834 Lakh, increase of 13% as compared to the FY 2016-17. The borrowings have reduced by 9% to ₹13,138 Lakh in the FY 2017-18.

Net Worth

The Net Worth stood at ₹688 Lakh for the FY 2017-18.

Trade Receivables

Our trade receivables increased to ₹11,468 Lakh in FY 2017-18 from ₹ 10,349 Lakh in FY 2016-17.

Internal Controls

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

Opportunities

As mentioned in the Chairman's message and in further discussions made in the Management Discussion and Analysis section (MD&A), there is ample of growth opportunity for the company in the independent software testing services business market. The Company looks forward to be technologically advanced innovations for mitigating its business threats. The company consistently invests in future technologies along with getting accredited by the leading industry technology analysts.

Outlook

Cigniti Technologies continues to win a sizable share of the worlds' digital spending. We look forward to build sustainable growth backed by enhanced profitability. New age enterprises and legacy businesses can bank on our proficiency in digital, IoT, Agile, DevOps, etc. We keep ourselves focused in increasing our deal size by winning New Enterprise Accounts and mining existing accounts. Our continuous focus should be on value-based selling. Cigniti looks forward to adopt state-of-the-art digital practices and assist companies to actualize their business goals. We aim for penetrating into new geographies, win new clients across industry and domains, and further strengthen our leadership.

Human Resources

HR is critical in ensuring that our most valuable asset, employees, are empowered, enabled, and supported in driving our key business objectives.

Our policies, processes, and practices are centered around to attract, engage, empower, and retain the best and the brightest talent. Over the last year, HR has focused on continuous process reengineering, automation and bringing in innovative ways of employee engagement.

Below are few key highlights of the year:

Structure – We have rationalized our job levels and structure to make the system more lean and agile.

Benefits – Healthcare and wellness has been the primary focus area for us this year.

- o Increasing the awareness level through sessions and health check-up camps has seen a huge participation from employees.
- o Switching to automation in the enrolment process and claims process has enabled us to improve our employee satisfaction index on Benefits administration process.

Having offered flexible and industry competitive benefits, employees optimized their taxes to a great extent. Digital meal cards were seen as value-adds by the employees and increased the utilization significantly.

Rewards & Recognition – Our Rewards & Recognition framework **Celebrating You!!** has been successful in reinforcing the desirable behaviours, focusing on individual

accomplishments and team performances. We have aligned the framework with key business drivers of Cigniti such as Leadership, Living the Values of Cigniti, Execution Excellence & Innovation.

Peer recognition forms part of the formal recognition framework with the launch of **"Thank You"** cards giving an opportunity to our employees to thank those who have helped them or supported them in any manner, spreading the culture of gratitude and appreciation.

Recognizing employee milestones and service recognition programs has had a strong positive impact on employee bonding and inculcated a sense of belonging.

Employee Engagement – We understand that having a

great workplace culture can positively reflect on employee behavior while shaping the future of the overall organization. Our primary focus has been on building cohesive teams and bringing togetherness. Constant focus and rigor on our employee engagement initiatives - Candid Talk with the HR, Town Halls, Reward & Recognition programs, New Hire Connects, Buddy programs, etc.have enabled us to further strengthen Employee Engagement Quotient within Cigniti.

SMASH our beyond work council has been instrumental in bringing necessary energy and vibrance to workplace. Launch of Intranet – GO, has been an effective mechanism to keep the employees more informed, updated and better connected to the larger organization.

CSR Initiatives

Cigniti is able to reach out to several schools in Telangana region with its educational videos. We have associated with a Foundation to distribute the videos in schools and has received a very positive feedback. Our CSR team started focusing on measuring impact of the videos on the school children by comparing results and pass percentages of previous years.

With a vision to provide quality education to the under-privileged, Cigniti realized that there is a need for quality content. As part of its CSR initiatives, the Company, under the name 'Project Cignificance' has worked with Khan Academy to translate their education videos to the Telugu language. Having subsequently realized the need for new content to fill the curriculum gaps, the Company has also developed videos in line with state governments' syllabus in the Khan Academy style in Telugu.

Currently, the company has developed 1200+ videos of Mathematics, Physics and Chemistry from Class V to X.

Risk Management

Risk	How is Relates to Cigniti	Mitigation
Geographic Concentration Risk	Reliance on a single geography can impact revenue growth	• While the U.S. contributes to a major of Cigniti's revenue, Cigniti has also been steadily expanding across geographies such as Europe & Asia Pacific. Cigniti has also been focusing on strategies to enhance revenues from existing geographies like Europe. • Cigniti also has offices in UK & Australia to add new logos and deepen its presence in the existing accounts from these geographies.
Competition Risk	Increasing competition in software testing may affect the market share of the Company	• Cigniti through a mixture of organic and inorganic routes has been developing capabilities to remain competitive. • Cigniti is the world's second largest Independent Software Testing Services Company by headcount, and has secured a technical positioning of the company brand in the global arena. Through a smart mix of global marketing initiatives, sound industry analyst relations and other brand building initiatives, the Company has been consistently strengthening its brand. • Most importantly, Cigniti's consistent endeavor to be a thought leader in independent software testing through its offerings, IP, building labs for the connected world, commitment to test engineering community through world class quality engineering events (such as LiQE and meet ups) to engage the best minds in quality engineering landscape, has ensured that it comes across the most respected independent software testing services vendor.

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of M/s. Cigniti Technologies Limited will be held on Monday, 30th day of July, 2018 at 10.00 A.M. at Hall 5 & 6, Novotel & HICC Complex (Near Hitec City), P.O. Bag 1101, Cyberabad Post Office, Hyderabad – 500081, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31' 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.

2. To appoint a director in place of Mr. C. Srikanth (DIN: 06441390) who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify the appointment of M/s. S.R. Batiliboi & Associates, LLP., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following ordinary Resolution thereof:

   "RESOLVED THAT pursuant to the provisions of Section 139(2) and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 30th June 2017, the appointment of M/s. S.R. Batiliboi & Associates, LLP as the Statutory Auditors of the Company to hold the office till the conclusion of 24th Annual General Meeting of the Company to be held in the year 2022, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2019 as may be determined by the Audit Committee in consultation with the Auditor from time to time."

SPECIAL BUSINESS:

4. Appointment of Mr. Ram Krishna Agarwal as Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Mr. Ram Krishna Agarwal holding (DIN- 00416964) who was appointed as additional director by the Board of Directors in the meeting held on 30.06.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ram Krishna Agarwal as a candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 29th July, 2023.

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

5. Appointment of Mr. Phaneesh Murthy as Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Mr. Phaneesh Murthy holding (DIN- 00388525) who was appointed as additional director by the Board of Directors in the meeting held on 30.06.2017 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Phaneesh Murthy as a candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 29th July, 2023.

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

6. Appointment of Ms. Nooraine Fazal as Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Ms. Nooraine Fazal holding (DIN- 03110948) who was appointed as additional director by the Board of Directors in the meeting held on 30.06.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Nooraine Fazal as candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 29th July, 2023.

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

7. Appointment of Mr. Srinath Batni as Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Mr. Srinath Batni holding (DIN- 00041394) who was appointed as additional director by the Board of Directors in the meeting held on 24.08.2017 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr Srinath Batni as a candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 29th July, 2023.

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

8. Appointment of Mr. K. Ch. Subba Rao as Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Mr. K. Ch. Subba Rao holding (DIN- 01685123) who was appointed as Independent director by the members in the meeting held on 19.09.2014 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires on 31st March, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr K.Ch. Subba Rao as a candidate for the office of a director of the company, be and is hereby appointed as Non-Executive Director of the company whose office is liable to retire by rotation.

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

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

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

"RESOLVED that pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of three years, commencing June 30, 2017."

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

10. Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's Registered Office.

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

"RESOLVED THAT pursuant to the provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013 read with rule 5(2) of the Companies (Management and Administration) Rules, 2014, consent of the members of the Company be and is hereby accorded to maintain and keep the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at the Corporate office of the Company at 6th Floor, Orion Block, The V(Ascendas), Plot#17, Software Units Layout, Madhapur, Hyderabad- - 500081 or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company.

RESOLVED FURTHER THAT Mr. C. V. Subramanyam, Chairman & Managing Director and/or the Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid resolution."

11. Approval for drawing of remuneration by Mr. C. Srikanth (DIN: 06441390), Director & CEO-Global Operations from Cigniti Technologies Inc; USA, wholly owned subsidiary of the Company.

To consider and if thought fit, pass with or without modification(s), the following resolution as special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of SEBI (LODR) Regulations, 2015 (including any statutory amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded to Mr. C. Srikanth (DIN: 06441390), Director & CEO-Global Operations to draw remuneration of $ 6 Lacs (American Dollar Six Lacs only) per anum or such remuneration as may be decided by the Board of Directors from time to time from Cigniti Technologies Inc; USA, wholly owned subsidiary of the Company, being office or place of profit within the meaning of Section 188 of the Companies Act, 2013

RESOLVED FURTHER THAT Mr. C. V. Subramanyam, Chairman & Managing Director be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid resolution.

12. Re-classification of the promoters of the company in accordance with Regulation 31A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015:

To consider and if thought fit, pass with or without modification(s), the following resolutions as special Resolution.

"RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed there under ('the Act'), the approval of the Members be and is hereby accorded for re-classification of Mr. Pennam Sudhakar, Mrs. Pennam Sapna. Mr. Kukunuru Kumar Bapuji and Mr. Kukunuru Sambasiva Rao, forming part of the existing Promoters of the Company from Promoter category to Public category.

RESOLVED FURTHER THAT that the Promoters seeking re-classification along with their personal promoter group entities and persons acting in concert do / will not:

i. Have any special rights through formal or informal agreements.

ii. Act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities."

For and on behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: 21.05.2018

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 26.07.2018 to 30.07.2018 (Both days inclusive).

5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)

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

11. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.

12. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Aarthi Consultants Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.

13. Members are requested to send their queries atleast 10 days before the date of meeting so that information can be made available at the meeting.

14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission/transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

16. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.

17. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.cigniti.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: company.secretary@cigniti.com

18. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

    II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    IV. The remote e-voting period commences on 27th July, 2018 (9:00 am) and ends on 29th July, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25th July, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    V. The instructions for shareholders voting electronically are as under:

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

    (ii) Click on Shareholders tab

    (iii) Now Enter your User ID

    (a) For CDSL: 16 digits beneficiary ID,

    (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank DetailsOR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

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

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

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

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

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

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

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

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

(xv) Note for Non–Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and

Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xvi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

19. Mr. S. Sarveswar Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.

20. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

21. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cigniti.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.

22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: 21.05.2018

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

EXPLANATORY STATEMENT

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

Item No. 4:

Mr. Ram Krishna Agarwal was appointed as Additional Director on 30.06.2017, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive & Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, proposing the candidature of Mr. Ram Krishna Agarwal for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Ram Krishna Agarwal as 'Independent Director' for a term up to 29.07.2023, and pass the resolution set out at Item No. 4. The appointment of Mr. Ram Krishna Agarwal is required to be made in compliance with the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, Mr. Ram Krishna Agarwal fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

Brief profile of Mr. Ram Krishna Agarwal:

Mr. R. K. Agarwal, aged 64 years, is a qualified Chartered Accountant and has the rare distinction of being probably the first recipient of Gold Medals for securing 1st Rank on all India basis in both the Intermediate and Final Examinations of the Institute of Chartered Accountants of India. He has been a Partner with S. R. Batliboi & Associates LLP since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. He was also the National Head of Assurance Services for Ernst & Young in India from 2002 to 2011 and thereafter, he headed the Eastern India's business operations for E & Y, including Bangladesh, Nepal, Bhutan, etc. He was a director of Ernst & Young India Pvt. Ltd. and a senior member of the leadership team of Ernst & Young in India. He was a member of the Central Council of the Institute of Chartered Accountants of India during the years 1991-1997 and was a member of the Advisory Committee, Government of India, Ministry of Finance, Department of Company Affairs for the years 1996 to 1998. He is a former Director of The Institute of Internal Auditors, USA as well as the Past President of The Institute of Internal Auditors, India. Mr. Agarwal has over 40 years post qualification experience in various fields like Audit, Taxation, Company Law, Consultancy, etc. He has got wide exposure of various industries, including Steel, Paper, Cement, Automobiles, Textile, Milk & Dairy Products, etc. both in India and abroad.

Mr. Agarwal has been actively associated with the Lions Clubs International since 1978 and was the District Governor of District-322B in the year 1989-90. He was also the Vice Chairman of Lions Coordination Committee of India in the year 1990-91.

Mr. Agarwal has been connected with various Chambers of Commerce like Confederation of Indian Industries (CII), Indian Chamber of Commerce, Bengal Chamber of Commerce and Industry, Indo-American Chamber of Commerce, Indo-Italian Chamber of Commerce, etc. as Committee Chairman/Executive Committee Member, Permanent Invitee, etc. He has served as the Chairman of Services, Economic Affairs, Company Law and Taxation Sub-Committees of CII (Eastern Region) before being the Chairman of CII (Eastern Region) in 2012-13. He was the National Chairman of Direct Tax Sub-Committee of CII in the year 2013-14.

He is the Vice Chairman of Indian Cancer Society, West Bengal and Past President of Calcutta Society for Management Studies. Mr. Agarwal is also a member of various clubs like Bengal Club, Tollygunge Club, Bengal Rowing Club, etc.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. Ram Krishna Agarwal is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

Item No. 5:

Mr. Phaneesh Murthy was appointed as Additional Director on 30.06.2017, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive & Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, proposing the candidature of Mr. Phaneesh Murthy for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Phaneesh Murthy as 'Independent Director' for a term up to 29.07.2023, and pass the resolution set out at Item No. 5. The appointment of Mr. Phaneesh Murthy is required to be made in compliance with the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, Mr. Phaneesh Murthy fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

Brief profile of Mr. Phaneesh Murthy:

Mr. Phaneesh Murthy, global IT industry veteran, who spearheaded the growth story of companies like Infosys and iGate, has joined the board of Cigniti Technologies Ltd as Independent Director. Mr. Phaneesh is a business leader with 25 years of experience in structuring and managing large outsourcing deals for Fortune 500 companies. Phaneesh's previous roles include CEO & President of iGate Corporation and Worldwide Head of Sales and Marketing, Head of Communications, and Product Solutions Group at Infosys Ltd. He also consults for various businesses. Phaneesh is widely recognized as an Industry pioneer in propelling organizations to an all-round, multifold growth, and helping them reach leadership positions.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. Phaneesh Murthy is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 5 for approval of the Members.

Item No. 6:

Ms. Nooraine Fazal was appointed as Additional Director on 30.06.2017, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive & Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, proposing the candidature of Ms. Nooraine Fazal for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Ms. Nooraine Fazal as 'Independent Director' for a term up to 29.07.2023, and pass the resolution set out at Item No. 6. The appointment of Ms. Nooraine Fazal is required to be made in compliance with the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, Ms. Nooraine Fazal fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and she is independent of the management.

Brief profile of Ms. Nooraine Fazal:

Ms. Nooraine Fazal is the Managing trustee, CEO and Co-Founder of Inventure Academy. Nooraine has a Master of Science degree in Management from Boston University. Nooraine worked with IBM and Reuters for a period of 10 years in a front-line and managerial capacity. Post a period of introspection about the future, Nooraine returned to India in 2003 (after twelve years across the UK, USA, Middle East, Australia and the Greater China region) in order to be a 'citizen with a say' in the way the country is developing. The result is an educational institution that incorporates much of what Nooraine believes education must be about, and promises robust, life-long development of the individual. Nooraine Fazal believes that individuality is to be celebrated, not discouraged; everyone is capable of being a life-long learner and employing the skills and knowledge they have acquired; everyone has the potential to achieve their life's ambition – beliefs that translate into the core values at Inventure Academy.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Ms. Nooraine Fazal is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 6 for approval of the Members.

Item No. 7:

Mr. Srinath Batni was appointed as Additional Director on 24.08.2017, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive & Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, proposing the candidature of Mr. Srinath Batni for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Srinath Batni as 'Independent Director' for a term up to 29.07.2023, and pass the resolution set out at Item No. 7. The appointment of Mr. Srinath Batni is required to be made in compliance with the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, Mr. Srinath Batni fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

Brief profile of Mr. Srinath Batni:

Mr. Srinath Batni is a global IT industry veteran. Mr. Srinath Batni is a Co-Founder of Axilor Ventures. Mr. Batni served as Group Co-Head of Worldwide Customer Delivery at Infosys Limited. He served as Head-Delivery (GCARE) and Head of Strategic Groups & Co-Customer Delivery at Infosys Limited. From 1996 to 2000, he served as Senior Vice President and Head-Retail and Telecommunications Business Unit of Infosys Limited. He has been an Independent Director at AXISCADES Engineering Technologies Limited since August 08, 2014. He serves as Director of Infosys Technologies China (Shanghai) and Infosys Technologies Australia Pty Limited, subsidiaries of Infosys Technologies Ltd. Mr. Batni served as Whole-Time Director of Infosys Limited from May 2000 to July 31, 2014. Mr. Batni received a B.E. in Mechanical Engineering from Mysore University and an M.E. in Mechanical Engineering from the Indian Institute of Science, Bangalore.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. Srinath Batni is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 7 for approval of the Members.

Item No. 8

Mr. K. Ch. Subba Rao was appointed as Independent Director by members in the Annual General Meeting held on 19.09.2014, in terms of Section 149 of the Companies Act, 2013, in the category of 'Non-Executive & Independent Director' for a term of 5 years up to 31.03.2019. The Board proposed to redesignate Mr. K. Ch. Subba Rao as Non-Executive Director. In terms of Section 152 and other applicable provisions of the Companies Act, 2013, the aforesaid appointment requires approval of shareholders hence the Board recommends the Special Resolution as set out at item no. 8 for approval of the Members.

Brief profile of Mr. K. Ch. Subba Rao:

Mr. K. Ch. Subba Rao is a post graduate in science and has got varied experience in Real Estates and other related activities. He has 3 decades of rich experience in real estate and logistic business. He is a successful entrepreneur who co-founded one of South India's largest transport and logistics organization which continue to grow stronger since inception. He is associated with the Company over one and half decade making contribution towards the growth of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. K. Ch. Subba Rao is concerned or interested, financially or otherwise, in this Resolution.

Item No. 9

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

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

Accordingly, it is proposed that in terms of section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid, for each of the three consecutive financial years commencing June 30, 2017, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

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

The Board accordingly commends the resolution set out at Item No. 9 of the Notice for your approval.

Item No. 10

As per Section 88 of the Companies Act, 2013 ('Act') the following registers are required to be kept and maintained by a company:

i. Register of Members;

ii. Register of debenture holders; and

iii. Register of any other security holders.

As per provisions of Section 94(1) and other applicable provisions of the Act, the aforementioned registers maintained by the Company under Section 88 of the Act and copies of the annual returns filed under Section 92 of the Act, are required to be kept and maintained at the Registered Office of the Company. However, such registers or copies of returns may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance. Hence, the approval of the members is sought in terms of Section 94(1) of the Act for keeping all or any of the aforementioned registers and returns at the Corporate office of the Company at 6th Floor, Orion Block, The V Ascendas, Plot No#17, Software Units Layout, Madhapur, Hyderabad-500081 or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company. The Company affirms that more than one-tenth of its members reside in and around Hyderabad i.e. the place at which the registers and returns are proposed to be kept and maintained. A copy of the proposed special resolution set out above will be delivered to the concerned Registrar of Companies in advance.

None of the Directors or Key Managerial Personnel of the Company, and/or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. Your Board recommends passing of the resolution as set out at Item No. 10 as a Special Resolution.

Item No. 11

Mr. C. Srikanth, Director of the Company was appointed as a Director & CEO of Cigniti Technologies Inc. USA, a wholly owned subsidiary of the Company, with effect from May 31, 2017. The said subsidiary being material and major contributor for turnover of the Company on consolidated basis, the Board felt the necessity to accelerate the subsidiary's operations and achieve its vision hence decided to position Mr. C. Srikanth at USA who possesses the necessary expertise and experience and appointed him as Director & CEO of Cigniti Technologies Inc. USA. Considering these facts and increased involvement of Mr. C. Srikanth, the Board of Directors of the Company approved a remuneration of $ 6.00 Lakhs from Cigniti Technologies Inc; USA (Dollar Six Lakhs only) per anum or such remuneration as may be decided by the Board of Directors of the Company from time to time.

Pursuant to the provision of Section 188 (1) (f) of the Companies Act, 2013 (the "Act") read with Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014, consent of the shareholders is, inter alia, required by passing a Special Resolution, where a Director holds an office or place of profit in any subsidiary of the Company. Mr. C. Srikanth is a Non-Executive Director and also a Director & CEO on the board of the wholly owned subsidiary company who is a related party as per Section 2(76)(i) of the Companies Act, 2013.

Further the members are informed that the aforesaid remuneration paid by Cigniti Technologies Inc; USA being foreign company will not be governed by Indian Companies Act & its provisions. However, for better corporate Governance and transparency, the Board recommends your approval by passing the special resolution as set out at Item No.11 of the notice.

Save and except Mr. C. Srikanth and his relative Mr. C. V. Subramanyam, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise.

Item No. 12

The Company was in receipt of requests from (i) Mr. Pennam Sudhakar (ii) Mrs. Pennam Sapna (iii) Mr. Kukunuru Samba Siva Rao (iv) Mr. Kukunuru Kumar Bapuji Promoters of the Company, for reclassification from Promoter category to Public category under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015').

Details of their shareholding in the Company are as under:

Sr. No	Name of applicants	No. of Equity Shares held as on 31.03.2018	% of Share holding
1.	Pennam Sudhakar	5,22,470	1.92
2.	Pennam Sapna	37,69,000	13.83
3.	Kukunuru Kumar Bapuji	3,26,000	1.20
4.	Kukunuru Samba Siva Rao	16,60,842	6.10

The aforesaid shareholders are leading their lives and occupations independently and are not connected, directly or indirectly, whatsoever, with any activity of the Company. Further, they do not have any control over the affairs or the decision making process of the Company. They do not hold any position of Key Managerial Personnel in the Company and do not have any special rights through formal or informal arrangements with the Company or Promoters or any person in the Promoter Group. They are also never privy to any price sensitive information of the Company.

Hence the Board of Directors have approved and recommended the above reclassification for your approval by passing Special Resolution as set out at Item No. 12 of this Notice.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise, in the aforesaid resolution.

For and on behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: May 21, 2018

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

BOARD'S REPORT

Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2018. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL SUMMARY:

The performance during the period ended March 31, 2018 has been as under:

(₹ in Lakhs)

Particulars	2017-2018		2016-2017	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	69,417.15	24,617.58	61,949.48	27,494.85
Total Expenditure	66,123.16	21,793.55	1,00,646.48	45,339.17
Profit (Loss) Before Tax	3,293.99	2,824.03	(38,697.00)	(17,844.32)
Provision for Tax	76.66	282.96	785.69	883.66
Profit (Loss) after Tax	**3,217.33**	**2,541.07**	**(39,482.69)**	**(18,727.98)**
Other Comprehensive Income, Net of Tax	73.27	(129.92)	412.26	143.98
Total Comprehensive Income	**3,144.06**	**2,670.09**	**(39,894.95)**	**(18,871.96)**
Balance Carried to Balance Sheet	3,144.06	2,670.99	(39,894.95)	(18,871.96)

REVIEW OF OPERATIONS:

The total revenue of the Company for the financial year under review on consolidated basis was ₹ 69,417.15 lakhs as against ₹ 61,949.48 lakhs for the previous financial year. The company recorded a net profit of ₹ 3,217.33 lakhs for the financial year 2017-18 as against the net loss of ₹ 39,482.69 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2017-18 was ₹ 24,617.58 lakhs as against ₹ 27,494.85 lakhs for the previous financial year. The net profit for the financial year 2017-18 is ₹ 2,541.07 Lakhs as against the net loss of ₹ 18,727.98 lakhs for the previous year.

FUTURE PROSPECTS & OUTLOOK

In the wake of Digital Transformation wave, organizations of all sizes, globally are witnessing rapid changes in the psyche of their digitally-empowered and omni-channel customers. Increasing product quality expectations with declining patience levels is mandating the need to deliver a premium customer experience assuring software quality at high speeds. We at Cigniti are the World's largest Independent Quality Engineering company bringing the power of AI to Agile and DevOps, to accelerate the Digital Transformation for our clients. With our current positioning and market leadership in Quality Engineering, we find ourselves in an extremely favourable spot in the ecosystem and on an aggressive growth path.

In the past two years, the profile of testing services industry has changed; it is no longer about undertaking testing in a more professional way, based on employing career testers only. It is also about scale, automation and adoption of rapid development methodologies. Leading industry analysts such as Gartner, Forrester, NelsonHall and others have reiterated that specialized testing services market will continue to grow. And we are seeing this acceptance across all geographies which are translating into business deal wins for us. Analysts also have continued to recognize us as Leaders in the Quality Engineering space.

To maintain our position as leaders in Quality Engineering, we continue to forge newer partnerships while foraying into diverse new industry verticals and sub-verticals in an attempt to increase not just the breadth but also the depth of our presence. Our newly appointed board of directors, armed with multi-decades of industry experience are playing a crucial role in shaping our vision and aligning the organization to stay relevant in the market. We have continued to get 4/4 on Client satisfaction index from a huge majority of our customers and this strong trust of clients is helping us win new business, mostly in form of client referrals which are culminating into multimillion-dollar accounts.

These are exciting times for Cigniti with a very strong business revenue pipeline, heightened focus on sales and marketing while we continue to file new patents for our proprietary innovation & intellectual property. We have aggressive targets for growth and profitability and look forward to a great year ahead.

DIVIDEND

Though the Company made profits for the current year, there are unabsorbed carry forward losses, hence your Directors regret their inability to recommend dividend for the year under review. However, once the reserves are build and your Company achieves the leadership position, a generous Dividend policy can be adopted.

RESERVES

The company has not transferred any amount to the reserves.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) 110 on consolidated financial statements, your Directors have provided the consolidated financial statements for the financial year ended March 31, 2018 which forms part of the Annual Report.

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

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

Cigniti Technologies Inc., USA, (Foreign WOS)
Cigniti Technologies (Canada) Inc., (Foreign WOS)
Cigniti Technologies (UK) Limited, UK (Foreign WOS)
Cigniti Technologies (Australia) Pty. Limited, Australia (Foreign WOS)
Gallop Solutions Private Limited (Indian WOS)
Cigniti Technologies Limited, South Africa (Foreign Branch)

During the year under review, Cigniti Software Services Private Limited, a wholly owned subsidiary Company has been struck off from the records of Ministry of Corporate Affairs by Registrar of Companies, Hyderabad due to inactivity. There were no business operations carried out in this subsidiary. Also, the Company was unable to reach out to the erstwhile Directors for regularising the records. As there is no utility value in the said Company and the investments made during the earlier years were negligible, the Board of Directors of the Holding Company, Cigniti Technologies Limited approved the proposal of writing off the investments and removing the Company from Subsidiary list.

Further the Board of Directors of the Holding Company M/s. Cigniti Technologies Limited has considered the proposal of management for shutting down the operations of Cigniti Technologies (New Zealand) Limited, New Zealand, a wholly owned subsidiary Company as there is no adequate visibility for the line of business operated by the Company. Also considering the Company's expansion strategy in the America and the Europe region and also to eliminate the burning of cash, the Board approved the proposal of the Management for closure of Cigniti Technologies (New Zealand) Limited, New Zealand, a wholly owned subsidiary Company.

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

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

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company has adopted the Indian Accounting Standards with effect from April 01, 2017. Accordingly the Company has restated and reported the financials for the previous year as per Indian Accounting Standards.

STATUTORY AUDITORS AND AUDITORS REPORT

In the previous Annual General meeting, (19^{th} AGM) the Company has appointed M/s. S R Batiliboi & Associates, LLP, as statutory auditors of the Company to hold office until the conclusion of 24^{th} Annual General meeting of the Company. The Company has already received a letter from them to the effect that their ratification, if made by the shareholders, would be with in the prescribed limits and that they are not disqualified for re-appointment with in the meaning of Companies Act, 2013 and other applicable provisions. The Board of Directors recommended their re-appointment ratification for the financial year 2018-19.

The Auditors' Report for the financial year 2017-18 is enclosed with the financial statements in this Annual Report. Further the report does not contain any qualifications or comments.

INTERNAL AUDIT

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Board has appointed M/s. Sarath & Associates, Chartered Accountants, Hyderabad as internal Auditors in its meeting held on May 21, 2018. Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board.

DIRECTOR'S RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Changes in Directors:

During the year under review, Mr. Ram Krishna Agarwal, Mr. Phaneesh Murthy and Ms. Nooraine Fazal were appointed as Additional Directors w.e.f 30.06.2017 and Mr. Srinath Batni w.e.f. 24.08.2017 in the category of Independent Directors to hold office up to the ensuing Annual General meeting of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint existing additional directors as Independent Directors on the Board of the Company for a term up to five consecutive years. Notice has been received from a Member proposing candidature of the aforesaid Directors for the office of Independent Directors of the Company. In the opinion of the Board, they fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

Further Mr. K. Ch. Subba Rao was appointed as Independent Director by members in the Annual General Meeting held on 19.09.2014, in terms of Section 149 of the Companies Act, 2013, in the category of 'Non-Executive & Independent Director' for a term of 5 years up to 31.03.2019. The Board proposed to redesignate Mr. K. Ch. Subba Rao as Non-Executive Director and recommended the same for your approval.

Mr. C. Srikanth will retire by rotation at the ensuing Annual General Meeting in terms of Section 152 and any other applicable provisions of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Details of appointment/re-appointment of the director:

S. No.	Name of the Director	Date of Appointment	Qualifications	No of shares held	Directorships held in other companies
1	Ram Krishna Agarwal	30/6/2017	Chartered Accountant	Nil	1. Bengal NRI Complex Ltd 2. South City Projects (Kolkata) Limited 3. SREI Infrastructure Finance Limited 4. RKA Advisory Services Private Limited 5. Electro Steel Castings Ltd 6. Emami Cement Limited

S. No.	Name of the Director	Date of Appointment	Qualifications	No of shares held	Directorships held in other companies
2	Phaneesh Murthy	30/6/2017	B'Tech in Mechanical Engineering, MBA from IIM, Ahmedabad	Nil	1. Global Edge Software Limited 2. Igate Technology Services Private Limited 3. PM Ventures Private Limited 4. P M Health & Life Care Private Limited
3	Nooraine Fazal	30/6/2017	Masters degree in Management from Boston University	Nil	Nil
4	Srinath Batni	24/8/2017	Masters in mechanical engineering	Nil	1. Global Edge Software Limited 2. Axiscades Engineering Technologies Limited 3. Axilor Ventures Private Limited
5	K. Ch. Subba Rao	21/5/2018	Master of Science	25000	1. Inspiria-Const & Developers Private Limited 2. Pixetron Video Display Solutions Private Limited
6	C. Srikanth	16/9/2013	MS in computer science, PG in Management Program	2500000	1. Gallop Solutions Private Limited 2. Aasaanpay Solutions India Private Limited 3. Tvarita Capital Private Limited

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

POLICIES

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website (https://www.cigniti.com/investors/policies). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Name of the policy	Brief Description	Website link
Board Diversity Policy	At Cigniti, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	https://www.cigniti.com/investors/Policies/board-diversity- policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	https://www.cigniti.com/investors/ Policies/Nomination& Remuneration Policy.pdf
Corporate Social Responsibility Policy	The policy is framed to outline the formation of the committee which directs the Company in implementing the programs relating to education and any other program as the Board may think fit.	https://www.cigniti.com/investors/ Policies/ corporate social responsibility policy.pdf
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	https://www.cigniti.com/investors/ Policies/ Material subsidiaries.pdf
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	https://www.cigniti.com/investors/ Policies/ Related party transaction policy.pdf

CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Cigniti, we believe, a sound corporate governance is critical to enhance and retain investor trust. The goal of corporate governance is to ensure fairness information about the Company for every stakeholder. Our disclosures seek to attain the best practices in international Corporate Governance. A separate section on Corporate Governance for fiscal 2018 forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered during the financial year were disclosed in form AOC-2 and is attached as Annexure which forms part of Annual report. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to Note 34 to the financial statement which sets out related party disclosures and Annexure to this report.

PARTICULARS OF EMPLOYEES:

A table containing the particulars in accordance with the provisions of section 197(12) of the act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure A to this report.

A statement containing the name of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakhs or more, or employed for part of the year and in receipt of ₹ 5 lakhs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure B to this report.

EMPLOYEE STOCK OPTION SCHEME

Details of the options up to 31st March 2018 are set out in the Annexure-C to this report, as required under clause 12 of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014.

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is included as Annexure D and forms part of this Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/ its businesses and the group practices.

The details of familiarisation programme held in FY 2017-18 are also disclosed on the Company's website at https://www.cigniti.com/investors/familiarisation programme.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial personnel) Rules 2014, the Board had appointed Mr. S. Sarveswar Reddy, Practicing Company Secretary to undertake the secretarial audit of the Company for the year 2017-18. The report of the Secretarial Auditor is enclosed as Annexure E and forms part of this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY:

With the mission to discover once again the social responsibility of developing economic, social and environmental capital towards sustainability, Cigniti crafted CSR projects in achieving the mission. Your Company believes and strives hard in sustainable development of society in which the enterprise draws economic and natural resources by enriching its capacity in contributing to the significant positive change in the economy. The CSR committee has been formed to achieve the mission and implement the CSR objectives.

The Company has adopted the CSR policy and budget outlay of ₹ 42 Lakhs has been approved by the Board of Directors for the year 2017-18 and the entire amount has been spent towards the Corporate Social Responsibility programme. For the year 2018-19, the average profits for the preceeding three financial years is ₹ 41.45 lakhs which has been approved by CSR Committee as budget outlay to be spent towards CSR program.

The details on CSR corpus and amount spent, projects for which funds are utilized have been disclosed as part of Corporate Governance Report.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

Your Company has not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources which needs to be absorbed or adapted.

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: ₹ 2,30,45,05,930/-

Foreign Exchange Outgo: ₹ 9,16,43,492/-

MECHANISM FOR EVALUATION OF THE BOARD

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given evaluation forms of the following:

(i) Evaluation of Board;

(ii) Evaluation of Committees of the Board;

(iii) Evaluation of Independent Directors;

(iv) Evaluation of Chairperson;

(v) Evaluation of Non-Executive and Non-Independent Directors; and

(vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. fair;
2. satisfactory; and
3. very satisfactory.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

BOARD MEETINGS:

During the year 2017-18, five Board meetings were held, the details of which are given in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of loans, guarantees or investments made under section 186 of the companies Act, 2013 are given in the note to the financial statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

SHARE CAPITAL:

During the year, your Company has allotted 7,38,499 equity shares of ₹ 10/- each to employees under Cigniti ESOP scheme. Consequently, the paid up share capital of the Company has increased to ₹ 27,24,80,290/- divided into 2,72,48,029 equity shares of ₹ 10/- each.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

INSURANCE:

The properties and assets of your Company are adequately insured. Further the Directors have been adequately covered under D & O policy.

RISK MANAGEMENT POLICY:

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable US Securities laws. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website (https://www.cigniti.com/investors/insider-trading-policy.pdf)

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

ACKNOWLEDGEMENTS:

The Board thanks customers, vendors, investors and bankers for their continued support during the year. It places on record its appreciation of the contribution made by employees of the company at all levels. The Board thanks the governments of various countries where the company has operations. It also thanks the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, and other government agencies for their support, and looks forward to their continued support in the future.

The Board also wishes to place on record its appreciation of business constituents like SEBI, BSE, NSE, NSDL, CDSL etc. for their continued support for the growth of the Company.

For and on behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: May 21, 2018

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

AOC 1

Statement containing the salient features of the financial statements of subsidiaries pursuant to section 129(3) of Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014.

Name of the Subsidiary	Cigniti Technologies Inc	Cigniti Technologies (UK) Ltd	Cigniti Technologies (Australia) Pty Ltd	Cigniti Technologies (Canada) Ltd	Cigniti Technologies (NZ) Limited	Gallop Solutions Private Limited	Cigniti Software Services Pvt. Ltd.	Cigniti Technologies Limited (SA) Branch
Financial period ended	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Exchange Rate	64.92	91.09	49.89	50.36	46.96	1	1	1
Share Capital	26,164,890	77,880,759	43,159,138	50	47	1,00,000	1,00,000	-
Reserves & Surplus	(1,331,965,289)	(149,764,954)	(172,709,831)	(9,754,381)	(1,809,762)	6,123,530	242,385	(24,58,27,019)
Total Assets	1,381,502,689	246,315,609	37,432,392	71,501,909	15,379,515	6,223,530	342,385	33,85,190
Total Liabilities	1,381,502,689	246,315,609	37,432,392	71,501,909	15,379,515	6,223,530	342,385	24,92,12,209
Investments	-	-	-	-	-	-	-	-
Turnover	5,513,895,132	639,517,462	152,362,800	259,540,133	20,160,177	561,312	-	-
Profit/Loss before Tax	40,159,740	3,143,941	(254,903)	856,100	(1,044,109)	43,314	43,247	(14,45,93,338)
Provision for Taxation	(21,122,021)	-	-	-	245,517 -		-	-
Profit/Loss After Tax	61,281,761	3,143,941	(254,903)	856,100	(1,289,526)	43,314	43,247	(14,45,93,338)
Proposed Dividend	-	-	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	-

AOC-2

Particulars of contracts / arrangements made with related parties

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

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

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

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

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as follows

<table>
<tr><th>Name of related party</th><th>Nature of Relationship</th><th>Duration of Contract</th><th>Salient terms (1)</th><th>Amount (₹ in crore)</th></tr>
<tr><td>Cigniti Technologies Inc. USA</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td rowspan="5">All type of support services at cost incurred by the holding Company plus 20% mark up:
· Testing Services
· Human resources services
· Financial & Accounting support services
· Legal & Compliance
· Other: Provision of any other services as may be agreed in writing between the Parties from time to time</td><td>176.68</td></tr>
<tr><td>Cigniti Technologies (UK) Limited</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>25.15</td></tr>
<tr><td>Cigniti Technologies (Australia) Pty Limited</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>2.70</td></tr>
<tr><td>Cigniti Technologies (Canada) Inc</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>4.22</td></tr>
<tr><td>Cigniti Technologies NZ Ltd</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>0.32</td></tr>
</table>

ANNEXURE A – INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES

(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No	Disclosure requirement	Disclosure Details	
i.	Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:	Executive Directors	Ratio to median remuneration
		Mr. C. V. Subramanyam	5.23
		Mr. C. Srikanth*	5.23
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year	Directors, Chief Executive Officer, Company Secretary and Manager	% increase in remuneration in the financial year
		Mr. C. V. Subramanyam	Nil
		Mr. C. Srikanth	Nil
		Mr. Krishnan Venkatachary	Nil
		Mrs. A. N. Vasudha	Nil

***Mr. C. Srikanth was re-designated as non-executive Director w.e.f. May 31, 2017 hence the remuneration shown above is only for two months**

iii. Percentage increase/ (decrease) in the median remuneration of employees in the financial year 2017-18- Nil

iv. Number of permanent employees on the rolls of the company as on March 31, 2018: 1480

v. Explanation on relationship between average increase in remuneration & Company performance

The average increase in employee remuneration effected during the year 2017-18 was Nil. The individual increments are based on individual and company's performance during the previous financial year viz., 2016-17. The other factors considered for revision in remuneration will be industry standards, functional expertise standards, etc.

The net revenue from the operations of the Company for the year 2017-18 was decreased by 11.67%. For the current year the Company has made a net profit of ₹ 2541.07 lakhs and the market capitalization decreased by 57.9% compared to the previous year 2016-17.

A direct co-relation of employee remuneration and company performance as envisaged in the Rules is not feasible considering the qualitative factors involved in measuring performance.

vi. Comparison of remuneration of Key Managerial Personnel against the performance of the Company

Aggregate remuneration of key managerial Personnel (KMP) in FY 2017-18 (₹ In Crores)	2.21
Revenue (₹ in Crores)	246.18
Remuneration of KMPs (as % of revenue)	0.89
Profit before Tax (PBT) (₹ in Crores)	28.24
Remuneration of KMP (as % of PBT)	7.83

vii. Variations in the market capitalization of the company and price earnings ratio as at the closing date of the current financial year and previous financial year

Particulars	31.03.2018	31.03.2017
Market Capitalization of the Company (₹ In Crores)	645.50	1,018.23
Closing Price at the National Stock Exchange Ltd (in ₹)	236.90	384.10
Price Earnings Ratio as at the closing date	25.15	(4.75)

vii. Percentage increase over decrease in market quotations of the shares of the Company in comparison with the last public offer

Not applicable as the public offer was in 2004 and the data is incomparable.

viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in salaries of employees was Nil. Increase in the managerial remuneration for the year was Nil.

ix. Comparison of each remuneration of the key managerial personnel against the performance of the Company

	Mr. C. V. Subramanyam Chairman & Managing Director	**Mr. C. Srikanth** Whole-time Director	**Mr. Krishnan** Chief Financial Officer	**Mrs. A. N. Vasudha** Company Secretary
Remuneration in FY 2017-18 (₹ In crore)	1.2	0.2	0.77	0.07
Revenue (₹ in crores)	246.18	246.18	246.18	246.18
Remuneration as % of revenue	0.49	0.08	0.31	0.03
Profit before Tax(PBT) (₹ in crores)	28.24	28.24	28.24	28.24
Remuneration (as % of PBT)	4.25	0.71	2.73	0.25

x. The key parameters for any variable component of remuneration availed by the Directors:

Not applicable as there is no variable component of remuneration availed by the Directors.

xi. Ratio of remuneration of the highest paid director of that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year:

Not Applicable as no employee is receiving remuneration in excess of the highest paid Director.

xii. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company is in compliance with its remuneration policy.

ANNEXURE B – INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES

(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There are no employees drawing remuneration aggregating to ₹ 1.02 crores per anum employed during the year 2017-18 and no employees drawing remuneration to ₹ 8.5 lakhs per month employed for the part of financial year.

ANNEXURE C TO THE DIRECTOR'S REPORT

Pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and Regulation 14 of SEBI (Share based Employee Benefits) Regulations, 2014 as amended, the details of stock options as on March 31, 2018 under company's Employee Stock Option Schemes are as under:

Sr. No.	Description	Esop Scheme 2011	Esop Scheme 2013	Esop Scheme 2014(I)	ESOP Scheme 2014(II)
a	Total Options granted	15,00,000	10,00,000	4,67,000	5,00,000
b	Pricing formula	Intrinsic	Intrinsic	Intrinsic	Intrinsic
c	Options vested during the year	6,22,130	1,09,095	96,750	-
d	Options exercised during the year	4,05,130	1,09,095	99,274	1,25,000
e	Total number of shares arising as a result of exercise of options	4,05,130	1,09,095	99,274	1,25,000
f	Options lapsed during the year	107,400	Nil	25,500	-
g	Variation in terms of options	N.A	N.A	N.A	N.A.
h	Money realized by exercise of options during the year	₹ 40,51,300	₹ 10,90,950	₹ 992,740	₹ 12,50,000
i	Total number of options in force	2,30,980	Nil	1,15,000	3,75,000
j	Employee wise details of options granted during the year :	Nil	Nil	Nil	Nil
(i)	Senior managerial personnel	Nil	Nil	Nil	Nil
(ii)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil	Nil	Nil	Nil
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil	Nil	Nil
k	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 33 – Earning per share.	9.42	9.42	9.42	9.42
l	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Refer No. 32 of Notes to standalone financial statements			
m	Weighted-average exercise prices and weighted-average fair values of options, whose exercise price either equals or exceeds or is less than the market price of the stock	Refer No. 32 of Notes to standalone financial statements			
n	Description of the method and significant assumptions used during the year to estimate the fair values of options.	Refer No. 32 of Notes to standalone financial statements			

Annexure D

MGT 9

Extract of Annual Return
as on the Financial Year 31.03.2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Software Testing	NA	100%

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Gallop Solutions Private Limited	U72400TG2005PTC045529	Subsidiary (Wholly Owned)	100%	2 (87)
2.	Cigniti Software Services Private Limited	U72200TG2006PTC052180	Subsidiary (Wholly Owned)	100%	2 (87)
3.	Cigniti Technologies (Canada) INC.	---	Subsidiary (Wholly Owned)	100%	2 (87)
4.	Cigniti Technologies (UK) Limited, UK	---	Subsidiary (Wholly Owned)	100%	2 (87)
5.	Cigniti Technologies INC., USA	---	Subsidiary (Wholly Owned)	100%	2 (87)
6.	Cigniti Technologies (NZ) Limited	---	Subsidiary (Wholly Owned)	100%	2 (87)
7.	Cigniti Technologies (Australia) Pty. Limited, AUS	---	Subsidiary (Wholly Owned)	100%	2 (87)

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

i) Category-wise Shareholding;-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	82,55,230	-	82,55,230	31.14	82,46,630	-	82,46,630	31.11	(0.03)
Central Govt	-	-	-	-	-	-	-	-	-
State Govt (s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	**82,55,230**	**-**	**82,55,230**	**31.14**	**82,46,630**	**-**	**82,46,630**	**31.11**	**(0.03)**
(2) Foreign									
a) NRIs - Individuals	48,68,027	-	48,68,027	18.36	46,17,470	-	46,17,470	17.42	(0.94)
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**48,68,027**	**-**	**48,68,027**	**18.36**	**46,17,470**	**-**	**46,17,470**	**17.42**	**(0.94)**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,31,23,257**	**-**	**1,31,23,257**	**49.5**	**1,28,64,100**	**-**	**1,28,64,100**	**48.53**	**(0.97)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	12,285	-	12,285	0.05	5,000	-	5,000	0.01	(0.03)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	2,206	-	2,206	0.01	-	-	-	-	(0.01)
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others (specify)	17,951	-	17,951	0.07	17,500	-	17,500	0.06	(0.01)
SubTotal	**32,442**	**-**	**32,442**	**0.12**	**22,500**	**-**	**22,500**	**0.07**	**(0.05)**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	18,05,120	1,000	18,06,120	6.81	16,97,217	-	16,97,217	6.23	(0.58)
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	36,98,065	1,23,806	38,21,871	14.42	41,18,964	1,85,674	43,04,638	15.8	1.38
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	60,78,315	3,93,095	64,71,410	24.41	69,44,305	8,79,155	78,23,460	28.71	4.3
c) Others (specify)									
Clearing Members	12,06,111	-	12,06,111	4.55	4,46,182	-	4,46,182	1.64	(2.91)
Non Resident Indians	46,699	-	46,699	0.18	67,236	-	67,236	0.16	(0.02)
NBFC	1,609	-	1,609	0.01	-	-	-	-	-
Trust	11	-	11	-	11	-	11	-	-
Sub-total (B)(2):-	**1,28,35,930**	**5,17,901**	**1,33,53,831**	**50.37**	**1,33,14,100**	**1064829**	**1,43,78,929**	**52.77**	**2.4**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1,28,68,372**	**5,17,901**	**1,33,86,273**	**50.49**	**1,33,19,100**	**1064829**	**1,43,83,929**	**52.79**	**2.3**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,59,91,629**	**5,17,901**	**2,65,09,530**	**100%**	**2,61,83,200**	**10,64,829**	**2,72,48,029**	**100%**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	Pennam Sapna	37,69,000	0	37,69,000	14.22	37,69,000	0	37,69,000	13.83	(0.39)
2	Chakkilam Venkata Subramanyam	29,58,485	0	29,58,485	11.16	29,58,485	0	29,58,485	10.86	(0.30)
3	Chakkilam Srikanth	25,00,000	0	25,00,000	9.43	25,00,000	0	25,00,000	9.17	(0.26)
4	Kukunuru Kumar Bapuji	3,29,000	0	3,29,000	1.24	3,26,000	0	3,26,000	1.2	(0.04)
5	C Rajeswari	11,27,303	0	1,127,303	4.25	11,27,303	0	11,27,303	4.14	(0.11)
6	Pennam Sudhakar	7,70,027	0	7,70,027	2.9	5,22,470	0	5,22,470	1.92	(0.98)
7	Kukunuru Sambhasiva Rao	16,69,442	0	16,69,442	6.3	16,60,842	0	16,60,842	6.1	(0.20)

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
1	**Pennam Sapna**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	37,69,000	14.22	37,69,000	13.83
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	37,69,000	14.22	37,69,000	13.83
2	**C. V. Subramanyam**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	29,58,485	11.16	2958485	10.86
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2016 to 31-03-2017. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	29,58,485	11.16	2958485	10.86
3	**C. Srikanth**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	25,00,000	9.43	25,00,000	9.17
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	25,00,000	9.43	25,00,000	9.17
4	**K. Kumar Bapuji**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	3,29,000	1.24	3,26,000	1.2
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc):	The change in the total shareholding is due to sale of shares and allotment of shares on exercise of ESOPs.			
	At the End of the year	3,29,000	1.24	3,26,000	1.2
5	**C. Rajeswari**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	11,27,303	4.25	11,27,303	4.14
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	11,27,303	4.25	11,27,303	4.14

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
6	**Pennam Sudhakar**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	7,70,027	2.9	522470	1.92
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc):	The difference in % is due to sale of shares. However adequate disclosures being made.			
	At the End of the year	7,70,027	2.9	522470	1.92
7	**Kukunuru Sambha Siva Rao**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	1669442	6.3	1660842	6.1
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase	The difference in % is due to sale of shares. However adequate disclosures being made.			
	At the End of the year	1669442	6.3	1660842	6.1

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	AT THE BEGINNING OF THE YEAR				
1	Venu Manohar Rao Rangineni	9,21,555	3.48	5,52,338	2.03
2	Religare Securities Ltd	7,15,083	2.70	7,39,050	2.71
3	Prabhudas Lilladher Private Limited	2,94,045	1.11	3,67,281	1.35
4	Anjana Bangad	2,56,907	0.97	-	-
5	C. Midhun Chand	1,89,508	0.71	5,52,178	2.03
6	Atluri Naga Deepthi	1,75,000	0.66	1,75,000	0.64
7	Urmila Markila	1,59,112	0.6	1,90,637	0.7
8	S.Lakshmi	1,55,200	0.59	1,53,200	0.56
9	S.L.N.Prasad	1,55,200	0.49	-	-
10	Aditya Bangad	1,28,800	0.43	-	-
	AT THE END OF THE YEAR				
1	Religare Securities Ltd	7,15,083	2.70	7,39,050	2.71
2	Venumanohar Rao Rangineni	9,21,555	3.48	5,52,338	2.03
3	C Mithun Chand	1,89,508	0.71	5,52,178	2.03
4	Prabhudas Lilladher Financial Services Pvt. Ltd.	1800	0.01	4,18,091	1.53
5	Prabhudas Lilladher Private Limited	2,94,045	1.11	3,67,281	1.35
6	Anjana Bangad	2,56,907	0.97	2,58,751	0.95
7	Urmila Markila	1,59,112	0.60	1,90,637	0.70

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Atluri Naga Deepthi	1,75,000	0.66	1,75,000	0.64
9	S. Lakshmi	1,55,200	0.59	1,53,200	0.56
10	Manikonda Venugopal	-	-	1,43,665	0.53

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**C. V. Subramanyam**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	29,58,485	11.16	29,58,485	10.86
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	29,58,485	11.16	29,58,485	10.86
2	**C. Srikanth**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	25,00,000	9.43	25,00,000	9.17
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	25,00,000	9.43	25,00,000	9.17
3	**K. Ch. Subba Rao**	**No. of Shares**	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
	At the beginning of the year	25,000	0	25,000	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	There is no change in the total shareholding between 01-04-2017 to 31-03-2018. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	25,000	0	25,000	0
4	**V. Krishnan**	**No. of Shares**	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
	At the beginning of the year	18,750	0	18,750	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	During the year 2017-18, ESOPs have been vested and exercised.			
	At the end of the year	18,750	0	18,750	0

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	41,40,25,993	21,62,10,000	-	63,02,35,993
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**41,40,25,993**	**21,62,10,000**	**-**	**63,02,35,993**
Change in Indebtedness during the financial year				
Addition	6,78,28,007	-	-	6,78,28,007
Reduction	-	5,66,00,000	-	(5,66,00,000)
Net Change	4,62,96,590	15,96,10,000	-	20,59,06,590
Indebtedness at the end of the financial year	-	-	-	
i) Principal Amount	43,55,57,410	15,96,10,000	-	59,51,67,410
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**43,55,57,410**	**15,96,10,000**	**-**	**59,51,67,410**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager:			Total Amount
		C. V. Subramanyam MD	C. Srikanth WTD		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	₹ 10,00,000*12 =1,20,00,000	₹ 10,00,000*2 =20,00,000	-	₹ 1,40,00,000
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - Others, specify...	-	-	- - -	
5	Others, please specify	-	-		
6	Total (A)	1,20,00,000	20,00,000		1,40,00,000
7	Ceiling as per the Act	1,20,00,000	1,20,00,000		2,40,00,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni	Mr. Phaneesh Murthy	Mr. K. Ch. Subba Rao	
	1. Independent Directors						
	• Fee for attending board / committee meetings •	9,00,000	8,00,000	6,00,000	-	-	23,00,000
	Commission •				-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	9,00,000	8,00,000	6,00,000	-	-	23,00,000
	2. Other Non-Executive Directors • Fee for attending board / committee meetings •commission • Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	9,00,000	8,00,000	6,00,000	-	-	23,00,000
	Total Managerial Remuneration	9,00,000	8,00,000	6,00,000			1,63,00,000
	Overall Ceiling as per the Act	-	-				2,40,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in ₹ except stock option)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (A. Naga Vasudha)	CFO (V. Krishnan)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	7,20,000	74,75,000	81,95,000
2.	Stock Option	-	-	18,750	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify	-	-	-	-
6.	**Total**	**-**	**7,20,000**	**74,75,000**	**81,95,000**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Annexure E

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To
The Members of
M/s. Cigniti Technologies Limited

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Cigniti Technologies Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Cigniti Technologies Limited ("The Company") for the financial year ended on March 31, 2018, according to the provisions of:

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

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

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

    iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company under the financial year 2017-18.

    i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**

    ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.cigniti.com.

    iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**

    iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; the ESOPS issued under various schemes were exercised in the following manner:

CIGNITI - ESOP Scheme	**4,05,130**	**(31.01.2018)**
CIGNITI - ESOP Scheme 2013	**1,09,095**	**(31.01.2018)**
CIGNITI - ESOP Scheme 2014 (I)	**99,274**	**(31.01.2018)**
CIGNITI - ESOP Scheme 2014 (II)	**1,25,000**	**(31.01.2018)**

v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review**.

vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review**.

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted / proposed to delist its equity shares during the year under review**.

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review**.

ix. Other applicable laws include the following:

- Information Technology Act 2000
- Software Technology Park of India Rules and Regulations
- The Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Income Tax Act, 1961
- Indian Stamp Act, 1899
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Shops and Establishments Act, 1948

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) During the year the Company has conducted 5 meetings of the Board of Directors, 4 meetings of the Audit committee, 3 meetings of Nomination & Remuneration Committee, 2 Meetings of Stakeholder Relationship Committee, 1 meeting of the CSR Committee, 1 meeting of the Risk Management Committee and 4 Independent Directors meetings. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;

- Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs / ADRs or any Commercial Instrument under the financial year under report.

We further report that:

i. The Company has a CFO, Mr. Krishnan Venkatachary and a Company Secretary namely Mrs. A. N. Vasudha.

ii. The company has internal auditors M/s. Sarath & Associates, Chartered Accountants in compliance with the provisions of the Companies Act.

iii. The website of the company contains several policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.

iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

v. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

vii. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

viii. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For **S. S. Reddy & Associates**
S. Sarveswar Reddy
Proprietor
C. P. No: 7478

Place: Hyderabad
Date: May 21, 2018

Annexure A

To
The Members of
M/s. Cigniti Technologies Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **S. S. Reddy & Associates**
S. Sarveswar Reddy
Proprietor
C. P. No: 7478

Place: Hyderabad
Date: May 21, 2018

CORPORATE GOVERNANCE

CTL is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is backed by principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. CTL's Corporate Governance policies ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants viz employees, investors, customers, regulators etc. The Company respects the inalienable rights of the shareholders to information on the performance of the Company. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2018. The Report is updated as on the date of the report wherever applicable.

1. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman & Managing Director. As on date of this report, the Board of Directors of the Company has 7 members (including four independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advice and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships / committee chairmanships / memberships attendance particulars is as under:

Sl. No	Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies		Attendance Particulars		
						Last AGM 30.06.2017	Board meetings 2017-18	
				Member	Chairman		held	attended
1	Mr. C. V. Subramanyam	Promoter Chairman & Managing Director	2	-	-	Yes	5	5
2	Mr. C. Srikanth	Non-Executive Director	3	-	-	Yes	5	5
3	Mr. K. Ch. Subba Rao	Non-Executive Director	2	-	-	Yes	5	5
4	Mr. K. Nageswara Rao#	Independent & Non-Executive Director	-	-	-	Yes	1	1
5	Mrs. K. Krishna Priya#	Independent & Non-Executive Director	1	-	-	No	1	0
6	Mr. Ram Krishna Agarwal*	Independent & Non-Executive Director	6	-	-	NA	4	3
7	Mr. Phaneesh Murthy*	Independent & Non-executive Director	3	-	-	NA	4	4
8	Ms. Nooraine Fazal*	Independent & Non-executive Director	0	-	-	NA	4	3

Sl. No	Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies		Attendance Particulars		
						Last AGM 30.06.2017	Board meetings 2017-18	
				Member	Chairman		held	attended
9	Mr. Srinath Batni**	Independent & Non-executive Director	3	-	-	NA	3	2

\# Resigned w.e.f 30.06.2017

* Appointed w.e.f. 30.06.2017

** Appointed w.e.f. 24.08.2017

Except Mr. C. V. Subramanyam, Chairman & Managing Director and Mr. C. Srikanth, Director of the Company who are inter-se related as father and son, none of the Directors are inter-se related to each other.

B. MEETINGS DURING THE YEAR

During the year, the Board of Directors duly met 5 (Five) times on 17.05.2017, 30.06.2017, 24.08.2017, 25.10.2017 and 31.01.2018 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

During the year under review, the Board of Directors have approved the sale of BlueSwan product by circular resolution dated 07.03.2018 which was ratified by the Board in its subsequent meeting.

C. INDEPENDENT DIRECTORS' MEETING

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, separate meetings of the Independent Directors of the Company (without the attendance of Non-Independent directors) were held on 30.06.2017, 24.08.2017, 25.10.2017 and 31.01.2018 to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

D. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All independent Directors attend an orientation program. The details of training and familiarization program are available on company's website (https://www.cigniti.com/investors/Familiarzationprogram). Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The terms and conditions of appointment is available on our website (https://www.cigniti.com/investors/termsandconditionsforappointmentofindependent-director.pdf).

2. AUDIT COMMITTEE (Constituted in terms of Sec 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  a. Any changes in accounting policies and practices;
  b. Qualification in draft audit report;

c. Significant adjustments arising out of audit;

d. The going concern concept;

e. Compliance with accounting standards;

f. Compliance with stock exchange and legal requirements concerning financial statements and

g. Any related party transactions

- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr. Ram Krishna Agarwal* (Chairman)	Independent Non-Executive	3	17.05.2017
Mr. Phaneesh Murthy* (member)	Independent Non-Executive	3	24.08.2017
Mr. C. V. Subramanyam* (member)	Managing Director	3	25.10.2017
Mr. Srinath Batni ** (member)	Independent Non-Executive	2	31.01.2018
Mr. K. Nageswer Rao# (member)	Independent Non-Executive	1	
Mr. K. Ch. Subba Rao # (member)	Independent Non-Executive	1	
Mrs. K. Krishna Priya #	Independent Non-Executive	0	

*Appointed w.e.f. 30.06.2017

** Appointed w.e.f. 24.08.2017

Resigned w.e.f. 30.06.2017

C. Previous Annual General Meeting of the Company was held on June 30, 2017 and Mr. K. Ch. Subba Rao, Chairman of the Audit Committee for that period, attended previous AGM.

3. NOMINATION AND REMUNERATION COMMITTEE

(Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR Regulations, 2015)

The Committee comprises of three Non-Executive independent Directors as on date of this report.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

- To approve the fixation / revision of remuneration of Executive Directors of the Company and while approving:

a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. COMPOSITION OF THE COMMITTEE

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr. Srinath Batni** (Chairman)	Independent & Non-Executive	2	24.08.2017 25.10.2018 31.01.2018
Mr. Phaneesh Murthy* (Member)	Independent & Non-Executive	3	
Ms. Nooraine Fazal* (Member)	Independent & Non-Executive	3	
Mr. C. V. Subramanyam* (Member)	Promoter & Executive	3	
Mr. C. Srikanth* (Member)	Promoter & Non-Executive	3	
Mr. K. Ch. Subba Rao# (Chairman)	Independent & Non-Executive	NA	
Mr. K. Nageswara Rao# (Member)	Independent & Non-Executive	NA	
Mrs. K. Krishna Priya# (Member)	Independent & Non-Executive	NA	
Mr. Mani Subramanian # (Member)	Independent & Non-Executive	NA	

*Appointed w.e.f. 30.06.2017
**Appointed w.e.f. 24.08.2017
Resigned w.e.f. 30.06.2017

C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. **Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become

Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. **Terms and References:**

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 read with Regulation 16 (1) (b) of SEBI LODR Regulations, 2015)

3. **Policy:**

3.1 Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The independent Director shall abide by the "code for independent Directors" as specified in Schedule IV to the companies Act, 2013.

3.3 Other directorships / committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he/she is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he/she holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "Key Managerial Personnel" means

(i) The Chief Executive Office or the managing director or the manager;

(ii) The Company Secretary;

(iii) The Whole-Time Director;

(iv) The Chief Finance Officer; and

(v) Such other office as may be prescribed under the Companies Act, 2013

2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations, 2015).

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non-Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

3.2.2 Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

D. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2017-18 AND OTHER DISCLOSURES

Name of the Director	Salary (₹) P.A	Sitting fees (₹)	Number of shares held
Mr. C. V. Subramanyam	1.20 Crores	Nil	29,58,485
Mr. C. Srikanth	0.2 Crores	Nil	25,00,000
Mr. Ram Krishna Agarwal	-	0.09 crores	-
Mr. Phaneesh Murthy	Nil	Nil	Nil
Ms. Nooraine Fazal	-	0.08 crores	-
Mr. Srinath Batni	-	0.06 crores	-
Mr. K. Ch. Subba Rao	Nil	Nil	25,000
Mr. K. Nageswara Rao #	Nil	Nil	Nil
Mrs. K. Krishna Priya #	Nil	Nil	Nil

Resigned w.e.f. 30.06.2017

E. MECHANISM FOR EVALUATION OF THE BOARD

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given evaluation forms of the following:

(i) Evaluation of Board;

(ii) Evaluation of Committees of the Board;

(iii) Evaluation of Independent Directors;

(iv) Evaluation of Chairperson;

(v) Evaluation of Non-Executive and Non-Independent Directors; and

(vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. fair;
2. satisfactory; and
3. very satisfactory.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

4. STAKEHOLDER'S RELATIONSHIP COMMITTEE

(Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015)

A. COMPOSITION AND ATTENDANCE FOR MEETINGS

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Ms. Nooraine Fazal *(Chairperson)	Independent & Non-Executive	2	24.08.2017 31.01.2018
Mr. Ram Krishna garwal*(Member)	Independent & Non-Executive	2	
Mr. C. Srikanth*(Member)	Promoter & Non-Executive	2	
Mr. K. Ch. Subba Rao #(Chairman)	Independent & Non-Executive	NA	
Mr. K. Nageswara Rao # (Member)	Independent & Non-Executive	NA	
Mrs. K. Krishna Priya # (Member)	Independent & Non-Executive	NA	

*Appointed w.e.f. 30.06.2017

Resigned w.e.f. 30.06.2017

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. A. N. Vasudha, Company Secretary, is the compliance officer of the Company.

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2017-18

During the financial year 2017-18, no complaints were received from the shareholders.

Ms. A. N. Vasudha, Company Secretary & Compliance officer, is the Secretary of all Board Committees.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee, formed under Section 135 of the Companies Act, 2013, comprises 4 members with two Independent Director and two executive Directors.

COMPOSITION

Name of the Director	Position	Category
Ms. Nooraine Fazal*	Chairperson	Independent & Non-Executive
Mr. Srinath Batni**	Member	Independent & Non-Executive
Mr. C. V. Subramanyam	Member	Promoter & Executive
Mr. C. Srikanth*	Member	Promoter & Non-Executive
Mr. K. Ch. Subba Rao #	Chairman	Independent Non-Executive
Mr. Nageswara Rao #	Member	Independent Non-Executive

*Appointed w.e.f. 30.06.2017

** Appointed w.e.f. 24.08.2017

Resigned w.e.f. 30.06.2017

Brief Description of Terms of Reference

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR policy.
- To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or appropriate for performance of its duties.

S. No	CSR Project or Activity Identified	Location	Amount Outlay (Budget) (₹ in Lakhs)	Amount spent on the programs	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
1	Project 511*	Hyderabad	₹ 42 Lakhs	₹ 42 Lakhs	₹ 73 Lakhs	Direct

During the year under review, the Committee met on 24.08.2017 and discussed the CSR plan and areas of CSR activities for spending the budgeted amount of ₹ 42 lakhs.

6. RISK MANAGEMENT COMMITTEE

A) COMPOSITION:

The details of composition of the Committee are given below:

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

Appointed w.e.f. 30.06.2017

Resigned w.e.f. 30.06.2017

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

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of Risk Management
- Validating the procedure for Risk Minimization
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to Risk Assessment and Risk Management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

7. GENERAL BODY MEETINGS

A. LOCATION, DATE AND TIME OF LAST THREE AGMs AND SPECIAL RESOLUTIONS THEREAT AS UNDER:

NO. OF AGM AND FY	DATE OF MEETING	VENUE	TIME	SPECIAL RESOLUTION PASSED
19th AGM 2016-17	30.06.2017	The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	10.00 A.M.	yes
18th AGM 2015-16	28.09.2016	The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	10.00 A.M.	yes
17th AGM 2014-15	30.09.2015	The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	11.00 A.M.	yes

No Extra-ordinary General Meetings were held during the year 2017-18.

8. DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions with in the limits. Transactions with the Related Parties as required under Indian Accounting Standard (Ind AS) 24 are disclosed in Note No. 34 of the standalone financial statements forming part of this Annual Report.

B. COMPLIANCES

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

C. WHISTLE BLOWER POLICY (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Declaration on Code of Conduct for the year 2017-18

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2018 as envisaged in Regulation 26(3) of the Listing Regulations.

For and on behalf of the Board
C. V. Subramanyam
Chairman & Managing Director
(Din:00071378)

Place: Hyderabad
Date: May 21, 2018

E. Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

F. Non-Executive Directors' Compensation and Disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

G. CEO / CFO Certification

The Managing Director and CEO / CFO certification of the financial statements for the year 2017-18 is provided elsewhere in this Annual Report.

H. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISLOSURE REQUIREMENTS) REGULATIONS, 2015.

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.

ii. The Financial Statements are free from any Audit Qualifications.

iii. At present, other non-mandatory requirements have not been adopted by the Company.

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at www.cigniti.com. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

10. GENERAL SHAREHOLDER INFORMATION

The following information would be useful to the shareholders:

A) TWENTIETH ANNUAL GENERAL MEETING

Date and Time	:	July 30, 2018, at 10.00 A.M
Venue	:	Hall No. 5 & 6, Novotel & HICC Complex (Near Hitech city), P.O. Bag 1101, Cyberabad Post Office, Hyderabad-500081

B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates : 2017-18

Financial calendar : 2018-19

Adoption of Quarterly results for the Quarter ending

- June 30, 2018 : July 30/31, 2018
- September 30, 2018 : October 31, 2018
- December 31, 2018 : January 31, 2019
- March 31, 2019 : May 3, 2019

Annual General Meeting (Next year) : July / August, 2019

C) BOOK CLOSURE DATE

July 24, 2018 to July 30, 2018 (both days inclusive)

D) LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd. The Company has paid the listing fees for the year 2017-18 to both the Stock Exchanges.

E) STOCK CODE

EXCHANGE	CODE
National Stock Exchange of India	CIGNITITEC
BSE Ltd	534758

F) ELECTRONIC CONNECTIVITY

Demat ISIN number: INE675C01017

NATIONAL SECURITIES DEPOSITORY LIMITED
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

25th Floor, A Wing, Marathon Futurex,
Mafatlal Mills Compound, N M Joshi Marg,
Lower Parel (E), Mumbai - 400 013.

G) MARKET PRICE DATA

The monthly high / low prices of shares of the Company from April, 2017 to March, 2018 at BSE and NSE:

MONTH	BSE		NSE	
	High(₹)	Low (₹)	High (₹)	Low(₹)
April 2017	385	309.3	387	308.5
May 2017	344	244.9	337	245.5
June 2017	336.7	255	329	256.05
July 2017	330	265.05	316.75	263
August 2017	275.15	161.45	277.75	156.45
September 2017	265	211	264.5	210
October 2017	292.5	235	293.9	234
November 2017	270	227.5	270.05	222.15
December 2017	309.35	260	323	245
January 2018	300	270	299	270
February 2018	294	240	295	240
March 2018	269	234	270	232.1

H) REGISTRARS AND TRANSFER AGENTS

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

I) SHARE TRANSFER SYSTEM

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks.

J) Shareholding pattern as on March 31, 2018

Category Code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	**Shareholding of Promoter and Promoter Group**				
	Indian				
a.	Individuals/Hindu Undivided Family	82,46,630	30.27	27,79,600	33.71
b.	Central Government/State Government(s)	-	-	-	-
c.	Bodies Corporate	-	-	-	-
d.	Financial Institutions/Banks	-	-	-	-
	Others :-	-	-	-	-
e.	Mutual Funds	-	-	-	-
f.	Trusts	-	-	-	-
	Sub Total (A)(1)	**46,17,470**	**30.27**	**27,79,600**	**33.71**
(2)	Foreign				
a.	Individuals (Non Resident Individuals/ Foreign Individuals)	1,28,64,100	47.21	8,88,000	19.23
b.	Bodies Corporate	-	-	-	-
c.	Institutions	-	-	-	-
	Others :-	-	-	-	-
d.	Overseas Corporate Bodies	-	-	-	-
	Sub Total (A)(2)	**46,17,470**	**16.95**	**8,88,000**	**19.23**
	Total Shareholding of Promoter and Promoter Group				
	(A)=(A)(1)+(A)(2)	**1,28,64,100**	**47.21**	**36,67,600**	**13.84**
(B)	**Public Shareholding**				
(1)	**Institutions**				
a.	Mutual Funds/UTI	-	-	-	-
b.	Financial Institutions/Banks	5,000	0.02	-	-
c.	Central Government/State Government(s)	-	-	-	-
d.	Venture Capital Funds	-	-	-	-
e.	Insurance Companies	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-

Category Code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
h.	Foreign Companies	-	-	-	-
	Sub Total (B)(1)	**5,000**	**0.02**	**-**	**-**
2	**Non-Institutions**				
a.	Bodies Corporate	16,97,217	6.23	-	-
b.	Individuals				
	i) Individual shareholders holding nominal share capital upto ₹2 lakh	43,04,638	15.8	-	-
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	78,23,460	28.71	-	-
c.	Any Others : -				
	i) Non Resident Individuals	67,236	0.25	-	-
	ii) Overseas Corporate Bodies	-	-	-	-
	iii) Trusts	11	-	-	-
	iv) Employees	-	-	-	-
	v) Clearing Members	12,06,111	4.55	-	-
	vi) Foreign Nationals	17,500	0.06	-	-
	Sub Total (B)(2)	**1,33,53,831**	**50.37**	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,33,86,273	50.5	-	-
	Total (A)+(B)	**2,72,48,029**	**100**	**36,67,600**	**13.46**
(C)	**Shares held by Custodians and against Depository Receipts have been Issued**	**-**	**-**	**-**	**-**
	Grand Total (A)+(B)+(C)	**2,72,48,029**	**100**	**36,67,600**	**13.46**

K) Distribution of Shareholding as on 31.03.2018

Range (₹)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	3,086	69.22	3,82,309	1.4
5001 - 10000	389	8.73	3,13,346	1.15
10001 - 20000	262	5.88	3,94,256	1.45
20001 - 30000	139	3.12	3,51,329	1.29
30001 - 40000	89	2	3,14,678	1.15
40001 - 50000	66	1.48	3,08,086	1.13
50001 - 100000	189	4.24	13,44,342	4.93
100001 & Above	238	5.34	2,38,39,683	87.49
TOTAL	4,458	100	2,72,48,029	100

L) DEMATERIALISATION & LIQUIDITY OF SHARES

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE675C01017. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the Company are actively traded in BSE Limited and NSE. Hence have good liquidity.

Particulars	No. of Shares	% Share Capital
NSDL	1,34,11,758	49.22
CDSL	1,27,71,442	46.87
PHYSICAL	10,64,829	3.91
Total	2,72,48,029	100.00

M) Address for Correspondence

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

On behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: May 21, 2018

C. V. Subramanyam
Chairman & Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Cigniti Technologies Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Cigniti Technologies Limited ("the company") for the year ended 31st March, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited and National Stock Exchange of India Limited.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad

Date: 21.05.2018

For **S.S. Reddy & Associates**

Sd/-
S. Sarveswara Reddy
Proprietor
C.P.No: 7478

CERTIFICATE BY THE MD AND CFO OF THE COMPANY

To
The Board of Directors
Cigniti Technologies Limited

Dear Sirs,

As required under Regulation 17(8) of SEBI LODR Regulations, 2015), we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and to the best of our knowledge and belief;
   a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
   b. These statements present a true and fair view of the company's affairs and are in compliance with the existing Indian Accounting Standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
   a) Significant changes in the internal control during the year;
   b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

Yours Sincerely,

Place: Hyderabad	**C. V. Subramanyam**	**Krishnan V**
Date: May 21, 2018	Chairman & MD	Chief Financial Officer

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as Director on the Board of the Company. I further declare that I will not enter into any such relationship / transactions. However, if and when I intend to enter into such relationships / transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship /transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

 (i) the statutory audit firm or the internal audit firm that is associated with the Company and

 (ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date: May 21, 2018
Place: Hyderabad

Phaneesh Murthy
(Independent Director)

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as Director on the Board of the Company. I further declare that I will not enter into any such relationship / transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship / transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date: May 21, 2018
Place: Hyderabad

Ram Krishna Agarwal
(Independent Director)

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as Director on the Board of the Company. I further declare that I will not enter into any such relationship / transactions. However, if and when I intend to enter into such relationships / transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship /transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date: May 21, 2018
Place: Hyderabad

Nooraine Fazal
(Independent Director)

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as Director on the Board of the Company. I further declare that I will not enter into any such relationship / transactions. However, if and when I intend to enter into such relationships / transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship /transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date: May 21, 2018
Place: Hyderabad

Srinath Batni
(Independent Director)

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Cigniti Technologies Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS 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, 2018 the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by 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, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose Ind AS financial statements include total assets of ₹ 3,771.95 lakhs and net liabilities of ₹ 2,064.33 lakhs as at March 31, 2018 and total revenues of ₹ 10,721.42 lakhs and net cash inflows of ₹ 71.56 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

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

(b) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 prepared in accordance with Ind AS, included in these Consolidated Ind AS Financial Statements, have been audited by the predecessor auditor who had audited the Consolidated Financial Statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening consolidated balance sheet dated May 18, 2018 expressed an unmodified opinion.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, 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 Ind AS Financial Statements;

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

(e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who is appointed under Section 139 of the Act, of its subsidiary company, incorporated in India, none of the other directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these financial statements of the Holding Company, refer to our separate report in "Annexure 1" to this report. According to the information and explanations given by the Management, the provisions of the section 143(3)(i) are not applicable to its subsidiary company incorporated in India;

g) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements - Refer Note 38(C) to the consolidated Ind AS financial statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2018.

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

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: May 21, 2018

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

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Cigniti Technologies Limited as of and for the year ended March 31, 2018 we have audited the internal financial controls over financial reporting of Cigniti Technologies Limited (hereinafter referred to as the "Holding Company") as of that date. According to the information and explanations given by the Management, the provisions of the Section 143(3)(i) are not applicable to its subsidiary company incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these 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 Over Financial Reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018 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 issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: May 21, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	685.81	884.16	2,846.01
Capital work-in-progress	3	-	-	6,434.29
Goodwill	3	5,486.22	5,486.22	5,486.22
Other intangible assets	3	-	-	5,807.95
Financial assets				
Loans	4	340.14	349.70	381.70
Other non-current financial assets	5	15.96	24.04	-
Deferred tax asset, net	11	-	496.12	99.88
Other non-current assets	10	140.00	148.20	12,509.09
		6,668.13	**7,388.44**	**33,565.14**
Current assets				
Financial assets				
Loans	4	1,779.84	1,695.16	50.80
Trade receivables	6	11,467.55	10,349.38	11,148.48
Cash and cash equivalents	7	1,789.15	1,582.52	397.46
Bank balances other than cash and cash equivalents	8	44.42	43.89	19.56
Other current financial assets	5	19.54	7.86	16.75
Current tax assets, net	9	25.84	136.08	187.89
Other current assets	10	2,010.03	1,587.16	16,241.99
		17,136.37	**15,402.05**	**28,062.93**
Total assets		**23,804.50**	**22,790.49**	**61,628.07**
Equity and liabilities				
Equity				
Equity share capital	12	2,724.80	2,650.95	2,549.92
Other equity	13			
Securities premium		26,218.83	23,192.21	18,970.98
Share based payment reserve		2,004.09	3,479.21	5,792.87
Retained earnings and other comprehensive income		(30,259.46)	(33,403.52)	6,491.43
		688.26	**(4,081.15)**	**33,805.20**
Non-current liabilities				
Financial liabilities				
Borrowings	14	1,481.48	2,037.04	-
Long term provisions	18	649.49	523.37	280.08
Deferred tax liability, net	11	-	-	236.92
		2,130.97	**2,560.41**	**517.00**
Current liabilities				
Financial liabilities				
Short term borrowings	15	11,101.37	11,884.65	11,841.12
Trade payables	16	5,424.49	5,229.53	9,922.90
Other current financial liabilities	17	632.79	620.73	-
Short term provisions	18	178.12	151.00	117.61
Current tax liability, net	19	1,621.88	2,911.71	3,641.31
Other current liabilities	20	2,026.62	3,513.61	1,782.93
		20,985.27	**24,311.23**	**27,305.87**
Total equity and liabilities		**23,804.50**	**22,790.49**	**61,628.07**
Summary of significant accounting policies	**2.3**			

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

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	21	69,328.14	61,925.63
Other income	22	66.09	18.53
Finance income	23	22.92	5.32
Total income		**69,417.15**	**61,949.48**
Expenses			
Employee benefits expense	24	47,009.80	45,132.52
Other expenses	25	17,145.15	19,000.43
Depreciation and amortisation expense	26	270.70	1,695.82
Finance costs	27	1,697.51	1,609.79
Total expenses		**66,123.16**	**67,438.56**
Profit/(loss) before exceptional items and tax		**3,293.99**	**(5,489.08)**
Exceptional items	28	-	33,207.92
Profit/(loss) before tax		3,293.99	(38,697.00)
Tax expenses	29		
Current tax		3.21	952.39
Taxes for earlier years		(422.68)	383.75
Deferred tax expense/ (credit)		496.13	(550.45)
Total tax expense		76.66	785.69
Net profit/(loss) for the year		**3,217.33**	**(39,482.69)**
Other Comprehensive Income (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		203.19	268.28
		203.19	**268.28**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (gains)/losses on employee defined benefit plans		(129.92)	220.18
Income tax effect		-	(76.20)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(129.92)**	**143.98**
Total other comprehensive income for the year, net of tax		**73.27**	**412.26**
Total comprehensive income for the year, net of tax		**3,144.06**	**(39,894.95)**
Earnings/ (loss) per share	30		
Basic, computed on the basis of profit attributable to equity holders of the parent		12.08	(151.13)
Diluted, computed on the basis of profit attributable to equity holders of the parent		11.92	(151.13)
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

a. Equity share capital

Equity Shares of ₹ 10 each, issued, subscribed and fully paid	No.	₹
As at April 01, 2016	**254.99**	**2,549.92**
Add: Issued during the year-ESOP (refer note 12)	10.10	101.03
As at March 31, 2017	**265.09**	**2,650.95**
Add: Issued during the year-ESOP (refer note 12)	7.39	73.85
As at March 31, 2018	**272.48**	**2,724.80**

b. Other equity

	Other components of equity					Total
	Reserves and surplus			Other comprehensive income		
	Securities Premium	Share based payment reserve	Retained earnings	Foreign Currency Translation Reserve (FCTR)	Actuarial gains / (losses)	
As at April 01, 2016	**18,970.98**	**5,792.87**	**6,517.78**	**-**	**(26.35)**	**31,255.28**
Loss for the year	-	-	(39,482.69)	-	-	(39,482.69)
Transfer from retained earnings to foreign currency translation reserve	-	-	(457.80)	457.80	-	-
Other comprehensive income, net of tax	-	-	-	(268.28)	(143.98)	(412.26)
Issue of equity shares on exercise of employee stock options	4,221.23	(4,221.23)	-	-	-	-
Share-based payment expense	-	1,907.57	-	-	-	1,907.57
As at March 31, 2017	**23,192.21**	**3,479.21**	**(33,422.71)**	**189.52**	**(170.33)**	**(6,732.10)**
Profit for the year	-	-	3,217.33	-	-	3,217.33
Other comprehensive income, net of tax	-	-	-	(203.19)	129.92	(73.27)
Issue of equity shares on exercise of options	3,026.62	(3,026.62)	-	-	-	-
Share-based payment expense	-	1,551.50	-	-	-	1,551.50
As at March 31, 2018	**26,218.83**	**2,004.09**	**(30,205.38)**	**(13.67)**	**(40.41)**	**(2,036.54)**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2018

		Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities			
Profit/ (loss) before tax		**3,293.99**	**(38,697.00)**
Adjustment to reconcile profit/(loss) before tax to net cash flows:			
Exceptional item - Impairment loss		-	33,207.92
Depreciation and amortisation expense		270.70	1,695.82
Interest income		(22.92)	(5.32)
Interest expense and factoring charges		1,640.10	1,609.79
Loss on sale of property, plant and equipment		-	19.90
Share based payment expense		1,551.50	1,907.57
Liabilities no longer required written back		(66.09)	(18.53)
Provision for doubtful trade receivables		392.10	246.94
Bad debts written off		132.71	624.64
Operating profit before working capital changes		**7,192.09**	**591.73**
Movements in working capital			
Increase/(decrease) in trade payables		194.95	(4,693.36)
(Decrease)/increase in other liabilities		(1,486.99)	1,730.68
Increase in provisions		283.16	56.50
Increase in trade receivables		(1,576.89)	(53.95)
(Increase)/decrease in other assets		(274.67)	1,166.81
Increase in loans		(75.12)	(1,612.36)
Cash generated from/ (used in) operations		**4,256.53**	**(2,813.95)**
Direct taxes paid (net of refunds)		(760.12)	(2,013.93)
Net cash generated from/ (used in) operating activities	**(A)**	**3,496.41**	**(4,827.88)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(301.31)	(278.36)
Redemption/(investment) in bank deposits (having remaining maturity of more than twelve months)		8.08	(24.04)
Investment in bank deposits (having remaining maturity of less than twelve months)		(0.53)	(24.33)
Interest received		11.24	14.21
Net cash used in investing activities	**(B)**	**(282.52)**	**(312.52)**

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2018

		Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from financing activities			
Proceeds from exercise of employee stock options		73.85	101.03
Proceeds from long term borrowings		-	2,500.00
Repayment from long term borrowings		(462.96)	-
Interest and factoring charges paid		(1,631.68)	(1,579.81)
Bill discounting with bank, net		(416.61)	4,425.04
Proceeds from short term borrowings		900.00	457.96
Repayment of short term borrowings		(1,342.91)	(607.57)
Net cash (used in)/ generated from financing activities	(C)	(2,880.31)	5,296.65
Net increase in cash and cash equivalents	(A+B+C)	333.58	156.25
Exchange differences on translation of foreign operations		(203.19)	(268.28)
Cash and cash equivalents at the beginning of the year		65.22	177.25
Cash and cash equivalents at the end of the year		**195.61**	**65.22**
Components of cash and cash equivalents			
Cash on hand		0.07	1.74
Balances with banks			
Current accounts		1,789.08	1,580.78
Cash credit facility		(1,593.54)	(1,517.30)
Total cash and cash equivalents (refer note 8.1)		**195.61**	**65.22**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of Cigniti Technologies Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ended March 31, 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Dwarakapuri Colony, Panjagutta, Hyderabad. The Group is principally engaged in providing software testing services across the world.

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on May 21, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). These Consolidated Financial Statements for the year ended March 31, 2018 are the first Consolidated Financial Statements the Group has prepared in accordance with Ind AS. Refer to note 41 for information on how the Group adopted Ind AS.

The Consolidated Financial Statements have been prepared on a historical cost basis. 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, 2018. 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
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

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

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

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

Consolidation procedures:

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

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

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

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

Group Information:

Information about subsidiaries

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

Name	Principal activities	Place and Country of operation	% equity interest		
			March 31, 2018	March 31, 2017	April 1, 2016
Cigniti Technologies Inc	Software testing services	USA	100%	100%	100%
Cigniti Technologies (UK) Limited	Software testing services	UK	100%	100%	100%
Cigniti Technologies (Australia) Pty Ltd	Software testing services	Australia	100%	100%	100%
Cigniti Technologies (Canada) Inc	Software testing services	Canada	100%	100%	100%
Cigniti Technologies (NZ) Limited	Software testing services	New Zealand	100%	100%	100%
Gallop Solutions Inc.*	Software testing services	USA	-	-	100%
Cigniti Inc.*	Software testing services	USA	-	-	100%
Cigniti Software Services Private Limited**	Software testing services	India	-	100%	100%
Gallop Solutions Private Limited	Software testing services	India	100%	100%	100%

* On November 30, 2016, Cigniti Technologies Inc., along with Cigniti Inc., an Iowa domestic profit corporation and Gallop Solutions Inc., a Texas domestic profit corporation entered into a definitive agreement and plan of merger, with an intent to affect a tax-free reorganization under all applicable laws. Pursuant to the merger, the entire business and all the assets and liabilities, duties and obligations of Cigniti Inc. and Gallop Solutions Inc. have been transferred to and vested in Cigniti Technologies Inc., with effect from December 30, 2016.

**Cigniti Software Services Private Limited, a wholly owned subsidiary of the Company, has been struck off by MCA and the Company will not revive the subsidiary company. Consequently, the investment has been written off during the current year.

2.3 Summary of significant accounting policies

(a) Use of Estimates

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 35. 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

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment (please refer note 41).

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

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

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

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

Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right

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

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

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

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

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

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

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

(c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(d) Foreign currencies

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

Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

Group Companies

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

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

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

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

(e) Fair value measurement

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

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

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

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

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

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

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

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

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

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Goods and Service Tax (GST)/ service tax is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed price" basis.

Revenue from software services performed on a "Time and material" basis is recognised as and when services are performed.

The Group also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

Unbilled revenue included in other current assets represents revenues in excess of amounts billed to clients as at the balance sheet date.

Interest Income

For all debt instruments measured either at amortised cost or at Fair Value Through Other Comprehensive Income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(g) Taxes

Current income tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

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

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

GST paid on acquisition of assets or on incurring expenses

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

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

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

(h) Property, plant and equipment

Under the Indian GAAP, property, plant and equipment and capital work in progress were carried in the balance sheet at cost of acquisition, net of accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The Group has elected to regard those values of property, plant and equipment as deemed cost at the date of the acquisition since there is no change in the functional currency as on the date of transition to Ind AS i.e. April 01, 2016. The Group regards the carrying value as deemed cost at the transition date i.e. April 01, 2016.

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

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

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

Depreciation

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

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

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

(i) Intangible assets

Under the Indian GAAP, intangible assets were carried in the balance sheet at cost of acquisition, net of accumulated depreciation and accumulated impairment losses. The Group has elected to regard those values of intangible assets as deemed cost at the date of the acquisition since there is no change in the functional currency as on the date of transition to Ind AS i.e. April 01, 2016. The Group regards the carrying value as deemed cost at the transition date i.e. April 01, 2016.

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.

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

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

Intangible assets	Useful lives
Software licenses	Finite (3 years)
Software tools	Finite (3 years)

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

(j) Borrowing Cost

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

(k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(l) Impairment of non-financial assets

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

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

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

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

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

(m) Provisions, Contingent Liabilities and Commitments

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

Contingent liability is disclosed in the case of:

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

The Group does not recognize a contingent liability but discloses its existence in the financial statements.

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

(n) Retirement and other employee benefits

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

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

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

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

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

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

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

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

Short term employee benefits

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

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

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

(o) Share-based payments

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

Equity-settled transactions

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

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

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

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

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

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

(p) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at Fair Value Through Profit or Loss (FVPTL), transaction costs that are attributable to the acquisition of the financial asset. 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 Group commits to purchase or sell the asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in OCI subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

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

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

    i. the Group has transferred substantially all the risks and rewards of the asset, or

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at FVPTL

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

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

Financial liabilities designated upon initial recognition at FVPTL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at FVPTL.

Loans and borrowings

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

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

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

(q) Cash and cash equivalents

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

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

(r) Cash dividend to equity holders of the parent

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(s) Segment information

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

(t) Corporate Social Responsibility

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

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3. PROPERTY, PLANT AND EQUIPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS

	Property, plant and equipment								Goodwill	Other intangible assets		
	Buildings	Electrical Equipments	Leasehold improvements	Furniture & Fixtures	Office Equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment	Goodwill (refer note 3.1)	Software License	Software Tools	Total other intangible assets
Cost												
As at April 1, 2016 (Deemed cost)	193.53	107.92	102.32	365.25	106.46	1,952.38	18.15	2,846.01	5,486.22	246.66	5,561.29	5,807.95
Additions	-	79.10	-	15.24	4.86	287.05	-	386.25	-	-	5,374.47	5,374.47
Disposals	-	(0.63)	-	(0.57)	-	(1,169.98)	(37.48)	(1,208.66)	-	-	(10,935.76)	(10,935.76)
Exchange differences	-	-	-	(86.25)	(6.99)	(899.10)	28.01	(964.33)	-	-	-	
As at March 31, 2017	**193.53**	**186.39**	**102.32**	**293.67**	**104.33**	**170.35**	**8.68**	**1,059.27**	**5,486.22**	**246.66**	**-**	**246.66**
Additions	-	-	-	7.49	-	63.44	-	70.93	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	1.84	0.09	2.83	0.09	4.85	-	-	-	-
As at March 31, 2018	193.53	186.39	102.32	303.00	104.42	236.62	8.77	1,135.05	5,486.22	246.66	-	246.66
Depreciation and amortisation												
Charge for the year	4.26	19.77	102.32	49.33	51.88	468.40	4.98	700.94	-	246.66	748.22	994.88
Disposals	-	(0.05)	-	-	-	(475.45)	(14.80)	(490.30)	-	-	(748.22)	(748.22)
Exchange differences	-	-	-	119.86	2.40	(161.29)	3.50	(35.53)	-	-	-	-
As at March 31, 2017	**4.26**	**19.72**	**102.32**	**169.19**	**54.28**	**(168.34)**	**(6.32)**	**175.11**	**-**	**246.66**	**-**	**246.66**
Charge for the year	3.85	21.72	-	45.50	25.43	169.61	4.59	270.70	-	-	-	-
Exchange differences	-	-	-	1.43	0.08	1.84	0.08	3.43	-	-	-	-
As at March 31, 2018	**8.11**	**41.44**	**102.32**	**216.12**	**79.79**	**3.11**	**(1.65)**	**449.24**	**-**	**246.66**	**-**	**246.66**
Net book value												
At April 01, 2016	193.53	107.92	102.32	365.25	106.46	1,952.38	18.15	2,846.01	5,486.22	246.66	5,561.29	5,807.95
As at March 31, 2017	189.27	166.67	-	124.48	50.05	338.69	15.00	884.16	5,486.22	-	-	-
As at March 31, 2018	**185.42**	**144.95**	**-**	**86.88**	**24.63**	**233.51**	**10.42**	**685.81**	**5,486.22**	**-**	**-**	**-**

Capital Work in Progress : ₹ Nil (March 31, 2017: ₹ Nil, April 01, 2016: ₹ 6,434.29).

Pledge on Property, plant and equipment:

Property, plant and equipment with a carrying amount of ₹ 605.13 lakhs (March 31, 2017: ₹ 763.41 lakhs, April 01, 2016: ₹ 692.40 lakhs) are subject to charge to secure cash credit facility and term loan from bank by the Company.

Ind AS 101 Exemption: The Group has availed exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment, goodwill and other intangible assets has been carried forward at the amount as determined under the previous GAAP. Information regarding gross block of assets, accumulated depreciation has been disclosed by the Group separately as follows:

	Property, plant and equipment								Goodwill	Other intangible assets		
	Buildings	Electrical Equipments	Leasehold improvements	Furniture & Fixtures	Office Equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment	Goodwill (refer note 3.1)	Software License	Software Tools	Total other intangible assets
As at April 1, 2016												
Gross Block	255.27	149.11	301.78	497.50	330.51	4,279.78	47.44	5,861.39	5,486.22	315.59	5,561.29	5,876.88
Accumulated depreciation	61.74	41.19	199.46	132.25	224.05	2,327.40	29.29	3,015.38	-	68.93	-	68.93
Net Block	**193.53**	**107.92**	**102.32**	**365.25**	**106.46**	**1,952.38**	**18.15**	**2,846.01**	**5,486.22**	**246.66**	**5,561.29**	**5,807.95**

3.1 IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations of Cigniti Inc, Gallop Solutions Inc, Cigniti Software Services Private Limited and Gallop Solutions Private Limited has been allocated to one Cash Generating Units (CGU's) i.e. Software Testing for impairment testing.

Carrying amount of goodwill

	March 31, 2018	March 31, 2017	April 1, 2016
Goodwill	5,486.22	5,486.22	5,486.22

The Group performed its annual impairment test for year ended March 31, 2018 and March 31, 2017 on April 18, 2018 and August 07, 2017, respectively (hereinafter reference date is generally based on year-end). Based on the approved business plan and valuation assessment, the management of the Group expects that there will be increase in operations and hence sustained profitability. The projections of the business is above the book value of its equity, indicating no signs of impairment of goodwill. Accordingly, these Consolidated Financial Statements do not include any adjustment relating to impairment of goodwill.

The recoverable amount of the software testing CGU, USD 320.14 lakhs as at March 31, 2018 (March 31, 2017: USD 263.55 lakhs), has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. 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 post-tax discount rate applied to cash flow projections for impairment testing during the current year is 18.36% (March 31, 2017: 18.02%) and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate (March 31, 2017: 2.0%) that is the same as the long-term average growth rate for the software testing industry. It was concluded that the value in use is higher than the carrying value. As a result of this analysis, management has not recognised any impairment charge for the year ended March 31, 2018 (March 31, 2017: Nil).

Key assumptions used for value in use calculations

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

a. Revenue growth and EBITDA Margins
b. Discount rates
c. Growth rates used to extrapolate cash flows beyond the forecast period

a. **Revenue growth and EBITDA Margins** Revenue is expected to increase in the range of 8-10% year on year and EBITDA margins are expected to be in the range of 4-9% in the forecast period.

b. **Discount rates** Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. There are no long-term debts in the books of Cigniti Technologies Inc as at March 31, 2018, hence cost of debt is Zero. Industry-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

c. **Growth rate estimates** Growth rate for the period beyond five years is taken to be 3%. After the budgeted period, the business will continue to generate cash. Hence, perpetuity value is also considered to arrive at the business value.

Sensitivity to changes in assumptions
The implications of the key assumptions for the recoverable amount are discussed below:

a. **EBITDA margins**

Decrease in revenue growth projections and EBITDA margin by 2% would not result in any impairment in the Software testing CGU.

b. **Discount rates**

A rise in post-tax discount rate by 2% in the Software testing CGU would not result in impairment.

c. **Growth rate assumption**

The management recognizes that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of 3% for Software testing CGU. A reduction to 2% in the long-term growth rate in Software testing CGU would not result in impairment.

4 FINANCIAL ASSETS: LOANS

	Non current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good						
Security deposits	340.14	349.70	381.70	188.88	130.60	50.80
Staff advances	-	-	-	1,590.96	1,564.56	-
	340.14	**349.70**	**381.70**	**1,779.84**	**1,695.16**	**50.80**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

5 OTHER FINANCIAL ASSETS

	Non current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Non-current bank balances (note 8)	15.96	24.04	-	-	-	-
Others						
Interest receivable	-	-	-	19.54	7.86	16.75
	15.96	**24.04**	**-**	**19.54**	**7.86**	**16.75**

6 TRADE RECEIVABLES

	March 31, 2018	March 31, 2017	April 1, 2016
Trade receivables			
Unsecured, considered good	11,467.55	10,349.38	11,148.48
Others			
Unsecured, considered doubtful	213.93	-	-
Less: Allowances for doubtful receivables	(213.93)	-	-
	11,467.55	**10,349.38**	**11,148.48**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally with the credit term of 30 to 90 days.

7 CASH AND CASH EQUIVALENTS

	March 31, 2018	March 31, 2017	April 1, 2016
Cash on hand	0.07	1.74	2.76
Balance with banks			
-On current accounts	1,789.08	1,580.78	394.70
	1,789.15	1,582.52	397.46

8 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Non-current			Current		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Other deposit accounts						
Deposits with remaining maturity for more than 12 months	15.96	24.04	-	-	-	-
Deposits with remaining maturity for less than 12 months	-	-	-	44.42	43.89	19.56
	15.96	**24.04**	**-**	**44.42**	**43.89**	**19.56**
Less: Amount disclosed under non-current assets (refer note 5)	(15.96)	(24.04)	-	-	-	-
	-	**-**	**-**	**44.42**	**43.89**	**19.56**

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

	March 31, 2018	March 31, 2017	April 1, 2016
Cash and cash equivalents (refer note 7)	1,789.15	1,582.52	397.46
Less: Cash credit facility (refer note 15)	(1,593.54)	(1,517.30)	(220.21)
	195.61	**65.22**	**177.25**

9 CURRENT TAX ASSETS, NET

	March 31, 2018	March 31, 2017	April 1, 2016
Advance income tax (net of provision for tax)	25.84	136.08	187.89
	25.84	**136.08**	**187.89**

10 OTHER ASSETS

	Non-current			Current		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good unless stated otherwise						
Loan and advances to related parties	-	148.20	11,665.85	-	-	-
Advances recoverable in cash or kind	-	-	826.43	-	-	1,944.42
Capital advances	140.00	-	-	-	-	-
Staff advance	-	-	-	151.55	114.41	1,145.11
Preliminary expenses not written off	-	-	16.81	-	-	-
Prepaid expenses	-	-	-	108.76	196.79	6,374.72
Balance with government authorities	-	-	-	560.31	388.55	344.72
Unbilled revenue receivable	-	-	-	1,189.41	887.41	6,433.02
	140.00	**148.20**	**12,509.09**	**2,010.03**	**1,587.16**	**16,241.99**

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

11 DEFERRED TAX ASSET, NET

	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax asset			
Depreciation difference on property, plant and equipment and other intangible assets	-	262.72	18.63
Provision for gratuity and leave encashment	-	233.40	81.25
Deferred tax asset, net	**-**	**496.12**	**99.88**
Deferred tax liability			
Depreciation difference on property, plant and equipment and other intangible assets	-	-	236.92
Deferred tax liability, net	**-**	**-**	**236.92**
Deferred tax asset/ (liability):			

For the year ended March 31, 2018:

	Opening balance	Recognised in Statement of profit or loss	Recognised in other comprehensive income	Closing balance
Depreciation difference on property, plant and equipment and other intangible assets	262.72	(262.72)	-	-
Provision for employee benefits	233.40	(233.40)	-	-
	496.12	**(496.12)**	**-**	**-**

For the year ended March 31, 2017:

	Opening balance	Recognised in Statement of profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset				
Depreciation difference on property, plant and equipment and other intangible assets	18.63	244.09	-	262.72
Provision for employee benefits	81.25	75.95	76.20	233.40
	99.88	**320.04**	**76.20**	**496.12**
Deferred tax liability				
Depreciation difference on property, plant and equipment and other intangible assets	(236.92)	236.92	-	-
	(236.92)	**236.92**	**-**	**-**
	(137.04)	**556.96**	**76.20**	**496.12**

The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to ₹ 9,085.52 lakhs as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group.

12 EQUITY SHARE CAPITAL

	March 31, 2018	March 31, 2017	April 1, 2016
Authorized share capital			
36,000,000 (March 31, 2017: 36,000,000, April 01, 2016: 36,000,000) equity shares of ₹ 10/- each	3,600.00	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares			
27,248,029 (March 31, 2017: 26,509,530, April 01, 2016: 25,499,219) equity shares of ₹ 10/- each fully paid-up	2,724.80	2,650.95	2,549.92
Total issued, subscribed and fully paid-up share capital	**2,724.80**	**2,650.95**	**2,549.92**

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

Equity shares

	March 31, 2018		March 31, 2017	
	No's	Amount	No's	Amount
At the beginning of the year	265.09	2,650.95	254.99	2,549.92
Employee stock options issued during the year	7.39	73.85	10.10	101.03
Outstanding at the end of the year	**272.48**	**2,724.80**	**265.09**	**2,650.95**

(b) Terms/rights attached to equity shares

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

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

Name of the shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No's	% holding	No's	% holding	No's	% holding
P. Sapna	37.69	13.83%	37.69	14.22%	37.69	14.78%
C. V. Subramanyam	29.58	10.86%	29.58	11.16%	29.58	11.60%
C. Srikanth	25.00	9.17%	25.00	9.43%	25.00	9.80%
Kukunuru Samba Siva Rao	16.61	6.10%	16.69	6.30%	16.71	6.55%

(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.

13 OTHER EQUITY

	March 31, 2018	March 31, 2017	April 1, 2016
Securities premium			
Opening balance	23,192.21	18,970.98	
Add: Issue of equity shares on exercise of employee stock options	3,026.62	4,221.23	
Closing balance	**26,218.83**	**23,192.21**	**18,970.98**
Share based payment reserve			
Opening balance	3,479.21	5,792.87	
Add: Issue of equity shares on exercise of employee stock options	(3,026.62)	(4,221.23)	
Add: Share-based payment expense	1,551.50	1,907.57	
Closing balance	**2,004.09**	**3,479.21**	**5,792.87**
Retained earnings and other comprehensive income			
Opening balance	(33,403.52)	6,491.43	
Add: Profit/ (loss) during the year	3,217.33	(39,482.69)	
Items recognised directly in Other comprehensive income			
Re-measurement loss on employee defined benefit plans (net of tax)+	129.92	(143.98)	
Exchange differences on translation of foreign operations	(203.19)	(268.28)	
Closing balance	**(30,259.46)**	**(33,403.52)**	**6,491.43**
	(2,036.54)	**(6,732.10)**	**31,255.28**

14 BORROWINGS

	Non-current portion			Current maturities		
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017	
From financial institution (Secured)						
Rupee term loan (refer note below)	1,481.48	2,037.04	-	555.56	462.96	-
	1,481.48	**2,037.04**	**-**	**555.56**	**462.96**	-
The above amount includes:						
Secured borrowings	1,481.48	2,037.04	-	555.56	462.96	-
Unsecured borrowings	-	-	-	-	-	-
Amount disclosed under the head "other current financial liabilities" (refer note 17)	-	-	-	(555.56)	(462.96)	-
Net borrowings	**1,481.48**	**2,037.04**	**-**	**-**	**-**	**-**

Indian rupee term loan from a financial institution of ₹ 2,037.04 lakhs (March 31, 2017: 2,500.00 lakhs April 1, 2016: Nil) carries an floating interest rate of 13.51% (March 31, 2017: 14.65%, April 1, 2016: Nil) and is repayable on monthly basis in 54 equal installments starting from June 2017. The loan is secured by pledge of own equity shares held by promoters and personal guarantee of the directors, Mr. C. V Subramanyam, Managing Director and Mr. C. Srikanth, Director.

15 SHORT-TERM BORROWINGS

	March 31, 2018	March 31, 2017	April 1, 2016
Secured			
Cash credit from banks (refer note (a) below)	1,593.54	1,517.30	220.21
Term loan (refer note (b) below)	725.00	122.96	-
Bills discounting with bank (refer note (c) below)	6,193.00	6,609.61	2,184.57
	8,511.54	**8,249.87**	**2,404.78**
Unsecured			
Loan and advances from related parties (refer note (d) below)	2,253.76	2,818.03	8,347.02
Inter corporate loans (refer note (e) below)	336.07	816.75	1,089.32
	2,589.83	3,634.78	9,436.34
	11,101.37	11,884.65	11,841.12

(a) Cash credit from banks ₹ 1,593.54 lakhs (March 31, 2017: ₹ 1,517.30 lakhs, April 1, 2016: ₹ 220.21 lakhs) is secured by hypothecation of fixed assets, trade receivables of the Company and immovable property of Mr. C. V. Subramanyam, Managing Director and his relative. The cash credit is secured by personal guarantee of the directors, Mr. C. V Subramanyam, Managing Director and Mr. C. Srikanth, Director and their relatives. It is repayable on demand and carries floating interest rate of 11.85%p.a. (March 31, 2017: 12.44% p.a., April 1, 2016: 13.50% p.a.)

(b) Indian rupee term loan from bank of ₹ 725.00 lakhs (March 31, 2017: ₹ 122.96 lakhs April 1, 2016: Nil) carries an floating interest rate of 11.75%-12.30% p.a. (March 31, 2017: 12.30%, April 1, 2016: Nil) and is repayable in 12 monthly equal installments. The loan is secured by hypothecation of fixed assets. Further, it is secured by personal guarantee of the directors, Mr. C. V. Subramanyam, Managing Director and Mr. C. Srikanth, Director and their relatives.

(c) Cigniti Technologies Inc. does bill discounting with banks with recourse. As per the agreement, the bank will advance against the eligible accounts receivable and with effect from February 15, 2017, the total facility is capped at $140 lakhs at any given time. The eligible accounts will be discounted at 1% of the face value of the purchased accounts for the first thirty days that it remains outstanding and then at 0.03% for each additional day that the invoice remains outstanding.

(d) Loans from related parties are repayable on demand and carries an interest rate of 14.00% (March 31, 2017: 14.00%, April 01, 2016: Nil).

(e) Intercorporate loans are repayable on demand.

16 TRADE PAYABLES

	March 31, 2018	March 31, 2017	April 1, 2016
- Outstanding dues of micro and small enterprises (refer note 33 for details of dues to micro and small enterprises)	-	-	-
- Outstanding dues of creditors other than micro and small enterprises	4,927.74	5,370.48	10,503.71
- Outstanding dues to related parties (note 34)	496.75	(140.95)	(580.81)
	5,424.49	**5,229.53**	**9,922.90**

Terms and conditions of the above financial liabilities:

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

For explanations on the Company's credit risk management processes, refer to note 37.

17 OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2018	March 31, 2017	April 1, 2016
At amortised cost			
Current maturities of non-current borrowings (refer note 14)	555.56	462.96	-
Interest accrued and due on borrowings (refer note below)	24.72	13.80	-
Interest accrued but not due on borrowings (refer note below)	13.68	16.18	-
Capital creditors	38.83	127.79	-
Provision for discount on sales	-	-	-
	632.79	**620.73**	**-**

Interest payable is normally settled monthly/quarterly throughout the financial year.

Changes in liabilities arising from financing activities

Particulars	April 1, 2017	Cashflows	Foreign exchange differences	March 31, 2018
Short-term borrowings	11,884.65	(812.53)	29.25	11,101.37
Non- current borrowings (including current maturities)	2,500.00	(462.96)	-	2,037.04
Total liabilities from financing activities	**14,384.65**	**(1,275.49)**	**29.25**	**13,138.41**

Changes in liabilities arising from financing activities

Particulars	April 1, 2016	Cashflows	Foreign exchange differences	March 31, 2017
Short-term borrowings	11,841.12	216.27	(172.74)	11,884.65
Non- current borrowings (including current maturities)	-	2,500.00	-	2,500.00
Total liabilities from financing activities	**11,841.12**	**2,716.27**	**(172.74)**	**14,384.65**

18 PROVISIONS

	Non Current			Current		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Provisions for employee benefits						
Provision for gratuity	649.49	523.37	280.08	70.23	46.83	34.17
Provision for leave benefits	-	-	-	107.89	104.17	83.44
	649.49	**523.37**	**280.08**	**178.12**	**151.00**	**117.61**

19 CURRENT TAX LIABILITY, NET

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for taxation (net of advance tax)	1,621.88	2,911.71	3,641.31
	1,621.88	**2,911.71**	**3,641.31**

20 OTHER CURRENT LIABILITIES

	March 31, 2018	March 31, 2017	April 1, 2016
Statutory dues	2,009.93	3,481.24	1,782.93
Unearned revenue	16.69	32.37	-
	2,026.62	**3,513.61**	**1,782.93**

21 REVENUE FROM OPERATIONS

	Year ended March 31, 2018	Year ended March 31, 2017
Rendering of software testing services	69,328.14	61,925.63
	69,328.14	**61,925.63**

22 OTHER INCOME

	Year ended March 31, 2018	Year ended March 31, 2017
Liabilities no longer required written back	66.09	18.53
	66.09	**18.53**

23 FINANCE INCOME

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on bank deposits	2.91	5.32
Interest income on loans/advances	20.01	-
	22.92	**5.32**

24 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	43,412.08	40,840.81
Contribution to provident and other funds (refer note 31)	615.11	361.40
Share based payment expense	1,551.50	1,907.57
Gratuity expense (refer note 31)	292.14	71.86
Staff welfare expenses	1,138.97	1,950.88
	47,009.80	**45,132.52**

25 OTHER EXPENSES

	Year ended March 31, 2018	Year ended March 31, 2017
Power and fuel	491.83	585.97
Rent	1,419.99	1,347.77
Rates and taxes	619.66	952.91
Insurance	118.93	67.21
Repairs and maintenance	34.51	0.73
Advertising and sales promotion	494.39	356.51
Office maintenance	325.60	214.83
Travelling and conveyance	2,647.69	5,120.69
Communication costs	307.74	379.53
Consultancy charges	7,004.98	7,467.42
Legal and professional fees	2,057.50	1,133.00
Software licensing cost	737.95	646.27
Payment to auditor (refer note below)	70.49	39.62
Exchange differences (net)	31.21	(510.08)
Bad debts written off	132.71	624.64
Provision for doubtful debts	392.10	246.94
Loss on sale of property, plant and equipment (net)	-	19.90
Recruitment expenses	90.30	97.10
CSR expenditure (refer note below)	41.45	31.04
Miscellaneous expenses	126.12	178.43
	17,145.15	**19,000.43**

Payment to Auditor

	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Audit fee	40.00	5.00
Tax audit fee	-	2.00
Limited review	30.00	3.00
In other capacity		
Other services	-	29.62
Reimbursement of expenses	0.49	-
	70.49	**39.62**

Details of CSR expenditure

		Year ended March 31, 2018	Year ended March 31, 2017
(a) Gross amount required to be spent by the group during the year		41.45	31.04
	In cash	**Yet to be paid in cash**	**Total**
(b) Amount spent during the year ending on March 31, 2018			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	41.45	-	41.45
(c) Amount spent during the year ending on March 31, 2017			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	31.04	-	31.04

26 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	270.70	700.94
Amortisation of intangible assets (refer note 3)	-	994.88
	270.70	**1,695.82**

27 FINANCE COSTS

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	823.44	443.94
Factoring and bank charges	874.07	1,165.85
	1,697.51	**1,609.79**

28 EXCEPTIONAL ITEMS

The Company had incurred substantially on development of software testing products and tools in the past years. In view of the technological changes and the overall market outlook for software products in the testing space, the Company had carried out an impairment analysis of such products. Based on such analysis and in the absence of estimates of future cash flows arising from the sale of product licenses for these tools the Company had decided to fully impair such tool development costs amounting ₹ 33,207.92 lakhs in the previous year on a conservative and prudent basis in line with the requirements of the accounting standards.

29 TAXES

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2018 and for the year ended March 31, 2017 are:

(i) Statement of Profit or Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Adjustment of current tax relating to earlier years	(422.68)	383.75
Current tax		
Current tax expense	3.21	952.39
Deferred tax expense/(credit)		
Relating to origination and reversal of temporary differences	496.13	(550.45)
Total tax expense for the year	**499.34**	**401.94**

(ii) OCI Section: Deferred tax related to items recognised in OCI during the year

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net gain on remeasurement of defined benefit plans	-	(76.20)
Income tax charged to OCI	**-**	**(76.20)**

(b) Reconciliation of effective tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(loss) before tax (A)	3,293.99	(38,697.00)
Tax rate (B)	34.61%	34.61%
Expected tax expense (C = A*B)	1,139.98	(13,392.26)
Adjustments		
On account of difference in tax rates	(3.16)	-
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(1,186.41)	-
Reversal of deferred tax asset of earlier years	496.13	-
Tax effect on impairment loss on which no deferred tax is recognised	-	11,492.60
Tax effect of current year losses on which no deferred tax is recognised	-	2,288.44
Tax on expenses not tax deductible	52.80	13.16
Total (D)	**499.34**	**401.94**
Effective tax rate	15.16%	-1.04%

The Group has not provided for income tax during the year as it has carried forward tax losses under income tax provisions across entities. The Company has not provided for income tax under MAT as it had accumulated book losses and unabsorbed depreciation and there is no minimum tax liability in subsidiaries. The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to ₹ 9,085.52 lakhs as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group. Refer note 35 for further details.

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

30 EARNINGS/(LOSS) 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, 2018	Year ended March 31, 2017
Profit/ (loss) attributable to equity shareholders for basic earnings	3,217.33	(39,482.69)
Weighted average number of equity shares in computing basic EPS	266.31	261.25
Add: Effect of dilution:		
Employee stock options	3.53	9.77
Weighted Average number of equity shares adjusted for effect of dilution*	269.84	271.02
Face value of each equity share (₹)	10.00	10.00
Earnings/(loss) per share		
- Basic (₹)	12.08	(151.13)
- Diluted (₹)	11.92	(151.13)

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

*The potential equity shares for the previous year are anti-dilutive, accordingly are ignored in the calculation of diluted earnings per share. Hence, diluted loss per share is same as basic loss per share.

31 RETIREMENT AND OTHER EMPLOYEE BENEFITS

I Defined Benefit Plans

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

		Year ended March 31, 2018	Year ended March 31, 2017
A)	**Net employee benefit expense (recognised in Employee benefits expenses)**		
	Current service cost	220.71	68.30
	Past service cost	32.68	-
	Interest cost	39.87	3.56
	Expected return on plan assets	(1.12)	-
	Net employee benefit expenses	**292.14**	**71.86**
	Actual return on plan asset	1.12	-

B) Amount recognised in the Balance Sheet

	March 31, 2018	March 31, 2017
Defined benefit obligation	729.02	586.63
Fair value of plan assets	9.30	16.43
	719.72	570.20

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

	March 31, 2018	March 31, 2017
Opening defined benefit obligation	586.63	314.25
Current service cost	220.71	68.30
Past service cost	32.68	-
Interest cost	39.87	3.56
Benefits paid	(7.71)	(19.66)
Net actuarial (gains) / losses on obligation for the year recognised under OCI	(143.16)	220.18
Closing defined benefit obligation	729.02	586.63

D) Change in the fair value of plan assets

	March 31, 2018	March 31, 2017
Opening fair value of plan assets	**16.43**	**-**
Investment income	1.12	-
Employer's contribution	4.99	16.43
Net actuarial loss on plan assets for the year recognised under OCI	(13.24)	-
Closing fair value of plan assets	**9.30**	**16.43**

The Company expects to contribute ₹ 70 lakhs to the gratuity fund in the next year (March 31, 2017: 50 lakhs, April 01, 2016: 30 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2018	March 31, 2017
Investments with LIC	100.00%	100.00%

E) Remeasurement adjustments:

	Year ended March 31, 2018	Year ended March 31, 2017
Experience loss/ (gain) on plan liabilities	(120.37)	220.18
Financial loss/ (gain) on plan liabilities	(22.79)	-
Actuarial loss on plan assets	13.24	-
Remeasurement gains/(losses) recognised in other comprehensive income:	**(129.92)**	**220.18**

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

	March 31, 2018	March 31, 2017
Discount rate	7.30%	6.80%
Expected rate of return on assets	6.80%	6.80%
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:

Expected benefit payments for the year ending:

Year ending	March 31, 2018	March 31, 2017
1 year	70.23	48.24
2-5 years	404.60	317.04
6-10 years	375.21	319.78
More than 10 years	389.38	313.84

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2017: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	42.19	36.04
- 1% decrease	(46.82)	(40.09)
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	(41.90)	(32.67)
- 1% decrease	39.40	31.05
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	129.75	124.26
- decrease by 50% of the attrition rate	(254.06)	(224.47)

II Defined contribution plan

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to provident and other funds	615.11	361.40

32 SHARE BASED PAYMENTS

Under the Employee Stock Option Plan, the Group, at its discretion, may grant share options of the parent to employees of the Group. The remuneration committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period ranging from 1 to 4 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

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

	Year ended March 31, 2018	Year ended March 31, 2017
Expense arising from equity-settled share-based payment transactions	1,551.50	1,907.57

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

Particulars	March 31, 2018				March 31, 2017			
	Scheme 2011	Scheme 2013	Scheme 2014-I	Scheme 2014-II	Scheme 2011	Scheme 2013	Scheme 2014-I	Scheme 2014-II
Total No. of options under the scheme	15.00	10.00	20.00	5.00	15.00	10.00	20.00	5.00
Outstanding at April 1	7.44	1.09	2.40	5.00	12.98	2.18	4.00	-
Granted during the year	-	-	-	-	2.02	-	-	5.00
Forfeited during the year	1.07	-	0.26	-	-	-	0.15	-
Exercised during the year	4.05	1.09	0.99	1.25	7.56	1.09	1.45	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding as at year end	2.32	-	1.15	3.75	7.44	1.09	2.40	5.00
Exercisable as at year end	2.17	-	0.11	-	2.17	-	0.21	-

The weighted average share price at the date of exercise of these options was ₹ 294.09 (March 31, 2017: ₹ 418.34)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2018 , as at March 31, 2017 and April 1, 2016

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Scheme 2011	1.73	4.23	4.25
Scheme 2013	-	4.25	4.75
Scheme 2014-I	4.67	5.11	5.35
Scheme 2014-II	5.76	6.26	-

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2017: ₹ 394.37).

The range of exercise prices for the options outstanding at the beginning, granted, forfeited, exercised, expired and outstanding at the end of the year is ₹ 10 (March 31, 2017: ₹ 10, April 1,2016 ₹ 10).

The following tables list the inputs to the models used for the years ended March 31, 2017. There were no grants in the current year.

Particulars	March 31, 2017
	Scheme 2011 and Scheme 2014-II
Dividend yield	0%
Expected volatility	31.78%-35.64%
Risk-free interest rate	6.28%-6.64%
Expected life of options granted in years	2-5
Weighted average share price	402.45
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 The Company has not dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 during the year.

34 RELATED PARTY DISCLOSURES

Names of related parties and description of relationship

Name of the related party	Relationship
Kairos Technologies Inc.	Enterprise over which Key Management Personnel exercise significant influence.
Primentor Inc.	Enterprise over which Key Management Personnel exercise significant influence.
Key Management Personnel^	
Mr. C. V. Subramanyam*	Chairman & Managing Director
Mr. Sudhakar Pennam	Director (resigned w.e.f from May 17, 2017)
Mr. C. Srikanth*	Whole-time Director
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Phaneesh Murthy#	Independent director (appointed w.e.f June 30, 2017)
Mr. Ram Krishna Agarwal	Independent director (appointed w.e.f June 30, 2017)
Sri. Srinath Batni	Independent director (appointed w.e.f August 24, 2017)
Ms. Nooraine Fazal	Independent director (appointed w.e.f June 30, 2017)
Mr. K CH Subbarao	Independent director
Relatives of key managerial personnel	
Ms. Sapna Pennam	Wife of Mr. Sudhakar Pennam

#Non-executive director for Cigniti Technologies Inc w.e.f January 15, 2017.

Transactions/balances with the above parties

March 31, 2018

Particulars	Kairos Technologies Inc.	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal	Mr. Sudhakar Pennam	Ms. Sapna Pennam
Transactions during the year											
Consultancy charges	347.31	-	-	-	-	-	-	-	-	-	-
Professional fees	-	192.80	-	-	-	-	-	-	-	-	-
Rent expense	-	-	-	18.00	-	-	-	-	-	-	-
Remuneration	-	-	120.00	180.66	75.41	6.91	9.50	9.50	9.50	-	-
Director sitting fees	-	-	-	-	-	-	9.00	6.00	8.00	-	-
Interest on loan	-	-	171.41	55.76	-	-	-	-	-	-	-
Repayment of loan	-	-	(445.00)	(121.00)	-	-	-	-	-	-	-
Refund of security deposit	-	-	-	(9.00)	-	-	-	-	-	-	-
Balances receivable/ (payable):											
Remuneration payable	-	-	-	-	-	-	(9.50)	(9.50)	(9.50)	-	-
Borrowings	(181.88)	-	(813.75)	(279.00)	-	-	-	-	-	(899.25)	(79.89)
Trade payables	(488.64)	(8.11)	-	-	-	-	-	-	-	-	-

March 31, 2017

Particulars	Kairos Technologies Inc.	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal	Mr. Sudhakar Pennam	Ms. Sapna Pennam
Transactions during the year											
Consultancy charges	16.47	-	-	-	-	-	-	-	-	-	-
Professional fees	-	32.37	-	-	-	-	-	-	-	-	-
Rent expense	-	-	-	3.00	-	-	-	-	-	-	-
Remuneration	-	-	120.00	120.00	72.66	5.76	-	-	-	-	-
Interest on loan	-	-	88.84	65.01	-	-	-	-	-	-	-
Loan received	-	-	460.00	400.00	-	-	-	-	-	(33.59)	(79.68)
Repayment of loan	(4.40)	-	(525.00)	-	-	-	-	-	-	-	-
Security deposit given	-	-	-	9.00	-	-	-	-	-	-	-
Balances receiv-able/(payable):											
Borrowings	(181.41)	-	(1,258.75)	(400.00)	-	-	-	-	-	(898.19)	(79.68)
Security deposit receivable	-	-	-	9.00	-	-	-	-	-	-	-
Trade payables	(140.95)	-	-	-	-	-	-	-	-	-	-

April 1, 2016

Particulars	Kairos Technologies Inc.	Primentor Inc.	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal	Mr. Sudhakar Pennam	Ms. Sapna Pennam
Balances payable											
Remuneration payable	-	-	-	-	-	-	-	-	-	-	-
Borrowings	(185.80)	-	(1,323.75)	-	-	-	-	-	-	(864.60)	-
Trade payables	(580.81)	-	-	-	-	-	-	-	-	-	-

* Key management personnel (Mr. C.V Subramanyam and Mr. C. Srikanth) have given personal guarantees and personal property as collateral security in favour of bankers in connection with term loans whose closing balance in total is ₹ 4,355.58 lakhs (March 31, 2017: ₹ 4,140.26 lakhs, April 01, 2016: ₹ 220.21 lakhs).

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

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

35 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(A) 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) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 32

(iii) 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.

The Group has not provided for income tax during the year as it has carried forward tax losses under income tax provisions across entities which expires in 8 years. The Company has not provided for income tax under MAT as it had accumulated book losses and unabsorbed depreciation and there is no minimum tax liability in subsidiaries. The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to ₹ 9,085.52 lakhs as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group."

(iv) 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.

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, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets at amortised cost:						
Loans	2,119.98	2,044.86	432.50	2,119.98	2,044.86	432.50
Other financial assets	35.50	31.90	16.75	35.50	31.90	16.75
Trade receivables	11,467.55	10,349.38	11,148.48	11,467.55	10,349.38	11,148.48
Cash and cash equivalents	1,789.15	1,582.52	397.46	1,789.15	1,582.52	397.46
Bank balances other than cash and cash equivalents	44.42	43.89	19.56	44.42	43.89	19.56
Financial liabilities at amortised cost:						
Borrowings (including current maturities)	13,138.41	14,384.65	11,841.12	13,138.41	14,384.65	11,841.12
Trade payables	5,424.49	5,229.53	9,922.90	5,424.49	5,229.53	9,922.90
Other current financial liabilities	77.23	157.77	-	77.23	157.77	-

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

i. Trade receivables:

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

At March 31, 2018, the Company had 26 customers (March 31, 2017: 27 customers, April 1, 2016: 23 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 56% (March 31, 2017: 54%, April 1, 2016: 50%) of all the receivables outstanding. There were no customers (March 31, 2017: Nil, April 1, 2016: 1) with balances greater than 5% each accounting for approximately Nil (March 31, 2017: Nil, April 1, 2016: 9%) of the total amounts receivable.

The Group has created a provision for trade receivables amounting to Rs 213.93 lakhs during the year (March 31, 2017: Rs Nil, April 1, 2016: Rs Nil) as there was no reasonable expectations of recovery and were outstanding for more than 90 days from becoming due. These are however, still subject to enforcement activity.

B Liquidity Risk

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

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

	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
March 31, 2018:					
Borrowings (including current maturities)	2,589.83	9,067.10	1,481.48	-	13,138.41
Current borrowings	-	-	-	-	-
Interest payable	-	-	-	-	-
Trade Payables	-	5,424.49	-	-	5,424.49
Other current financial liabilities	-	77.23	-	-	77.23
	2,589.83	**14,568.82**	**1,481.48**	**-**	**18,640.13**
March 31, 2017:					
Borrowings (including current maturities)	3,634.78	8,712.83	2,037.04	-	14,384.65
Trade Payables	-	5,229.53	-	-	5,229.53
Other current financial liabilities	-	157.77	-	-	157.77
	3,634.78	14,100.13	2,037.04	-	19,771.95
April 01, 2016:					
Borrowings	9,436.34	2,404.78	-	-	11,841.12
Trade Payables	-	9,922.90	-	-	9,922.90
	9,436.34	**12,327.68**	**-**	**-**	**21,764.02**

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 analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. 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, 2018 and March 31, 2017.

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 long-term debt 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/ (loss) before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit/ (loss) before tax	
	Increase	Decrease	(Decrease)/Increase	
March 31, 2018				
Indian Rupees	0.50%	-0.50%	(27.60)	27.60
March 31, 2017				
Indian Rupees	0.50%	-0.50%	15.91	(15.91)

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

C2. Foreign currency risk

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

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

a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

		March 31, 2018			March 31, 2017			April 01, 2016		
	Currency	Amount in Foreign Currency	Amount in ₹	Conversion Rate	Amount in Foreign Currency	Amount in ₹	Conversion Rate	Amount in Foreign Currency	Amount in ₹	Conversion Rate
Cash and cash equivalent	USD	0.03	1.95	64.92	0.00	0.02	64.75	-	-	66.10
Trade receivables	USD	1.45	94.13	64.92	1.84	118.83	64.75	55.28	3,654.01	66.10
	EUR	1.02	81.57	79.97	2.75	190.84	69.51	-	-	-
	GBP	-	-	91.09	0.09	7.40	80.63	0.07	6.65	94.97
	CAD	-	-	-	0.04	2.07	48.59	-	-	-
	AUD	-	-	-	-	-	-	0.15	7.60	50.68
	ZAR	71.19	390.12	5.48	62.95	313.48	4.98	3.49	15.53	4.45
	SGD	1.06	52.49	49.52	0.29	13.40	46.40	0.39	19.12	49.02
	DKK	3.63	38.95	10.73	0.71	6.64	9.34	0.65	6.55	10.07
Trade payables	USD	-	-	64.92	0.04	2.75	64.75	15.09	997.45	66.10
	SGD	0.06	2.97	49.52	-	-	-	-	-	-
	ZAR	3.53	19.34	5.48	42.21	210.21	4.98	49.36	219.65	4.45

b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit/ (loss) before tax is due to changes in the fair value of monetary assets and liabilities for every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate		Effect on profit/ (loss) before tax	
	Increase	Decrease	Increase/(Decrease)	
March 31, 2018				
USD	1.00%	1.00%	0.96	(0.96)
EUR	1.00%	1.00%	0.82	(0.82)
March 31, 2017				
USD	1.00%	1.00%	(1.16)	1.16
EUR	1.00%	1.00%	(1.91)	1.91
GBP	1.00%	1.00%	(0.07)	0.07

38 COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments - Group as lessee

The Group has entered into operating leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 2% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognized in the Statement of Profit or Loss is ₹ 1,419.99 lakhs (March 31, 2017: ₹ 1,347.77 lakhs).

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

	March 31, 2018	March 31, 2017	April 01, 2016
Within one year	915.18	868.82	325.13
After one year but not more than five years	1,797.19	1,523.02	116.06

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 488.44 lakhs (March 31, 2017: ₹ Nil, April 1, 2016: ₹ Nil).

c. Contingent Liabilities

	March 31, 2018	March 31, 2017	April 01, 2016
Claims against the Group not acknowledged as debts	93.94	-	-

39 SEGMENT REPORTING

Based on the internal reporting provided to the Chief Operating Decision Maker, the consolidated financial results relates to "Software testing services" as the only reportable primary segment of the Group.

40 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, 2018	March 31, 2017	April 01, 2016
Borrowings	13,138.41	14,384.65	11,841.12
Less: Cash and cash equivalents (refer note 7)	(1,789.15)	(1,582.52)	(397.46)
Net debt	**11,349.26**	**12,802.13**	**11,443.66**
Equity	2,724.80	2,650.95	2,549.92
Other equity	(2,036.54)	(6,732.10)	31,255.28
Total capital	688.26	(4,081.15)	33,805.20
Total capital and net debt	**12,037.52**	**8,720.98**	**45,248.86**
Gearing ratio	**94%**	**147%**	**25%**

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 period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017

41 FIRST TIME ADOPTION OF IND AS

These are the Group's first set of Consolidated Financial Statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company had prepared its Consolidated Financial Statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

(a) Since there is no change in the functional currency, the Group has elected to regard carrying values for all of property, plant and equipment and other intangibles as recognised in its Indian GAAP financials as deemed cost at the date of the transition.

(b) Estimates: The estimates as at April 01, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions as at April 01, 2016 (transition date) and March 31, 2017.

(c) Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 01, 2016.

(d) Cumulative currency translation differences for all foreign operations are set to zero as at April 01, 2016 and transferred to retained earnings.

Reconciliation with Indian GAAP:

A Reconciliation of equity previously reported under Indian GAAP to Ind AS as at April 1, 2016:

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	2,846.01	-	2,846.01
Capital work-in-progress	6,434.29	-	6,434.29
Goodwill	5,486.22	-	5,486.22
Other intangible assets	5,807.95	-	5,807.95
Financial assets			
Loans	381.70	-	381.70
Other non-current financial assets	-	-	-
Deferred tax asset, net	18.63	81.25	99.88
Other non-current assets	14,512.79	(2,003.70)	12,509.09
	35,487.59	**(1,922.45)**	**33,565.14**
Current assets			
Financial assets			
Loans	50.80	-	50.80
Trade receivables	11,148.48	-	11,148.48
Cash and cash equivalents	397.46	-	397.46
Bank balances other than cash and cash equivalents	19.56	-	19.56
Other current financial assets	16.75	-	16.75
Current tax assets, net	187.89	-	187.89
Other current assets	16,241.99	-	16,241.99
	28,062.93	**-**	**28,062.93**
Total assets	**63,550.52**	**(1,922.45)**	**61,628.07**

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Equity and liabilities			
Equity			
Equity share capital	2,549.92	-	2,549.92
Other equity			
Securities premium	19,228.01	(257.03)	18,970.98
Share based payment reserve	3,316.93	2,475.94	5,792.87
Retained earnings and other comprehensive income	10,867.54	(4,376.11)	6,491.43
	35,962.40	**(2,157.20)**	**33,805.20**
Non-current liabilities			
Financial liabilities			
Borrowings	-	-	-
Long term provisions	-	280.08	280.08
Deferred tax liability, net	236.92	-	236.92
	236.92	280.08	517.00
Current liabilities			
Financial liabilities			
Short term borrowings	11,841.12	-	11,841.12
Trade payables	9,922.90	-	9,922.90
Other current financial liabilities	-	-	-
Short term provisions	162.94	(45.33)	117.61
Current tax liability, net	3,641.31	-	3,641.31
Other current liabilities	1,782.93	-	1,782.93
	27,351.20	**(45.33)**	**27,305.87**
Total Equity and liabilities	**63,550.52**	**(1,922.45)**	**61,628.07**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

B Reconciliation of equity as previously reported under Indian GAAP to Ind AS as at March 31, 2017

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	884.16	-	884.16
Goodwill	5,486.22	-	5,486.22
Financial assets			
Loans	349.70	-	349.70
Other non-current financial assets	24.04	-	24.04
Deferred tax asset, net	496.12	-	496.12
Other non-current assets	148.20	-	148.20
	7,388.44	**-**	**7,388.44**
Current assets			

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Financial assets			
Loans	1,695.16	-	1,695.16
Trade receivables	10,349.38	-	10,349.38
Cash and cash equivalents	1,582.52	-	1,582.52
Bank balances other than cash and cash equivalents	43.89	-	43.89
Other current financial assets	7.86	-	7.86
Current tax assets, net	136.08	-	136.08
Other current assets	1,587.16	-	1,587.16
	15,402.05	**-**	**15,402.05**
Total assets	**22,790.49**	**-**	**22,790.49**
Equity and liabilities			
Equity			
Equity share capital	2,650.95	-	2,650.95
Other equity			
Securities premium	23,167.81	24.39	23,192.20
Share based payment reserve	3,468.75	10.47	3,479.22
Retained earnings and other comprehensive income	(33,368.66)	(34.86)	(33,403.52)
	(4,081.15)	**-**	**(4,081.15)**
Non-current liabilities			
Financial liabilities			
Borrowings	2,037.04	-	2,037.04
Long term provisions	523.37	-	523.37
	2,560.41	-	2,560.41
Current liabilities			
Financial liabilities			
Short term borrowings	11,884.65	-	11,884.65
Trade payables	5,229.53	-	5,229.53
Other current financial liabilities	620.73	-	620.73
Short term provisions	151.00	-	151.00
Current tax liability, net	2,911.71	-	2,911.71
Other current liabilities	3,513.61	-	3,513.61
	24,311.23	**-**	**24,311.23**
Total Equity and liabilities	**22,790.49**	**-**	**22,790.49**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

C Reconciliation of Statement of Profit and Loss as previously reported under Indian GAAP to Ind AS for the year ended March 31, 2017:

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Income			
Revenue from operations	61,925.63	-	61,925.63
Other income	18.53	-	18.53
Finance income	5.32	-	5.32
Total income	**61,949.48**	**-**	**61,949.48**
Expenses			
Employee benefits expense	45,347.85	(215.33)	45,132.52
Other expenses	18,856.30	144.13	19,000.43
Depreciation and amortisation expense	1,695.82	-	1,695.82
Finance costs	1,609.79	-	1,609.79
Total expenses	**67,509.76**	**(71.20)**	**67,438.56**
Loss before exceptional items and tax	(5,560.28)	71.20	(5,489.08)
Exceptional items	33,207.92	-	33,207.92
Loss before tax before prior period items	**(38,768.20)**	**71.20**	**(38,697.00)**
Tax expenses			
Current tax	952.39	-	952.39
Taxes for earlier years	383.75	-	383.75
Deferred tax credit	(626.65)	76.20	(550.45)
Total tax expense	709.49	76.20	785.69
Loss after tax and before prior period items	(39,477.69)	(5.00)	(39,482.69)
Prior period items	4,346.09	(4,346.09)	-
Net loss for the year	**(43,823.78)**	**4,341.09**	**(39,482.69)**
Other Comprehensive Income (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	-	268.28	268.28
Income tax effect	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement loss on employee defined benefit plans	-	220.18	220.18
Income tax effect	-	(76.20)	(76.20)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**-**	**143.98**	**143.98**
Total other comprehensive income for the year, net of tax	**-**	**412.26**	**412.26**
Total comprehensive income for the year, net of tax	**(43,823.78)**	**3,928.83**	**(39,894.95)**

D Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017

1 Share based payments

Under Indian GAAP, the Group recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense of Rs 4.85 lakhs has been recognised in profit or loss for the year ended March 31, 2017. Share options totalling Rs 30.01 lakhs which were granted before and still vesting at April 1, 2016, have been recognised as a separate component of equity in share based payment reserve against retained earnings at April 1, 2016.

2 Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost for March 31, 2017 is reduced by ₹ 220.18 lakhs and remeasurement gains/losses on defined benefit plans has been recognized in the OCI net of tax.

3 Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

4 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

5 Prior period items

The Group has restated the opening retained earnings and comparatives for the impact of prior period expense. Prior period items included provision for gratuity and leave encashment based on actuary valuation, catch up cost of employee stock option and preliminary expenses written off.

42 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

i. Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The management continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

ii. Amendments to certain Indian Accounting Standards:

The Ministry of Corporate Affairs (MCA), on March 28, 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 21, The Effects of Changes in Foreign Exchange Rates,
- Ind AS 12, Income Taxes and
- Ind AS 112, Disclosure of Interests in Other Entities

The amendments are effective April 01, 2018. The Group believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Group.

43. STATUTORY GROUP INFORMATION

Name of the entity in the Group	31-Mar-18						
	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
Parent – Cigniti Technologies Limited	231%	1,591.08	-28.15%	(905.54)	-177%	129.92	-24.67%
Subsidiaries – Indian				-			
Gallop Solutions Private Limited	5%	34.72	0.03%	0.86	-	-	0.03%
Subsidiaries – Foreign							
Cigniti Technologies Inc., USA	-366%	(2,515.71)	110.57%	3,557.47	21.84%	(16.00)	112.64%
Cigniti Technologies (UK) Limited, UK	142%	974.77	14.01%	450.69	234%	(171.63)	8.88%
Cigniti Technologies (Australia) Pty Ltd, Australia	31%	213.88	1.32%	42.49	12.92%	(9.47)	1.05%
Cigniti Technologies (Canada) Inc., Canada	56%	382.61	2.45%	78.91	7.38%	(5.41)	2.34%
Cigniti Technologies (NZ) Limited	1%	6.91	-0.23%	(7.55)	0.93%	(0.68)	-0.26%
Net amounts	**100%**	**688.26**	**100%**	**3,217.33**	**100.00%**	**(73.27)**	**100.00%**

Name of the entity in the Group	31-Mar-17							
	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	10.37%	(423.30)	52.46%	(20,712.05)	34.92%	(143.98)	52.28%	(20,856.03)
Subsidiaries - Indian								
Cigniti Software Services Private Limited	-0.07%	2.99	0.05%	(19.47)	0.00%	-	0.05%	(19.47)
Gallop Solutions Private Limited	-3.87%	157.97	0.93%	(365.49)	0.00%	-	0.92%	(365.49)
Subsidiaries - Foreign								
Cigniti Technologies Inc., USA	114.72%	(4,681.71)	44.98%	(17,758.39)	93.04%	(383.55)	45.47%	(18,141.94)
Cigniti Technologies (UK) Limited, UK	-10.86%	443.04	-0.25%	100.34	-20.02%	82.52	-0.46%	182.86
Cigniti Technologies (Australia) Pty Ltd, Australia	-3.72%	151.79	2.02%	(797.61)	-6.61%	27.24	1.93%	(770.37)
Cigniti Technologies (Canada) Inc., Canada	-6.02%	245.61	-0.16%	64.29	-1.33%	5.48	-0.17%	69.77
Cigniti Technologies (NZ) Limited	-0.55%	22.46	-0.01%	5.69	-0.01%	0.03	-0.01%	5.72
Net amounts	**100.00%**	**(4,081.15)**	**100.00%**	**(39,482.69)**	**100.00%**	**(412.26)**	**100.00%**	**(39,894.95)**

As per our report of even date.

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT:

To the Members of Cigniti Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **Cigniti Technologies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS 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 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who had audited the standalone financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 18, 2018 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

   (d) In our opinion, the aforesaid standalone Ind AS 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: May 21, 2018

Annexure 1 to the Independent Auditors' Report

Re: Cigniti Technologies Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) (a) The Company has granted an unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loan that is re-payable on demand, to a Company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the Company has not demanded repayment of any such loan or the interest during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company and hence not commented upon.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax and other statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases of income tax, provident fund and service tax. The provisions relating to sales tax, duty of custom, duty of excise and cess are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, service tax, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any dues to government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: May 21, 2018

Annexure 2 to the Independent auditor's report of even date on the Standalone Ind AS 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 over financial reporting of Cigniti Technologies Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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 issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, 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 issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: May 21, 2018

BALANCE SHEET

as at March 31, 2018

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

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	605.13	763.41	692.40
Capital work-in-progress	3	-	-	2,082.17
Intangible assets	3	-	-	4,534.83
Financial assets				
Investments	4	6,941.31	6,980.31	6,980.31
Loans	5	340.14	341.19	337.42
Other non-current financial assets	6	-	21.05	-
Deferred tax asset, net	11	-	282.96	98.70
Other non-current assets	10	140.00	-	833.42
		8,026.58	**8,388.92**	**15,559.25**
Current assets				
Financial assets				
Loans	5	2,429.42	2,367.43	1.04
Trade receivables	7	14,759.53	11,060.94	5,084.92
Cash and cash equivalents	8	223.55	163.32	95.43
Bank balances other than cash and cash equivalents	9	44.42	34.44	19.56
Other current financial assets	6	1,716.96	1,440.11	14,536.92
Other current assets	10	738.98	605.56	2,844.34
		19,912.86	**15,671.80**	**22,582.21**
Total Assets		**27,939.44**	**24,060.72**	**38,141.46**
Equity and liabilities				
Equity				
Equity share capital	12	2,724.80	2,650.95	2,549.92
Other equity	13			
Securities premium		26,218.83	23,192.21	18,970.98
Share based payment reserve		2,004.09	3,479.21	5,792.87
Retained earnings and other comprehensive income		(13,681.04)	(16,352.03)	2,519.93
		17,266.68	**12,970.34**	**29,833.70**
Non-current liabilities				
Financial liabilities				
Borrowings	14	1,481.48	2,037.04	-
Long term provisions	18	649.49	523.37	280.08
		2,130.97	**2,560.41**	**280.08**
Current liabilities				
Financial liabilities				
Borrowings	15	3,914.64	3,802.36	2,023.00
Trade payables	16	675.50	926.69	3,623.18
Other current financial liabilities	17	2,695.47	1,115.39	-
Short term provisions	18	178.12	151.00	117.61
Current tax liability, net	19	320.11	487.66	1,169.77
Other current liabilities	20	757.95	2,046.87	1,094.12
		8,541.79	**8,529.97**	**8,027.68**
Total Equity and Liabilities		**27,939.44**	**24,060.72**	**38,141.46**
Summary of significant accounting policies	2.2			

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

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

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

per Shankar Srinivasan
Partner
Membership No. 213271

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

Place: Hyderabad
Date: May 21, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

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

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	21	24,375.58	27,508.59
Other income	22	102.46	(17.81)
Finance income	23	139.54	4.07
Total income		**24,617.58**	**27,494.85**
Expenses			
Employee benefits expense	24	14,417.84	17,672.87
Other expenses	25	6,387.75	7,593.21
Depreciation and amortisation expense	26	207.68	537.09
Finance costs	27	780.28	512.80
Total expenses		**21,793.55**	**26,315.97**
Profit before exceptional items and tax		**2,824.03**	**1,178.88**
Exceptional item	28	-	19,023.20
Profit/(loss) before tax		**2,824.03**	**(17,844.32)**
Tax expenses	29		
Current tax		-	607.97
Taxes for earlier years		-	383.75
Deferred tax expense/ (credit)		282.96	(108.06)
Total tax expense		**282.96**	**883.66**
Net profit/(loss) for the year		**2,541.07**	**(18,727.98)**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (gains)/losses on employee defined benefit plans		(129.92)	220.18
Income tax effect		-	(76.20)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(129.92)**	**143.98**
Total other comprehensive income for the year, net of tax		**(129.92)**	**143.98**
Total comprehensive income for the year, net of tax		**2,670.99**	**(18,871.96)**
Earnings/ (loss) per share	30		
Basic, computed on the basis of profit attributable to equity holders		9.54	(71.69)
Diluted, computed on the basis of profit attributable to equity holders		9.42	(71.69)
Summary of significant accounting policies	2.2		

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

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

a. Equity share capital

Equity Shares of ₹ 10 each, issued, subscribed and fully paid	No.	₹
As at April 01, 2016	**254.99**	**2,549.92**
Add: Issued during the year- ESOP (refer note 12)	10.10	101.03
As at March 31, 2017	**265.09**	**2,650.95**
Add: Issued during the year- ESOP (refer note 12)	7.39	73.85
As at March 31, 2018	**272.48**	**2,724.80**

b. Other Equity

	Other components of equity				
	Reserves and surplus			Other comprehensive income	Total
	Securities Premium	Share based payment reserve	Retained Earnings	Actuarial gains / (losses)	
As at April 01, 2016	**18,970.98**	**5,792.87**	**2,546.28**	**(26.35)**	**27,283.78**
Loss for the year	-	-	(18,727.98)	-	(18,727.98)
Other comprehensive income, net of tax	-	-	-	(143.98)	(143.98)
Issue of equity shares on exercise of employee stock options	4,221.23	(4,221.23)	-	-	-
Share-based payment expense	-	1,907.57	-	-	1,907.57
As at March 31, 2017	**23,192.21**	**3,479.21**	**(16,181.70)**	**(170.33)**	**10,319.39**
Profit for the year	-	-	2,541.07	-	2,541.07
Other comprehensive income, net of tax	-	-	-	129.92	129.92
Issue of equity shares on exercise of employee stock options	3,026.62	(3,026.62)	-	-	-
Share-based payment expense	-	1,551.50	-	-	1,551.50
As at March 31, 2018	**26,218.83**	**2,004.09**	**(13,640.63)**	**(40.41)**	**14,541.88**

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

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

STATEMENT OF CASH FLOW

for the year ended March 31, 2018

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

		Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities			
Profit/(Loss) before tax and exceptional items		2,824.03	(17,844.32)
Adjustment to reconcile profit/(loss) before tax to net cash flows:			
Exceptional item - Impairment loss		-	19,023.20
Depreciation and amortisation expense		207.68	537.09
Interest income		(139.54)	(4.07)
Interest expense		747.30	443.94
Unrealised foreign exchange gain (net)		(241.99)	(93.92)
Share based payment expense		1,480.11	1,907.57
Liabilities no longer required written back		(13.59)	(0.22)
Provision for doubtful trade receivables		75.10	-
Investment written off		39.00	-
Operating profit before working capital changes		**4,978.10**	**3,969.27**
Movements in working capital			
Decrease in trade payables		(251.17)	(2,695.15)
(Decrease)/increase in other liabilities		(1,288.92)	952.75
Increase in provisions		283.16	56.50
Increase in trade receivables		(3,544.52)	(5,805.00)
(Increase)/decrease in other assets		(62.03)	703.67
(Increase)/decrease in other financial assets		(50.81)	2,747.33
Increase in loans		(101.43)	(1,692.07)
Increase in other financial liabilities		1,578.89	494.66
Cash generated from /(used in) operations		**1,541.27**	**(1,268.04)**
Direct taxes paid		(167.55)	(1,673.83)
Net cash generated from/(used in) operating activities	**(A)**	**1,373.72**	**(2,941.87)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(278.36)	(233.65)
Investment in bank deposits (having remaining maturity of less than twelve months)		(9.98)	(14.88)
Interest received		1.44	4.07
Loan to subsidiary company		-	(712.21)
Net cash used in investing activities	**(B)**	**(286.90)**	**(956.67)**
Cash flows from financing activities			
Proceeds from exercise of employee stock options		73.85	101.03
Proceeds from long term borrowings		-	2,500.00
Repayment of long term borrowings		(462.96)	-

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

		Year ended March 31, 2018	Year ended March 31, 2017
Interest paid		(749.76)	(413.96)
Proceeds from short term borrowings		900.00	457.96
Repayment of short term borrowings		(863.96)	-
Net cash (used in)/ generated from financing activities	**(C)**	**(1,102.83)**	**2,645.03**
Net decrease in cash and cash equivalents	**(A+B+C)**	**(16.01)**	**(1,253.51)**
Cash and cash equivalents at the beginning of the year		**(1,353.98)**	**(100.47)**
Cash and cash equivalents at the end of the year		**(1,369.99)**	**(1,353.98)**
Components of cash and cash equivalents			
Cash on hand		0.06	1.54
Balances with banks			
Current accounts		223.49	161.78
Cash credit facility		(1,593.54)	(1,517.30)
Total cash and cash equivalents (refer note 9.1)		**(1,369.99)**	**(1,353.98)**

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

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

1. CORPORATE INFORMATION

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

The Standalone Financial Statements were authorised for issue in accordance with a resolution of the directors on May 21, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). These standalone financial statements for the year ended March 31, 2018 are the first, the Company has prepared in accordance with Ind AS. Refer to note 41 for information on how the Company adopted Ind AS.

The standalone financial statements have been prepared on a historical cost basis. The standalone financial statements are presented in INR, and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Use of Estimates

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 35. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

(d) Fair value measurement

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

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

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.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Good and Service Tax (GST)/ service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed price" basis.

Revenue from software services performed on a "Time and material" basis is recognised as and when services are performed.

The Company also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

Unbilled revenue included in other current assets represents revenues in excess of amounts billed to clients as at the balance sheet date.

Interest Income

For all debt instruments measured either at amortised cost or at FVTOCI, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement under Deferred Tax Asset." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.

(g) Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment and capital work in progress were carried in the balance sheet at cost of acquisition, net of accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.The Company has elected to regard those values of property, plant and equipment as deemed cost at the date of the acquisition since there is no change in the functional currency as on the date of transition to Ind AS i.e. April 01, 2016. The Company regards the carrying value as deemed cost at the transition date i.e. April 01, 2016.

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

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

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

Depreciation

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

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

(h) Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost of acquisition, net of accumulated depreciation and accumulated impairment losses. The Company has elected to regard those values of intangible assets as deemed cost at the date of the acquisition since there is no change in the functional currency as on the date of transition to Ind AS i.e. April 01, 2016. The Company regards the carrying value as deemed cost at the transition date i.e. April 01, 2016.

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.

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

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

Intangible assets	Useful lives
Software licenses	Finite (3 years)
Software tools	Finite (3 years)

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

(i) Borrowing Cost

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

(j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(k) Impairment of non-financial assets

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

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

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

(l) Provisions, Contingent liabilities and Commitments

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

Contingent liability is disclosed in the case of:

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

The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

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

(m) Retirement and other employee benefits

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

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

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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.

(n) Share-based payments

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

Equity-settled transactions

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

That cost is recognised, together with a corresponding increase in Share-Based Payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at Fair Value Through Profit or Loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. 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 four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments at FVTPL
- Equity instruments measured at FVTOCI

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI:

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

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

i. the Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the P&L. Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities Initial recognition and measurement

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

All financial liabilities are 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 and loans and borrowings including bank overdrafts and cash credits.

Subsequent measurement

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

Financial liabilities at FVTPL

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are 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 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 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 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) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(r) Segment information

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

(s) Corporate Social Responsibility

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, Plant and Equipment								Intangible assets		
	Buildings	Electrical Equipments	Leasehold improvements	Furniture & Fixtures	Office Equipments	Computer and Computer equipment	Vehicles	Total Property, Plant and Equipment	Software License	Software Tools	Total intangible assets
Cost											
As at April 01, 2016 (Deemed cost)	**193.53**	**107.35**	**102.32**	**73.64**	**91.78**	**121.44**	**2.34**	**692.40**	**246.66**	**4,288.17**	**4,534.83**
Additions	-	79.10	-	11.19	4.86	270.03	-	365.18	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	(4,288.17)	(4,288.17)
As at March 31, 2017	**193.53**	**186.45**	**102.32**	**84.83**	**96.64**	**391.47**	**2.34**	**1,057.58**	**246.66**	**-**	**246.66**
Additions	-	-	-	-	-	49.40	-	49.40	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**193.53**	**186.45**	**102.32**	**84.83**	**96.64**	**440.87**	**2.34**	**1,106.98**	**246.66**	**-**	**246.66**
Depreciation											
Charge for the year	4.26	19.77	102.32	20.72	50.42	92.32	0.62	290.43	246.66	-	246.66
Disposals	-	-	-	0.06	0.87	2.81	-	3.74	-	-	-
As at March 31, 2017	**4.26**	**19.77**	**102.32**	**20.78**	**51.29**	**95.13**	**0.62**	**294.17**	**246.66**	**-**	**246.66**
Charge for the year	3.85	21.72	-	15.62	24.11	141.79	0.59	207.68	-	-	-
As at March 31, 2018	**8.11**	**41.49**	**102.32**	**36.40**	**75.40**	**236.92**	**1.21**	**501.85**	**246.66**	**-**	**246.66**
Net book value											
As at April 01, 2016	**193.53**	**107.35**	**102.32**	**73.64**	**91.78**	**121.44**	**2.34**	**692.40**	**246.66**	**4,288.17**	**4,534.83**
As at March 31, 2017	**189.27**	**166.68**	**-**	**64.05**	**45.35**	**296.34**	**1.72**	**763.41**	**-**	**-**	**-**
As at March 31, 2018	**185.42**	**144.96**	**-**	**48.43**	**21.24**	**203.95**	**1.13**	**605.13**	**-**	**-**	**-**

Capital Work in Progress: ₹ Nil (March 31, 2017: ₹ Nil, April 01, 2016: ₹ 2,082.17).

Pledge on Property, plant and equipment:

Property, plant and equipment with a carrying amount of ₹ 605.13 (March 31, 2017: ₹ 763.41, April 01, 2016: ₹ 692.40) are subject to charge to secure cash credit facility and term loans from banks of the Company.

Ind AS 101 Exemption: The Company has availed exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and other intangible assets has been carried forward at the amount as determined under the previous GAAP. Information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows:

	Property, plant and equipment								Other intangible assets		
	Buildings	Electrical Equipments	Leasehold improvements	Furniture & Fixtures	Office Equipments	Computer and computer equipment	Vehicles	Total property, plant and equipment	Software License	"Software Tools"	Total other intangible assets
As at April 1, 2016											
Gross Block	255.27	148.48	301.78	202.01	311.72	1,986.91	4.95	3,211.12	315.59	4,288.17	4,603.76
Accumulated depreciation	61.74	41.13	199.46	128.37	219.94	1,865.47	2.61	2,518.72	68.93	-	68.93
Net Block	**193.53**	**107.35**	**102.32**	**73.64**	**91.78**	**121.44**	**2.34**	**692.40**	**246.66**	**4,288.17**	**4,534.83**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

4. INVESTMENTS

	March 31, 2018	March 31, 2017	April 01, 2016
A. Trade investments (Valued at cost unless stated otherwise)			
Investment in equity instruments			
Investment in subsidiaries (Unquoted)			
(a) 1,000 (March 31, 2017 : 1,000, April 01, 2016 : 1000) equity shares of $ 1 each, fully paid-up in CignitiTechnologies Inc, USA	5,549.49	5,549.49	5,549.49
(b) 10,000 (March 31, 2017 : 10,000, April 01, 2016 : 10,000) equity shares of ₹ 10 each, fully paid-up in Cigniti Software Services Private Limited, India*	-	39.00	39.00
(c) 10,000 (March 31, 2017 : 10,000, April 01, 2016 : 10,000) equity shares of ₹ 10 each, fully paid-up in Gallop Solutions Private Limited, India	110.00	110.00	110.00
(d) 1 (March 31, 2017 : 1, April 01, 2016 : 1) equity shares of CAD 1 each, fully paid-up in Cigniti Technology Canada Inc., Canada	0.00	0.00	0.00
(e) 855,001 (March 31, 2017 : 855,001, April 01, 2016 : 855,001) equity shares of GBP 1 each, fully paid-up in Cigniti Technologies (UK) Limited, UK	839.57	839.57	839.57
(f) 865,001 (March 31, 2017 : 865,001, April, 01 2016 : 865,001) equity shares of AUD 1 each, fully paid-up in Cigniti Technologies (Australia) Pty Ltd, Australia.	442.25	442.25	442.25
(g) 1 (March 31, 2017: 1, April 01, 2016 : 1) equity shares of NZD 1 each, fully paid-up in Cigniti Technologies (NZ) Limited, New Zealand	0.00	0.00	0.00
Total	**6,941.31**	**6,980.31**	**6,980.31**
Aggregate amount of unquoted investments	**6,941.31**	**6,980.31**	**6,980.31**

*Cigniti Software Services Private Limited, wholly owned subsidiary of the Company, has been struck off by MCA and the Company will not revive the subsidiary company. Consequently, the investment has been written off during the current year.

5. LOANS

	Non current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good						
Security deposits	340.14	341.19	337.42	124.36	90.66	1.04
Staff advances	-	-	-	1,590.96	1,564.56	-
Loan to related parties (refer note 34)	-	-	-	714.10	712.21	-
Total	**340.14**	**341.19**	**337.42**	**2,429.42**	**2,367.43**	**1.04**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

6. OTHER FINANCIAL ASSETS

	Non current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Non-current bank balances (refer note 9)	-	21.05	-	-	-	-
Others						
Interest receivable	-	-	-	138.10	-	-
Advances to related parties (refer note 34)	-	-	-	1,578.86	1,440.11	14,536.92
	-	21.05	-	1,716.96	1,440.11	14,536.92

7. TRADE RECEIVABLES

	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Related parties	13,885.99	10,399.85	-
Others	873.54	661.09	5,084.92
Unsecured, considered doubtful			
Others	75.10	-	-
Less: Allowances for doubtful receivables	(75.10)	-	-
	14,759.53	**11,060.94**	**5,084.92**

"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. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Trade receivables are generally with the credit term of 30 to 90 days."

8. CASH AND CASH EQUIVALENTS

	March 31, 2018	March 31, 2017	April 01, 2016
Cash on hand	0.06	1.54	2.18
Balance with banks			
-On current accounts	223.49	161.78	93.25
	223.55	**163.32**	**95.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Non-current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Other deposit accounts						
Deposits with remaining maturity for more than 12 months	-	21.05	-	-	-	-
Deposits with remaining maturity for less than 12 months	-	-	-	44.42	34.44	19.56
	-	**21.05**	**-**	**44.42**	**34.44**	**19.56**
Less: Amount disclosed under non-current assets (refer note 6)	**-**	(21.05)	**-**	**-**	**-**	-
	-	**-**	**-**	**44.42**	**34.44**	**19.56**

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

	March 31, 2018	March 31, 2017	April 01, 2016
Cash and cash equivalents (refer note 8)	223.55	163.32	95.43
Less: Cash credit facility (refer note 15)	(1,593.54)	(1,517.30)	(195.90)
	(1,369.99)	**(1,353.98)**	**(100.47)**

In the previous year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, denomination wise SBNs and other notes as per the notification is given below:

	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	0.51	0.51
(+) Permitted receipts	-	6.50	6.50
(-) Permitted payments	-	(4.47)	(4.47)
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	**-**	**2.54**	**2.54**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

10. OTHER ASSETS

	Non-current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good unless stated otherwise						
Advances recoverable in cash or kind	-	-	826.43	-	-	1,542.10
Capital advances	140.00	-	-	-	-	-
Travel advances	-	-	-	71.20	-	797.31
Preliminary expenses not written off	-	-	6.99	-	-	-
Prepaid expenses	-	-	-	46.35	39.14	160.21
Balance with government authorities	-	-	-	560.31	396.30	344.72
Unbilled revenue	-	-	-	61.12	170.12	-
	140.00	**-**	**833.42**	**738.98**	**605.56**	**2,844.34**

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.

11. DEFERRED TAX ASSET, NET

		March 31, 2018	March 31, 2017	April 01, 2016
Deferred tax asset				
Depreciation on property, plant and equipment and intangible asset		-	49.55	17.45
Provision for gratuity and leave encashment		-	233.41	81.25
Deferred tax asset, net		**-**	**282.96**	**98.70**

Deferred tax asset:
For the year ended March 31, 2018:

	Opening balance	Recognised in Statement of profit or loss	Recognised in other comprehensive income	Closing balance
Depreciation on property, plant and equipment and intangible asset	49.55	(49.55)	-	-
Provision for employee benefits	233.41	(233.41)	-	-
	282.96	**(282.96)**	-	-

For the year ended March 31, 2017:

	Opening balance	Recognised in Statement of profit or loss	Recognised in other comprehensive income	Closing balance
Depreciation on property, plant and equipment and intangible asset	17.45	32.10	-	49.55
Provision for employee benefits	81.25	75.96	76.20	233.41
	98.70	**108.06**	**76.20**	**282.96**

The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to ₹ 5,058.40 lakhs as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company.

12. EQUITY SHARE CAPITAL

	March 31, 2018	March 31, 2017	April 01, 2016
Authorized share capital			
36,000,000 (March 31, 2017 : 36,000,000, April 01, 2016 - 36,000,000) equity shares of ₹ 10/- each	3,600.00	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares			
27,248,029 (March 31, 2017: 26,509,530, April 01, 2016 - 25,499,219) equity shares of ₹ 10/- each fully paid-up	2,724.80	2,650.95	2,549.92
Total issued, subscribed and fully paid-up share capital	**2,724.80**	**2,650.95**	**2,549.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

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

Equity shares

	March 31, 2018		March 31, 2017	
	No's	Amount	No's	Amount
At the beginning of the year	265.09	2,650.95	254.99	2,549.92
Employee stock options issued during the year	7.39	73.85	10.10	101.03
Outstanding at the end of the year	**272.48**	**2,724.80**	**265.09**	**2,650.95**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹ 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, 2018		March 31, 2017		April 01, 2016	
Name of the shareholder	No's	% holding	No's	% holding	No's	% holding
P. Sapna	37.69	13.83%	37.69	14.22%	37.69	14.78%
C. V. Subramanyam	29.58	10.86%	29.58	11.16%	29.58	11.60%
C. Srikanth	25.00	9.17%	25.00	9.43%	25.00	9.80%
Kukunuru Samba Siva Rao	16.61	6.10%	16.69	6.30%	16.71	6.55%

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

13. OTHER EQUITY

	March 31, 2018	March 31, 2017	April 01, 2016
Securities premium			
Opening balance	23,192.21	18,970.98	
Add: Issue of equity shares on exercise of employee stock options	3,026.62	4,221.23	
Closing balance	**26,218.83**	**23,192.21**	**18,970.98**
Share based payment reserve			
Opening balance	3,479.21	5,792.87	
Less: Issue of equity shares on exercise of employee stock options	(3,026.62)	(4,221.23)	
Add: Share-based payment expense	1,551.50	1,907.57	
Closing balance	**2,004.09**	**3,479.21**	**5,792.87**
Retained earnings and other comprehensive income			
Opening balance	(16,352.03)	2,519.93	
Add: Profit/ (loss) during the year	2,541.07	(18,727.98)	
Items recognised directly in Other comprehensive income			
Re-measurement loss on employee defined benefit plans (net of tax)	129.92	(143.98)	
Closing balance	**(13,681.04)**	**(16,352.03)**	**2,519.93**
	14,541.88	**10,319.39**	**27,283.78**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

14. BORROWINGS

	Non-current			Current maturities		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
From financial institution (Secured)						
Rupee term loan (refer note below)	1,481.48	2,037.04	-	555.56	462.96	-
	1,481.48	**2,037.04**	**-**	**555.56**	**462.96**	**-**
The above amount includes:						
Secured borrowings	1,481.48	2,037.04	-	555.56	462.96	-
Amount disclosed under the head other current liabilities (refer note 17)	-	-	-	(555.56)	(462.96)	-
Net borrowings	**1,481.48**	**2,037.04**	**-**	**-**	**-**	**-**

Indian rupee term loan from a financial institution of Rs 2,037.03(March 31, 2017: 2,500 April 01, 2016: Nil) carries an floating interest rate of 13.51% (March 31, 2017: 14.65%, April 01, 2016: Nil) and is repayable on monthly basis in 54 equal instalments starting from June 2017. The loan is secured by pledge of own equity shares held by promoters and personal guarantee of the directors, Mr. C. V. Subramanyam, Managing Director and Mr. C. Srikanth, Director.

15. SHORT TERM BORROWINGS

	March 31, 2018	March 31, 2017	April 01, 2016
Secured			
Cash credit from banks (refer note (a) below)	1,593.54	1,517.30	195.90
Term loan (refer note (b) below)	725.00	122.96	-
	2,318.54	**1,640.26**	**195.90**
Unsecured			
Loan from related parties (refer note (c) below)	1,596.10	2,162.10	1,827.10
	1,596.10	**2,162.10**	**1,827.10**
	3,914.64	**3,802.36**	**2,023.00**

(a) Cash credit from banks ₹ 1,593.54 (March 31, 2017: ₹ 1,517.30, April 01, 2016: ₹ 195.90) is secured by hypothecation of fixed assets, trade receivables of the Company and immovable property of Mr. C.V Subramanyam, Managing Director and his relative. The cash credit is secured by personal guarantee of the directors, Mr. C. V. Subramanyam, Managing Director and Mr. C. Srikanth, Director and their relatives. It is repayable on demand and carries floating interest rate of 11.85%p.a. (March 31, 2017: 12.44% p.a., April 01, 2016: 13.50% p.a.)

(b) Term loan from bank of ₹ 725.00 (March 31, 2017: Rs 122.96, April 01, 2016: Nil) carries an floating interest rate of 11.75%-12.30% p.a. (March 31, 2017: 12.30%, April 01, 2016: Nil) and is repayable in 12 monthly equal instalments. The loan is secured by hypothecation of fixed assets. Further personal guarantee of the directors,Mr. C. V. Subramanyam, Managing Director and Mr. C. Srikanth, Director and their relatives.

(c) Loans from related parties are repayable on demand and carries a interest rate of 14% p.a. (March 31, 2017 : 14% p.a, April 01, 2016: Nil).

16. TRADE PAYABLES

	March 31, 2018	March 31, 2017	April 01, 2016
-Outstanding dues of micro enterprises and small enterprises(refer note 33 for details of dues to micro and small enterprises)	-	-	-
-Outstanding dues of creditors other than micro enterprises and small enterprises	675.50	926.69	3,623.18
	675.50	**926.69**	**3,623.18**

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

17. OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2018	March 31, 2017	April 01, 2016
At amortised cost			
Current maturities of non-current borrowings (refer note 14)	555.56	462.96	-
Interest accrued and due on borrowings (refer note below)	14.34	13.80	-
Interest accrued but not due on borrowings (refer note below)	13.19	16.18	-
Advances from related parties	2,073.55	494.66	-
Capital creditors	38.83	127.79	-
	2,695.47	**1,115.39**	**-**

Interest payable is normally settled monthly/quarterly throughout the financial year.

Changes in liabilities arising from financing activities

Particulars	April 01, 2017	Cashflows	March 31, 2018
Short-term borrowings	3,802.36	112.28	3,914.64
Non-current borrowings (including current maturities)	2,500.00	(462.96)	2,037.04
Total liabilities from financing activities	**6,302.36**	**(350.68)**	**5,951.68**

Changes in liabilities arising from financing activities

Particulars	April 01, 2016	Cashflows	March 31, 2017
Short-term borrowings	2,023.00	1,779.36	3,802.36
Non-current borrowings (including current maturities)	-	2,500.00	2,500.00
Total liabilities from financing activities	**2,023.00**	**4,279.36**	**6,302.36**

18. PROVISIONS

	Long term			Short term		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Provisions for employee benefits						
Provision for gratuity	649.49	523.37	280.08	70.23	46.83	34.17
Provision for leave benefits	-	-	-	107.89	104.17	83.44
	649.49	**523.37**	**280.08**	**178.12**	**151.00**	**117.61**

19. CURRENT TAX LIABILITY, NET

	March 31, 2018	March 31, 2017	April 01, 2016
Provision for taxation (net of advance tax)	320.11	487.66	1,169.77
	320.11	**487.66**	**1,169.77**

20. OTHER CURRENT LIABILITIES

	March 31, 2018	March 31, 2017	April 01, 2016
Statutory dues	757.95	2,046.87	1,094.12
	757.95	**2,046.87**	**1,094.12**

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

21 REVENUE FROM OPERATIONS

	Year ended March 31, 2018	Year ended March 31, 2017
Rendering of software testing services	24,375.58	27,508.59
	24,375.58	**27,508.59**

22. OTHER INCOME

	Year ended March 31, 2018	Year ended March 31, 2017
Exchange differences (net)	88.87	(18.03)
Liabilities no longer required written back	13.59	0.22
	102.46	**(17.81)**

23. FINANCE INCOME

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on bank deposits	2.29	4.07
Interest on loans/advances	137.25	-
	139.54	**4.07**

24. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	12,113.97	15,176.98
Contribution to provident and other funds (refer note 31)	350.36	361.40
Share-based payment expense	1,480.11	1,907.57
Gratuity expense (refer note 31)	292.14	71.86
Staff welfare expenses	181.26	155.06
	14,417.84	**17,672.87**

25 OTHER EXPENSES

	Year ended March 31, 2018	Year ended March 31, 2017
Power and fuel	459.88	504.42
Rent	939.53	776.93
Rates and taxes	413.06	313.65
Repairs and maintenance	289.82	173.53
Advertising and sales promotion	96.65	128.76
Travelling and conveyance	1,750.08	3,504.63
Communication costs	159.29	294.52
Consultancy charges	1,266.83	984.28
Legal and professional fees	413.46	356.27
Payment to auditor (refer note below)	70.49	39.62
Provision for doubtful debts	75.10	-
Investment written off	39.00	-
Software licensing cost	346.00	418.92
CSR expenditure (refer note below)	41.45	31.04
Miscellaneous expenses	27.11	66.64
	6,387.75	**7,593.21**

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Payment to Auditor

	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Audit fee	40.00	5.00
Tax audit fee	-	2.00
Limited review	30.00	3.00
In other capacity		
Other services	-	29.62
Reimbursement of expenses	0.49	-
	70.49	**39.62**

Details of CSR expenditure

		Year ended March 31, 2018	Year ended March 31, 2017
(a) Gross amount required to be spent by the Company during the year:		41.45	31.04
	In Cash	**Yet to be paid in cash**	**Total**
(b) Amount spent during the year ending March 31, 2018			
i) Construction/Acquisition of any asset	-	-	-
ii) On purposes other than (i) above	41.45	-	41.45
	In Cash	**Yet to be paid in cash**	**Total**
(c) Amount spent during the year ending March 31, 2017			
i) Construction/Acquisition of any asset	-	-	-
ii) On purposes other than (i) above	31.04	-	31.04

26. DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 3)	207.68	290.43
Amortization on intangible assets (refer note 3)	-	246.66
	207.68	**537.09**

27. FINANCE COSTS

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	747.30	443.94
Bank charges	32.98	68.86
	780.28	**512.80**

28. EXCEPTIONAL ITEMS

The Company had incurred substantially on development of software testing products and tools in the past years. In view of the technological changes and the overall market outlook for software products in the testing space, the Company had carried out an impairment analysis of such products. Based on such analysis and in the absence of estimates of future cash flows arising from the sale of product licenses for these tools the Company had decided to fully impair such tool development costs amounting ₹ 19,023.20 lakhs in the previous year on a conservative and prudent basis in line with the requirements of the accounting standards.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

29. TAXES

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2018 and for the year ended March 31, 2017 are:

(i) Statement of Profit or Loss

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
	Adjustment of current tax relating to earlier years	-	383.75
	Current tax		
	Current tax expense	-	607.97
	Deferred tax expense/(credit)		
	Relating to origination and reversal of temporary differences	282.96	(108.06)
	Total income tax expense recognised in statement of profit & loss	**282.96**	**499.91**
(ii)	**OCI Section: Deferred tax related to items recognised in OCI during the year**		
	Net gain on remeasurement of defined benefit plans	-	(76.20)
	Income tax charged to OCI	-	(76.20)
(b)	**Reconciliation of effective tax rate:**		
	Profit/(loss) before tax (A)	2,824.03	(17,844.32)
	Tax rate as per Income Tax Act, 1961 (B)	34.61%	34.61%
	Expected tax expense (C = A*B)	977.34	(6,175.56)
	Adjustment		
	Tax effect on impairment loss on which no deferred tax is recognised	-	6,583.55
	Tax effect on expenses disallowed under Income Tax Act, 1961	52.80	13.16
	Tax effect on deductible temporary differences and set off of profits for the year against the carry forward of taxable losses	(1,030.14)	-
	Reversal of deferred tax asset of earlier years	282.96	-
	Others	-	78.76
	Income tax expense reported in the statement of profit and loss	**282.96**	**499.91**
	Effective tax rate	10.02%	-2.80%

The Company has not provided for income tax during the year as it has carried forward tax losses under income tax provisions. The Company has not provided for income tax under MAT as it had accumulated book losses and unabsorbed depreciation. The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to ₹ 5,058.40 lakhs as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Refer note 35 for further details.

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

30 EARNINGS/(LOSS) PER SHARE

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

	Year ended March 31, 2018	Year ended March 31, 2017
Profit/ (loss) attributable to equity shareholders for basic earnings	2,541.07	(18,727.98)
Weighted average number of equity shares in computing basic EPS	266.31	261.25
Add: Effect of dilution:		
Employee stock options	3.53	9.77
Weighted Average number of equity shares adjusted for effect of dilution*	269.84	271.02
Face value of each equity share (₹)	10.00	10.00
Earnings/ (loss) per share		
- Basic (₹)	9.54	(71.69)
- Diluted (₹)	9.42	(71.69)

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

*The potential equity shares for the previous year are anti-dilutive, accordingly are ignored in the calculation of diluted earnings per share. Hence, diluted loss per share is same as basic loss per share.

31 RETIREMENT AND OTHER EMPLOYEE BENEFITS

I. Defined Benefit Plans

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

A)	**Net employee benefit expense (recognised in Employee benefits expenses)**		
	Current service cost	220.71	68.30
	Past service cost	32.68	-
	Interest cost	39.87	3.56
	Expected return on plan assets	(1.12)	-
	Net employee benefit expenses	**292.14**	**71.86**
	Actual return on plan asset	(1.12)	-
B)	**Amount recognised in the Balance Sheet**		
	Defined benefit obligation	729.02	586.63
	Fair value of plan assets	9.30	16.43
		719.72	**570.20**
C)	**Changes in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	586.63	314.25
	Current service cost	220.71	68.30
	Past service cost	32.68	-
	Interest cost	39.87	3.56
	Benefits paid	(7.71)	(19.66)
	Net Actuarial (gains) / losses on obligation for the year recognised under OCI	(143.16)	220.18
	Closing defined benefit obligation	**729.02**	**586.63**

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

D)	**Change in the fair value of plan assets**		
	Opening fair value of plan assets	16.43	-
	Investment income	1.12	-
	Employer's contribution	4.99	16.43
	Net actuarial loss on plan assets for the year recognised under OCI	(13.24)	-
	Closing fair value of plan assets	**9.30**	**16.43**
	The Company expects to contribute ₹ 70.00 to the gratuity fund in the next year (March 31, 2017: ₹ 50.00 April 01, 2016: ₹ 30.00).		
	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Investments with LIC	100.00%	100.00%
E)	**Remeasurement adjustments:**		
	Experience loss/ (gain) on plan liabilities	(120.37)	220.18
	Financial loss/ (gain) on plan liabilities	(22.79)	-
	Actuarial loss on plan assets	13.24	-
	Remeasurement gains/(losses) recognised in other comprehensive income:	**(129.92)**	**220.18**
(i)	**The principal assumptions used in determining gratuity for the Company's plans are shown below:**		
	Discount rate	7.30%	6.80%
	Expected rate of return on assets	6.80%	6.80%
	Salary rise	12.00%	12.00%
	Attrition Rate	20.00%	20.00%

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

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

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

Year ending	March 31, 2018	March 31, 2017
Expected benefit payments for the year ending:		
1 year	70.23	48.24
2-5 years	404.60	317.04
6-10 years	375.21	319.78
More than 10 years	389.38	313.84

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2017: 6 years).

(iii) **Sensitivity analysis:**

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	42.19	36.04
- 1% decrease	(46.82)	(40.09)
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	(41.90)	(32.67)
- 1% decrease	39.40	31.05
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	129.75	124.26
- decrease by 50% of the attrition rate	(254.06)	(224.47)

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

II	Defined contribution plan	Year ended March 31, 2018	Year ended March 31, 2017
	Contribution to provident and other funds	350.36	361.40

32 SHARE BASED PAYMENTS

Under the ESOP plan, the Group, 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 4 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

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

	Year ended March 31, 2018	Year ended March 31, 2017
Expense arising from equity-settled share-based payment transactions	1,480.11	1,907.57

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

Particulars	March 31, 2018				March 31, 2017			
	Scheme 2011	Scheme 2013	Scheme 2014-I	Scheme 2014-II	Scheme 2011	Scheme 2013	Scheme 2014-I	Scheme 2014-II
Total No. of options under the scheme	15.00	10.00	20.00	5.00	15.00	10.00	20.00	5.00
Outstanding at April 01	7.44	1.09	2.40	5.00	12.98	2.18	4.00	-
Granted during the year	-	-	-	-	2.02	-	-	5.00
Forfeited during the year	1.07	-	0.26	-	-	-	0.15	-
Exercised during the year	4.05	1.09	0.99	1.25	7.56	1.09	1.45	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding as at year end	2.31	-	1.15	3.75	7.44	1.09	2.40	5.00
Exercisable as at year end	2.17	-	0.11	-	2.17	-	0.21	-

The weighted average share price at the date of exercise of these options was ₹ 294.09 (March 31, 2017: ₹ 418.34)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2018 , as at March 31, 2017 and April 1, 2016

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Scheme 2011	1.72	4.23	4.25
Scheme 2013	-	4.25	4.75
Scheme 2014-I	4.67	5.11	5.35
Scheme 2014-II	5.76	6.26	-

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2017: ₹ 394.37).

The range of exercise prices for the options outstanding at the beginning, granted, forfeited, exercised, expired and outstanding at the end of the year is ₹ 10 (March 31, 2017: ₹ 10 April 01, 2016: ₹ 10).

The following tables list the inputs to the models used for the years ended March 31, 2017. There were no grants

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

in the current year.

Particulars	March 31, 2017
	Scheme 2011 and Scheme 2014 II
Dividend yield	0%
Expected volatility	31.78%-35.64%
Risk-free interest rate	6.28%-6.54%
Expected life of options granted in years	2-5
Weighted average share price	402.45
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 The Company has not dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 during the year.

34 RELATED PARTY DISCLOSURES

a. Names of related parties and description of relationship

Name of the related party	Relationship
Subsidiaries	
Cigniti Technologies NZ Ltd, New Zealand	Wholly owned subsidiary
Gallop Solutions Private Limited, India	Wholly owned subsidiary
Cigniti Technologies (UK) Limited, UK	Wholly owned subsidiary
Cigniti Technologies (Australia) Pty Ltd, Australia	Wholly owned subsidiary
Cigniti Technologies Inc., USA	Wholly owned subsidiary
Cigniti Technologies (Canada) Inc., Canada	Wholly owned subsidiary
Cigniti Software Services Private Limited, India	Wholly owned subsidiary (struck off by MCA)
Enterprise over which Key Management Personnel exercise significant influence	
Kairos Technologies Inc.	Enterprise over which Key Management Personnel exercise significant influence
Key Management Personnel^	
Mr. C. V. Subramanyam*	Chairman & Managing Director
Mr. Sudhakar Pennam	Director (resigned w.e.f from May 17, 2017)
Mr. C. Srikanth*	Whole-time Director
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Ram Krishna Agarwal	Independent director (appointed w.e.f June 30, 2017)
Mr. Phaneesh Murthy	Independent director (appointed w.e.f June 30, 2017)
Mr. Srinath Batni	Independent director (appointed w.e.f August 24, 2017)
Mr. K CH Subbarao	Independent director
Ms. Nooraine Fazal	Independent director (appointed w.e.f June 30, 2017)
Relatives of Key Management Personnel	
Ms. Sapna Pennam	Wife of director Mr. Sudhakar Pennam

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

(b) **Transactions/ Balances with above parties**

March 31, 2018

i. Subsidiaries

Particulars	Cigniti Technologies Inc., USA	Cigniti Technology Canada Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Private Limited, India	Cigniti Software Services Private Limited, India	Kairos Technologies Inc.
Transactions								
Rendering of software testing services	17,667.98	422.07	2,515.48	270.24	32.04	-	-	-
Interest on loan	117.88	-	-	-	-	-	-	-
Reimbursement of expenses	(993.76)	(25.31)	13.20	14.00	(0.29)	(127.10)	-	-
Investment written off	-	-	-	-	-	-	39.00	-
Balances outstanding receivable/(payable)								
Trade receivable	10,966.12	120.03	2,325.64	329.30	144.90	-	-	-
Loan receivable	714.10	-	-	-	-	-	-	-
Interest receivable	117.88	-	-	-	-	-	-	-
Advance receivable	479.72	230.03	396.24	469.36	3.51	-	-	-
Advance payable	(2,042.62)	-	-	-	-	(30.93)	-	-
Borrowings	-	-	-	-	-	-	-	(3.35)
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00	-	-

ii. Key Management Personnel^

Particulars	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Sudhakar Pennam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions								
Managerial remuneration	120.00	20.00	-	-	-	9.50	9.50	9.50
Director sitting fees	-	-	-	-	-	9.00	8.00	6.00
Salary	-	-	-	75.41	6.91	-	-	-
Repayment of loan	(445.00)	(121.00)	-	-	-	-	-	-
Interest on loan	171.41	55.76	-	-	-	-	-	-
Rent expense	-	18.00	-	-	-	-	-	-
Refund of security deposit	-	(9.00)	-	-	-	-	-	-
Balances outstanding receivable/(payable)								
Borrowings	(813.75)	(279.00)	(500.00)	-	-	-	-	-
Managerial remuneration payable	-	-	-	-	-	9.50	9.50	9.50

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

March 31, 2017

i. Subsidiaries

Particulars	Cigniti Technologies Inc., USA	Cigniti Technology Canada Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Private Limited, India	Cigniti Software Services Private Limited, India	Kairos Technologies Inc.
Transactions								
Rendering of software testing services	21,197.09	115.38	1,761.20	378.40	110.56	-	-	-
Balances outstanding receivable/(payable)								
Trade receivable	8,535.39	98.25	1,274.96	381.47	109.76	-	-	-
Loan receivable	712.21	-	-	-	-	-	-	-
Advance receivable	246.41	255.34	383.04	455.36	3.80	96.16	-	-
Advance payable	(494.66)	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	(3.35)
Investment	5,549.49	0.00	839.57	442.25	0.00	110.00	39.00	-

ii. Key Management Personnel^

Particulars	Mr. C. V. Subramanyam	Mr. C. Srikanth	Mr. Sudhakar Pennam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha
Transactions					
Managerial remuneration	120.00	120.00	-	-	-
Salary	-	-	-	72.66	5.48
Repayment of loan	(525.00)	-	-	-	-
Interest on loan	88.84	65.01	-	-	-
Loan received	460.00	400.00	-	-	-
Rent expense	-	3.00	-	-	-
Security deposit given	-	9.00	-	-	-
Balances outstanding receivable/(payable)					
Security deposit receivable	-	9.00	-	-	-
Borrowings	(1,258.75)	(400.00)	(500.00)	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

April 01, 2016

i. Subsidiaries

Particulars	Cigniti Technologies Inc., USA	Cigniti Technology Canada Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Private Limited, India	Cigniti Software Services Private Limited, India	Kairos Technologies Inc.
Balances outstanding receivable/(payable)								
Advance receivable	13,742.03	-	504.43	220.52	2.75	127.17	-	-
Advance payable	-	(59.98)	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	(3.35)
Investment	5,549.49	0.00	839.57	442.25	0.00	110.00	39.00	-

ii. Key Management Personnel^

Particulars	Mr. C. V. Subramanyam	Mr. Sudhakar Pennam
Balances outstanding receivable/(payable)		
Borrowings	(1,323.75)	(500.00)

* Key management personnel (Mr. C.V Subramanyam and Mr. C. Srikanth) have given personal guarantees and personal property as collateral security in favour of bankers in connection with term loans whose closing balance in total is ₹ 4,355.58 (March 31, 2017: ₹ 4,140.26, April 01, 2016: ₹ 195.90).

^ 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 and settlement occurs in cash.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

35 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone 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.

(A) 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 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.

(i) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 32.

(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.

The Company has not provided for income tax during the year as it has carried forward tax losses under income tax provisions which expire in 8 years. The Company has not provided for income tax under MAT as it had accumulated book losses and unabsorbed depreciation. The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to ₹ 5,058.40 lakhs as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company."

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

36 FAIR VALUES

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

	Carrying value			Fair value		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets at amortised cost:						
Loans	2,769.56	2,708.62	338.46	2,769.56	2,708.62	338.46
Other current financial assets	1,716.96	1,461.16	14,536.92	1,716.96	1,461.16	14,536.92
Trade receivables	14,759.53	11,060.94	5,084.92	14,759.53	11,060.94	5,084.92
Cash and cash equivalents	223.55	163.32	95.43	223.55	163.32	95.43
Bank balances other than cash and cash equivalents	44.42	34.44	19.56	44.42	34.44	19.56
Financial liabilities at amortised cost:						
Borrowings (including current maturities)	5,951.68	6,302.36	2,023.00	5,951.68	6,302.36	2,023.00
Other current financial liabilities	2,139.91	652.43	-	2,139.91	652.43	-
Trade payables	675.50	926.69	3,623.18	675.50	926.69	3,623.18

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

A. Credit Risk

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

i. **Trade receivables:**

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

At March 31, 2018, the Company had 17 customers (March 31, 2017: 18 customers, April 1, 2016: 7 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 90% (March 31, 2017: 93%, April 1, 2016: 55%) of all the receivables outstanding. There were 4 customers (March 31, 2017: 4 customers, April 1, 2016: 4 customers) with balances greater than 5% each accounting for approximately 56% (March 31, 2017: 63%, April 1, 2016: 52%) of the total amounts receivable.

The above trade receivables excludes trade receivables from related parties.

The Company has made provision for trade receivables amounting to ₹ 75.10 during the year (March 31, 2017: Rs Nil, April 01, 2016: Rs Nil) as there was no reasonable expectations of recovery and were outstanding for more than 90 days from becoming due. These are however, still subject to enforcement activity.

B. **Liquidity Risk**

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

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

	On demand	< 1 year	1 to 5 years	> 5 years	Total
March 31, 2018:					
Borrowings (including current maturities)	1,596.10	2,874.10	1,481.48	-	5,951.68
Interest payable	-	27.53	-	-	27.53
Trade payables	-	675.50	-	-	675.50
Other payables	-	1,078.06	-	-	1,078.06
Other current financial liabilities	-	2,112.38	-	-	2,112.38
	1,596.10	**6,767.57**	**1,481.48**	**-**	**9,845.15**
March 31, 2017:					
Borrowings (including current maturities)	2,162.10	2,103.22	2,037.04	-	6,302.36
Interest payable	-	29.98	-	-	29.98
Trade payables	-	926.69	-	-	926.69
Other payables	-	2,534.53	-	-	2,534.53
Other current financial liabilities	-	622.45	-	-	622.45
	2,162.10	**6,216.87**	**2,037.04**	**-**	**10,416.01**

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

	On demand	< 1 year	1 to 5 years	> 5 years	Total
April 01, 2016:					
Borrowings	1,827.10	195.90	-	-	2,023.00
Trade payables	-	3,623.18	-	-	3,623.18
Other payables	-	2,263.89	-	-	2,263.89
	1,827.10	**6,082.97**	**-**	**-**	**7,910.07**

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 analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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, 2018 and March 31, 2017.

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 long-term debt 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/(loss) before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit/(loss) before tax	
	Increase	Decrease	Decrease	Increase
March 31, 2018				
Indian Rupees	+0.5%	-0.50%	(27.60)	27.60
March 31, 2017				
Indian Rupees	+0.5%	-0.50%	15.91	(15.91)

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a) **Details of Unhedged Foreign Currency Exposure:**

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

	Currency	March 31, 2018 Amount in Foreign Currency	March 31, 2018 Amount in ₹	March 31, 2018 Conversion Rate	March 31, 2017 Amount in Foreign Currency	March 31, 2017 Amount in ₹	March 31, 2017 Conversion Rate	April 01, 2016 Amount in Foreign Currency	April 01, 2016 Amount in ₹	April 01, 2016 Conversion Rate
Cash and cash equivalent	USD	1,312.00	85,175.04	64.92	-	-	-	-	-	-
	ZAR	55.01	301.45	5.48	-	-	-	-	-	-
Trade receivables	USD	170.39	11,061.72	64.92	263.93	17,089.47	64.75	55.28	3,654.01	66.10
	GBP	25.53	2,325.53	91.09	16.37	1,319.59	80.61	0.07	6.29	89.86
	AUD	6.60	329.27	49.89	8.08	400.77	49.60	0.15	7.84	52.27
	CAD	2.38	120.02	50.43	2.23	108.36	48.59	-	-	
	NZD	3.09	144.89	46.89	2.42	110.16	45.52	-	-	
	ZAR	71.19	390.12	5.48	62.95	313.49	4.98	3.49	15.53	4.45
	SGD	1.06	52.71	49.73	0.29	13.40	46.21	0.39	18.97	48.64
	DKK	3.63	38.88	10.71	0.71	6.65	9.37	0.65	6.55	10.07
Loan	USD	11.00	714.12	64.92	11.00	712.25	64.75	-	-	-
Other financial asset	USD	1.82	117.88	64.77	-	-	-	-	-	-
Advances recoverable in cash or kind	USD	7.39	479.76	64.92	-	-	-	13.88	917.47	66.10
	GBP	4.35	396.24	91.09	2.67	215.39	80.67	5.31	504.50	95.01
	AUD	9.41	469.37	49.88	8.79	436.07	49.61	4.35	220.55	50.70
	CAD	4.57	230.01	50.33	5.05	245.23	48.56	-	-	-
	NZD	0.07	3.51	50.14	0.07	3.40	48.57	-	-	-
Trade payables	USD	31.46	2,042.70	64.93	0.04	2.75	68.75	15.09	997.75	66.12
	ZAR	3.53	19.38	5.49	42.21	210.21	4.98	49.36	2,400.87	48.64

b) **Foreign currency sensitivity:**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate		Effect on profit/(loss) before tax	
	Increase	Decrease	Increase/(Decrease)	
March 31, 2018				
USD	1.00%	-1.00%	955.06	(955.06)
GBP	1.00%	-1.00%	27.22	(27.22)
March 31, 2017				
USD	1.00%	-1.00%	(177.99)	177.99
GBP	1.00%	-1.00%	(15.35)	15.35

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

38. 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, 2018	March 31, 2017	April 01, 2016
Borrowings (including current maturities)	5,951.68	6,302.36	2,023.00
Less: Cash and cash equivalents	(223.55)	(163.32)	(95.43)
Net debt	**5,728.13**	**6,139.04**	**1,927.57**
Equity	2,724.80	2,650.95	2,549.92
Other Equity	14,541.88	10,319.39	27,283.78
Total Capital	**17,266.68**	**12,970.34**	**29,833.70**
Total capital and net debt	**22,994.81**	**19,109.38**	**31,761.27**
Gearing ratio	25%	32%	6%

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 period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017

39. COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments - Company as lessee

The Company has entered into operating leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 0% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognized in the Statement of Profit or Loss is ₹ 939.53 (March 31, 2017: ₹ 776.93).

Future minimum rentals payable under non-cancellable operating leases as at March 31 are, as follows:

	March 31, 2018	March 31, 2017	April 01, 2016
Within one year	771.29	742.58	325.13
After one year but not more than five years	1,684.41	1,425.49	116.06

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2018 is ₹ 488.44 (March 31, 2017: ₹ Nil, April 01, 2016 : ₹ Nil)

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

c. **Contingent liabilities**

The contingent liabilities outstanding as at March 31, 2018 is ₹ Nil (March 31, 2017: ₹ Nil, April 01, 2016: ₹ Nil)

40 SEGMENT REPORTING

Based on the internal reporting provided to the Chief Operating Decision Maker, the standalone financial results relates to "Software testing services" as the only reportable primary segment of the Company.

41 FIRST TIME ADOPTION OF IND AS

These are the Company's first set of standalone financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company had prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP standalone financial statements, including the balance sheet as at April 01, 2016 and the standalone financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) Since there is no change in the functional currency, the Company has elected to regard carrying values for all of property, plant and equipment and other intangible as recognised in its Indian GAAP financials as deemed cost at the date of the transition.

(b) In the preparation of separate financial statements, Ind AS 27 Separate Financial Statements requires an entity to account for its investments in subsidiaries either:

a) At cost, or

b) In accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost, it can measure that investment at one of the following amounts in its separate opening Ind AS balance sheet:

- Cost determined in accordance with Ind AS 27
- Deemed cost, defined as

  - Fair value determined in accordance with Ind AS 113 at the date of transition to Ind AS, or

  - Previous GAAP carrying amount at the transition date.

A first-time adopter may choose to use either of these bases to measure investment in each subsidiary where it elects to use a deemed cost. Accordingly, the Company has opted to carry the investment in subsidiaries at the Previous GAAP carrying amount at the transition date.

(c) **Estimates:** The estimates as at April 01, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at April 01, 2016 (transition date) and March 31, 2017.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

Reconciliation with Indian GAAP:

A. Reconciliation of Equity previously reported under Indian GAAP to Ind AS as at April 01, 2016:

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	692.40	-	692.40
Capital work-in-progress	2,082.17	-	2,082.17
Intangible assets	4,534.83	-	4,534.83
Financial assets			
Investments	6,980.31	-	6,980.31
Loans	337.42	-	337.42
Deferred tax asset, net	17.45	81.25	98.70
Other non-current assets	833.42	-	833.42
	15,478.00	**81.25**	**15,559.25**
Current assets			
Financial assets			
Loans	1.04	-	1.04
Trade receivables	5,084.92	-	5,084.92
Cash and cash equivalents	95.43	-	95.43
Bank balances other than cash and cash equivalents	19.56	-	19.56
Other current financial assets	14,536.92	-	14,536.92
Other current assets	2,844.34	-	2,844.34
	22,582.21	**-**	**22,582.21**
TOTAL	**38,060.21**	**81.25**	**38,141.46**
Equity and liabilities			
Shareholders' funds			
Share capital	2,549.92	-	2,549.92
Other equity			
Securities premium	19,228.01	(257.03)	18,970.98
Share based payment reserve	3,316.93	2,475.94	5,792.87
Retained earnings and other comprehensive income	4,892.34	(2,372.41)	2,519.93
	29,987.20	**(153.50)**	**29,833.70**
Non-current liabilities			
Long term provisions	-	280.08	280.08
	-	**280.08**	**280.08**
Current liabilities			
Financial liabilities			
Borrowings	2,023.00	-	2,023.00
Trade payables	3,623.18	-	3,623.18
Short term provisions	162.94	(45.33)	117.61
Current tax liability, net	1,169.77	-	1,169.77
Other current liabilities	1,094.12	-	1,094.12
	8,073.01	**(45.33)**	**8,027.68**
TOTAL	**38,060.21**	**81.25**	**38,141.46**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

B. Reconciliation of Equity as previously reported under Indian GAAP to Ind AS as at March 31, 2017

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	763.41	-	763.41
Financial assets			
Investments	6,980.31	-	6,980.31
Loans	341.19	-	341.19
Other non-current financial assets	21.05	-	21.05
Deferred tax asset, net	282.96	-	282.96
	8,388.92	**-**	**8,388.92**
Current assets			
Financial assets			
Loans	2,367.43	-	2,367.43
Trade receivables	11,060.94	-	11,060.94
Cash and cash equivalents	163.32	-	163.32
Bank balances other than cash and cash equivalents	34.44	-	34.44
Other current financial assets	1,440.11	-	1,440.11
Other current assets	605.56	-	605.56
	15,671.80	**-**	**15,671.80**
TOTAL	**24,060.72**	**-**	**24,060.72**
Equity and liabilities			
Shareholders' funds			
Share capital	2,650.95	-	2,650.95
Other equity			
Securities premium	23,167.82	24.39	23,192.21
Share based payment reserve	3,468.74	10.47	3,479.21
Retained earnings and other comprehensive income	(16,317.17)	(34.86)	(16,352.03)
	12,970.34	**-**	**12,970.34**
Non-current liabilities			
Financial liabilities			
Borrowings	2,037.04	-	2,037.04
Long term provisions	523.37	-	523.37
	2,560.41	**-**	**2,560.41**
Current liabilities			
Financial liabilities			
Borrowings	3,802.36	-	3,802.36
Trade payables	926.69	-	926.69
Other current financial liabilities	1,115.39	-	1,115.39
Short term provisions	151.00	-	151.00
Current tax liability	487.66	-	487.66
Other current liabilities	2,046.87	-	2,046.87
	8,529.97	**-**	**8,529.97**
TOTAL	**24,060.72**	**-**	**24,060.72**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

C. Reconciliation of Statement of Profit or Loss as previously reported under Indian GAAP to Ind AS for the year ended March 31, 2017:

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Income			
Revenue from operations	27,508.59	-	27,508.59
Other income	126.32	(144.13)	(17.81)
Finance income	4.07	-	4.07
Total income	**27,638.98**	**(144.13)**	**27,494.85**
Expenses			
Employee benefits expense	17,888.21	(215.34)	17,672.87
Other expenses	7,593.21	-	7,593.21
Depreciation and amortisation expense	537.09	-	537.09
Finance costs	512.80	-	512.80
Total expenses	**26,531.31**	**(215.34)**	**26,315.97**
Loss before exceptional items and tax	**1,107.67**	**71.21**	**1,178.88**
Exceptional items	19,023.20	-	19,023.20
Loss before tax and prior period items	**(17,915.53)**	**71.21**	**(17,844.32)**
Tax expenses			
Current tax	607.97	-	607.97
Taxes for earlier years	383.75	-	383.75
Deferred tax credit	(184.25)	76.19	(108.06)
Total tax expense	**807.47**	**76.19**	**883.66**
Loss after tax and before prior period items	**(18,723.00)**	**(4.98)**	**(18,727.98)**
Prior period items	2,342.39	(2,342.39)	-
Net loss for the year	**(21,065.39)**	**2,337.41**	**(18,727.98)**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement loss on employee defined benefit plans	-	220.18	220.18
Income tax effect	-	(76.20)	(76.20)
Total other comprehensive income for the year, net of tax	**-**	**143.98**	**143.98**
Total comprehensive income for the year, net of tax	**(21,065.39)**	**2,193.43**	**(18,871.96)**

B Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017

1 Share based payments

Under Indian GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense of ₹ 4.85 has been recognised in profit or loss for the year ended March 31, 2017. Share options totalling ₹ 30.01 which were granted before and still vesting at April 01, 2016, have been recognised as a separate component of equity in share based payment reserve against retained earnings at April 01, 2016.

Notes to the Standalone Financial Statements
for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

2 **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost for March 31, 2017 is reduced by ₹ 220.18 and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

3 **Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

4 **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

5 **Prior period items**

The Group has restated the opening retained earnings and comparatives for the impact of prior period expense. Prior period items included provision for gratuity and leave encashment based on actuary valuation and catch up cost of employee stock option.

42 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

i. **Ind AS 115 Revenue from Contracts with Customers-**

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The management continues to evaluate the changes to accounting system and processes, and

Notes to the Standalone Financial Statements

for the year ended March 31, 2018

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

additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

ii. **Amendments to certain Indian Accounting Standards:**

The Ministry of Corporate Affairs (MCA), on March 28, 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 21, The Effects of Changes in Foreign Exchange Rates,
- Ind AS 12, Income Taxes and
- Ind AS 112, Disclosure of Interests in Other Entities

The amendments are effective April 01, 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company."

As per our report of even date

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

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 21, 2018

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

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

K. Ch. Subba Rao
Director
DIN: 01685123

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 21, 2018

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L72200TG1998PLC030081

Name of the Company : Cigniti Technologies Limited

Registered Office : Suit No. 106 &107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad – 500082. Telangana State.
Ph No 040-40382255, Fax: 30702299

Name of the member(s):
Registered Address:
E-mail Id:
Folio No./Client Id:
DP ID:

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name :______________________________
   Address :______________________________
   Email ID :______________________________
   Signature : ______________________________ or failing him/her
2. Name :______________________________
   Address :______________________________
   Email ID :______________________________
   Signature : ______________________________ or failing him/her
3. Name :______________________________
   Address :______________________________
   Email ID : ______________________________
   Signature : ______________________________ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Monday, 30th day of July, 2018 at 10.00 A.M. at Hall No. 5 & 6, Novotel & HICC Complex (Near Hitech city), P.O. Bag 1101, Cyberabad Post Office, Hyderabad - 500081 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of financial statements for the year ended 31.03.2018
2. Appointment of Mr. C. Srikanth (DIN: 06441390) as Director who retires by rotation and being eligible, offers himself for re-appointment
3. To ratify the appointment of M/s. S.R. Batiliboi & Associates, LLP., as Statutory Auditors and to fix their remuneration
4. Appointment of Mr. Ram Krishna Agarwal as Independent Director of the Company
5. Appointment of Mr. Phaneesh Murthy as Independent Director of the Company
6. Appointment of Ms. Nooraine Fazal as Independent Director of the Company
7. Appointment of Mr. Srinath Batni as Independent Director of the Company

8. Appointment of Mr. K. Ch. Subba Rao as Non-Executive Director of the Company
9. Payment of one percent commission to Non-whole time Directors
10. Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's Registered Office.
11. Approval for drawing of remuneration by Mr. C. Srikanth (DIN: 06441390), Director & CEO-Global Operations from Cigniti Technologies Inc; USA, wholly owned subsidiary of the Company.
12. Re-classification of the promoters of the company in accordance with Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Signed this .... day of 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CIGNITI TECHNOLOGIES LIMITED

SUITE NO. 106 &107, 6-3-456/C, MGR ESTATES, DWARAKAPURI COLONY, PANJAGUTTA,
HYDERABAD– 500082. TELANGANA STATE.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 20th Annual General Meeting of the members of the company to be held on Monday, 30th day of July, 2018 at 10.00 A.M. at Hall No. 5 & 6, Novotel & HICC Complex (Near Hitech city), P.O. Bag 1101, Cyberabad Post Office, Hyderabad - 500081 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature ______________________________________

Shareholders/Proxy's full name ____

(In block letters)

Folio No./Client ID ____

No. of shares held _________________________

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

Cigniti

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