



Software Quality.
Assured!



Robust Growth.
Assured!



IP led testing



Career Progression.
Assured!



Community Welfare.
Assured!



Directors'
Report



Corporate Governance
Report



Management Discussion
& Analysis



Balance
Sheet

**World's Third Largest
Independent Software Testing Services Company**



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Caution regarding forward-looking statements

In this annual report we have included forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar meaning in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in 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, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Being assured is a wonderful feeling. Assurance holds a greater significance in the prevailing socio-economic conditions.

As the pace of human and technological progress picks up, software consumption will continue to intensify. From sovereign defence to personal finance, software is virtually running the world and everything around it. With stakes so high, the world needs to stay assured on the infallibility of software. At Cigniti, we assure software quality. Today large enterprises and independent software vendors are working with Cigniti to predict and transform their business outcomes.

Now that we are the world's third largest Independent Software Testing Services Company, we are progressing to realize our vision of becoming the world's largest and the most respected too. The secret to our growth is the self-assurance of our teams which reflects in our ability to instill the sense of being assured in our customers, employees, investors, communities and most importantly the end users of software. With assured stakeholders, Robust Business becomes Assured.



Software Quality. Assured!



With software running most business operations, the quality of software is impacting the growth and profitability of businesses. Software failures are impacting the bottom line and reputations of large companies in a very public manner. This, in turn, is drawing the attention of CEOs, CFOs and CIOs to the quality of software and the quality of software testing.

At Cigniti, we offer superior value to our clients through premium services like IP led testing, test advisory / process consulting, enterprise mobile, cloud, big data, performance, security, automation, ERP testing services and Test Centers of Excellence by leveraging our cloud enabled test labs. Over the years, we have proven our delivery capabilities and established advanced test labs to create compelling value for clients. The following are some of the achievements during the year under review:

- Emerged as the third largest Independent Software Testing Services Company with more than 800 resources across the globe.
- Acquired Gallop Solutions, a US based specialized software testing services company with 200 plus career testers.
- Opened a new office in Toronto, Canada. This helps us expand, serve our clients in Canada.
- Became the world's first Independent Software Testing Services Company to be appraised at CMMI-SVC v1.3 Maturity Level 3 of the Capability Maturity Model Integration Institute (CMMI). This appraisal positions us as a mature and trusted partner for our clients.
- Achieved ISO 27001:2005 certification.
- Established a world class Mobile Test Lab to meet the demand for mobile application testing services that address the challenges of device, test environment, test suites, simulated and real time testing. We are in the process of co-branding this mobile lab with HP Software.
- Introduced client satisfaction index (CSI) which helped in getting feedback from clients. Cigniti's CSI over the last one year has improved from 3.4 out of 4.0 to 3.8 out of 4.0 with more than 80% of clients giving us a perfect score of 4 out of 4.
- Owing to our continued belief in the IP led testing services, we have invested further in developing Cigniti SMART Tools IP to accelerate test events across Software Testing Life Cycle (STLC).
- Accordingly, we have filed patents for 'iGenerate test Scenario' and 'Web Services Validator' from Cigniti SMART Tools palette.
- Launched proprietary global engagement model – CignitiCUBE™, which aims to enrich overall client experience by ensuring satisfaction, speed, skill and accuracy of software testing.
- Built strong analyst relations with Nelson Hall, Gartner and Forrester. Leading software testing industry analyst Dominique Raviart from Nelson Hall covered and recognized Cigniti's achievements and strengths.





Career Progression. Assured!



In a service business like software testing which requires the intellect of highly skilled personnel for ensuring software quality, it becomes essential for a company to hire and retain the right talent by assuring their career progression.

At Cigniti, we value our employee as an asset of the organization. Employees form the foundation on which we build and deliver superior software testing services. Our talent management constitutes a series of initiatives that starts with hiring and onboarding people in the organization; grooming them with adequate training and skilling, inculcating the culture of team building and assessing them continuously for their career progression. The following are some of the initiatives undertaken during the year under review:

- Strengthened our talent pool from around 400 people in 2011-12 to 800 people in 2012-13 including Gallop's resources.
- Provided mentoring to employees by industry recognized thought leaders for gaining unparalleled experience in testing new age IT systems. This experience was channelled into the design and development of new testing tools and frameworks.
- Added experienced resources to the delivery team which complemented the development of mobile device lab, Cigniti TestCloud™ and the Test Centers of Excellence.
- Recognized and rewarded employees for a wide array of achievements both on professional and personal fronts during the annual day celebrations.
- Strengthened the leadership and senior management teams with business and technology leaders including expats who added global outlook to the company.
- Attracted more than 200 world class professionals from global MNCs & tier-1 Indian IT services companies into the delivery teams. Recruited freshers from renowned campuses such as Indian School of Business and Indian Institute of Management into our Enterprise Sales group and Sales teams.
- The appointment of CTO (Mr. Mahendra Alladi) is a firm step towards ensuring a platform for fostering innovation at Cigniti. This also assures our position as a global innovation center where every career tester can gain exposure to cutting edge technologies and apply test engineering ideas to enrich our IP.





Community Welfare. Assured!



A company's real contribution is measured by the sum of the changes achieved by it within the areas of its influence. Value creation that does not go beyond business cannot have a lasting impact.

At Cigniti, we believe that education is the best empowerment that one can give to mankind. On the basis of this philosophy, our community development initiatives have been focused in the field of education. We endeavor to make a positive contribution to the society by supporting a wide range of educational initiatives.

Project Cignificance

Project Cignificance is the CSR initiative of Cigniti and it aims to impact 1 million plus lives through education as an enabler. The goal of the project is to eliminate the gap caused due to lack of infrastructure and teaching. As part of the first phase of this project, Cigniti has translated more than 300 videos into Telugu from the Khan Academy, a world renowned website that provides free education content. These videos are distributed freely to the underprivileged students by collaborating with NGOs, Government and Private institutions. This initiative is aimed at helping provide free education in regional language to more than 60 lakh students in the state of Andhra Pradesh.

The following are some of the initiatives undertaken during the year under review:

- Translated more than 300 videos from English to Telugu. The videos cover the subjects of Mathematics and Science .
- Equipped low cost tablets with the translated videos for phased distribution in the schools.
- Initiated translation of subjects such as Chemistry and Biology for classes from fifth to tenth.
- Initiated talks with subject matter experts and teachers for producing educational content in Telugu language to ensure a comprehensive coverage of topics.
- In collaboration with Project 511, Cigniti provided desks and black boards to a government upper primary school at Banjara Hills and Mandal Parishad Primary School at Fateh Nagar in Hyderabad.





This is Cigniti✓

Cigniti has emerged as the world's third largest Independent Software Testing Services Company with a revenue run rate of USD 40 million and more than 800 people worldwide.

Cigniti Technologies is one of the fastest growing IT services company in the Independent Software Testing Servicing Space.



About us

Cigniti is a pure play, Independent Software Testing Services Company, recognized as a thought leader in the QA space, specializing in testing solutions for emerging technologies and market trends. Over the last 15 years, Cigniti has worked with leading ISVs and Enterprise organizations to deliver quality software using proprietary PredictQuality™ test methodology and test advisory services. Cigniti's test offerings include TCoE, Testing on the Cloud, Enterprise Mobility Testing, Big Data Testing, ERP Testing, Functional, Automation, Security and Performance Testing services. Cigniti's work force is equally distributed between NA & India with a vision to become the client's local partner. Cigniti's SMART Tools and cloud enabled test labs provide cost effective solutions with early Return on Investments.



Vision

Build a better future by helping build quality software.



Mission

To become the world's Largest and Most Respected Independent Software Testing Services Company.

Services



Presence

Cigniti is world's Premier Independent Software Testing Company, publicly listed on Bombay stock exchange, with global headquarters in Irving, Texas. It has offices in US, India, and Canada and is spread across three continents. Over the years, Cigniti has earned the recognition of being a strategic Software Testing partner by several Fortune 500 companies and global corporations.



Infrastructure

Cigniti has more than 95,000 sq. ft. of offices and delivery centres spread across India, US and Canada. The State of the art Global Delivery center in Hyderabad is ISO:27001 certified and consists of an advanced robotics test lab, cloud enabled mobile device lab infrastructure with comprehensive test capabilities that provide superior services.



Strategic Partnerships and Alliances

Cigniti, with its mission of providing best of the breed and cost effective solutions, has entered into strategic alliances and partnerships with leading test tool vendors, hardware vendors and system integrators such as Neotys, Keynote, TestPlant, Tyto, QASymphony, HP, Perfecto Mobile and Ranorex among others.



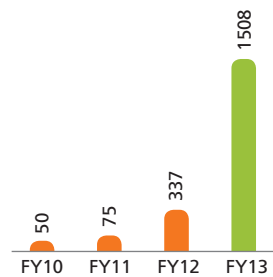
Assurance

Cigniti is the world's first independent software testing Services Company to be rated at CMMI SVC1.3 maturity level and is an ISO27001:2005 certified organization.

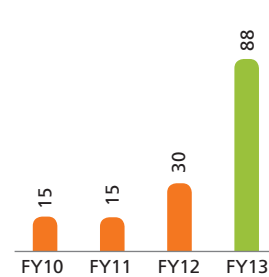


Assuring Robust Business Growth

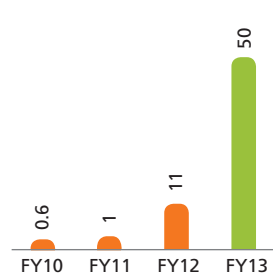
Revenue (₹ mn)



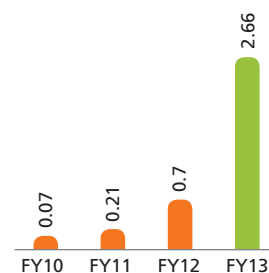
EBIDTA (₹ mn)



Net Profit (₹ mn)



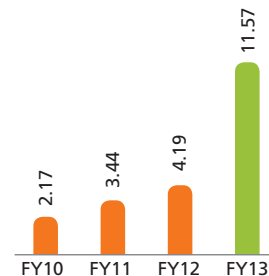
EPS (₹)



Net Worth (₹ mn)



ROCE (%)



Key performance indicators



Revenue

(₹ Mn)

FY12	337	
FY13	1,508	+346.96%

Net profit

(₹ Mn)

FY12	11	
FY13	50	+354.54%

Cash profit

(₹ Mn)

FY12	21	
FY13	65	+203.91%

EBIDTA

(₹ Mn)

FY12	30	
FY13	88	+184.18%

Earnings per share

(₹)

FY12	0.70	
FY13	2.66	+280%

EBIDTA margin

(%)

FY12	1.39	
FY13	5.82	+443 bps



2012-13 at a glance



Strategic Acquisition

- Acquired Gallop Solutions Inc, a US based specialized software testing services company and emerged as the world's third largest Independent Software Testing Services Company



IP Development

- Cigniti's focus on innovation and quality has led to the creation of 'Cigniti SMART Tools', which is a set of tools to accelerate events in software test life cycle.
- Developed two innovative tools – 'iGenerate test Scenario' and 'Web Services Validator' which are set to be patented.
- In the process of launching Testlets which are point solutions for Big Data testing, becoming the first Independent Software Testing Services Company to offer end to end, specialized testing services for Big Data.



Sales and Marketing

- Won 25 new clients / logos during the year including a global provider of mobile internet services, a payment solutions provider which processes more than 11 million transactions every day, a leading Health information management enterprise, a leading media engagement company and Canada's leading integrated freight and parcel solutions provider among some of the top corporations.
- Introduced Customer Satisfaction Index (CSI) for assessing feedback on service delivery and leveraged it to improve client servicing.
- Expanded global footprints in Canada with the establishment of an office in Toronto.



Strategic Partnerships and Alliances

- Became a premier partner with HP by signing an enterprise licensing agreement (ELA). Working with HP software on a joint initiative around next generation enterprise mobility services.
- Entered into a strategic partnership with Keynote DeviceAnywhere for providing mobile testing services.
- Laid foundations for a strong set of GTM activities with other partners like, Neotys, Ranorex and Testplant.



Certifications

- Became the World's first Independent Software Testing services company to be rated at CMMI-SVC v1.3 Maturity Level 3.
- Received ISO 27001:2005 certification.



Human Capital

- Strengthened the talent pool of delivery team by adding industry recognized software testing professionals, certified professionals and alumni of premier institutes.
- Launched CignitiCube™, a customer focused, user centric, business driven and employee engagement tool.
- Appointed Mahendra Alladi as the new Chief Technology Officer (CTO) who has 15 years of experience spanning software product development, testing, global service delivery & management.



Performance

- Registered a 346% growth in topline at ₹1,509 million.
- Increased net profit by 323% to ₹50 million .



Letter to shareholders

Dear Shareholders,

We write with great pleasure to share the performance and outlook of the Company. At the outset, on behalf of every one at Cigniti, we thank our shareholders as we drive ahead with the confidence bestowed upon Cigniti. The Financial Year 2012-13 was an exciting year for the Company. Despite an uncertain economic environment, we delivered excellent results, pursued inorganic growth, strengthened our management team, ramped up resources across technical, sales & business development teams and improved our visibility in the global arena.

Inorganic expansion

We achieved a significant milestone during the year with the acquisition of Gallop Solutions Inc., a US based software testing services company, which specializes in building and implementing niche solutions in the Application Lifecycle Management (ALM) space with a special focus on Quality, Test Automation and Test Asset Modernization. With this acquisition, we have emerged as the third largest Independent Software Testing Services Company in the world, with a work force of more than 800 people globally and rapidly growing.

Financial performance

The year 2012-13 was a year of significant growth for the Company. We are happy to report that in spite of a difficult macro-economic environment, the

Company grew its revenue to ₹1,509 million, a growth of 346% compared to ₹338 million in the previous year. Operating income increased by 184% to ₹88.00 million as against ₹30.96 million in the previous year. Net profit increased to ₹50 million against ₹11 million in the previous year, registering a growth of 354%. Our EBITDA Margin improved by 443 bps to 5.82% and we reported an Earnings per Share of ₹2.66 compared to ₹0.70 in the previous fiscal. Your company's growth on all fronts has significantly outperformed the growth of the Indian software sector and we hope to continue the same this year too.

Optimism

With the slow recovery of global economies especially the US and Europe, there is a slowdown in the growth of the IT industry. Further, the increasing operating

Cigniti aims to become the world's Largest and Most Respected Independent Software Testing Services Company in the next three years. We are only two steps away from becoming the world's largest Independent Testing Services Company in the world. Today we are a company with 800 people and given our current organic and inorganic growth plans, we aim to be the second largest independent testing services company in the next year.

costs have helped IT companies realize that the best way to reduce costs is to leverage IT effectively to reduce overall software development costs by focusing on quality. As a result, there has been an increasing demand for Independent Software Testing Services as compared to traditional testing services. NelsonHall, a leading IT Testing Analyst Firm, estimates that the global software testing market size will grow at a CAGR of 2% from USD 34,500 million in 2012 to USD 37,850 in 2018 while the Independent Software Testing services spend will increase at a CAGR of 9.5% from USD 10,500 in 2012 to USD 18,100 by 2018. This is being validated by the growth we are seeing in our business and increasing pipeline of clients wanting to outsource software testing to independent pure play testing vendors like us.

Growth strategy

Looking ahead, we are excited about the market opportunities; the scope for growth of the global and domestic software testing industry looks strong. At Cigniti, we are well poised to take advantage of the rising demands for accelerated and effective software testing. We will continue to invest in fast growing areas such as Robotics Test Lab, Mobile Test Lab and Performance Test Labs that can be leveraged by our enterprise clients to improve their software quality while eliminating the infrastructure and resource

costs. We will continue to evaluate suitable acquisition opportunities in North America. Our focus will be on IP led testing services and we will make significant investments in this area which will help us differentiate from our competitors. This will also lead to a significant increase in non-linear revenues and help in improving margins. We believe that these initiatives will get us closer to our mission of becoming the world's largest Independent Testing Services Company in the next three years.

Our growth has been strengthened by the prime assets of the company, our employees who have shown their dedication and commitment towards the company and delivered impeccable results. We would like to thank all our customers, suppliers, partners and shareholders for their continued faith and support.

As we march ahead to reach newer heights, we assure our commitment to growth driven by quality.

Best Regards,

C V Subramanyam

Chairman & Managing Director

Sudhakar Pennam

CEO



Key Management Team







Assuring Business Growth



Assuring highest standards of corporate governance, business ethics, world-class leadership and relentless focus from every Cignitian to accomplish our mission of becoming the world's Largest and Most Respected Independent Software Testing Services Company in the world.

- C. V. Subramanyam

Managing Director



Assuring consistent shareholder satisfaction, all round growth and corporate governance of highest standards.

We will have all our teams work with a singular vision of building a better future by assuring quality software. We will continue to hire premier talent, increase technology expertise and offer superior services as we march to become the world's Largest and Most Respected Independent Software Testing Services Company.

- Sudhakar Pennam

CEO



Assuring a brand synonymous with Software Testing that will reflect our values and thought leadership while sustaining our growth and commitment to society.

We will continue to be a socially responsible company through committed initiatives around Technology aided Education as an enabler for a better society.

- Srikanth Chakkilam

Executive Director



Assuring sustainable growth in terms of sales, backed by IP led testing services, strategic alliances, global test thought leadership and superior testing services that will take Cigniti to the next level.

- Raj Neravati

COO



Assuring strong practices of corporate governance, business ethics, relevant organic and inorganic growth strategies with impetus on leadership grooming.

- Sriram Rajaram

President – Strategy and Corporate Development



Assuring growth and proactive engagement of a strong customer base in North America, Canada, Europe and entry into newer geographies.

- Sanjay Jupudi

President - Americas



Assuring Cigniti's focus on R&D, IP led testing services that will play an important role in accomplishing Cigniti's mission and help clients stay ahead in their business.

-Mahendra Alladi

CTO



Assuring engagements across verticals and geographies and our commitment to provide best in class QA solutions that will fuel our growth.

- Sai Chintala

SVP Global Presales



Assuring superior delivery backed by world class testing services to maintain our consistency in exceeding client expectations.

- Kalyana Rao Konda

SVP - Global Delivery



Assuring a world-class organization that draws the best of resources, processes and technology into premiere testing services for a global clientele.

- Ramana Vemuri

VP, Process and Operations



Management Discussion and Analysis

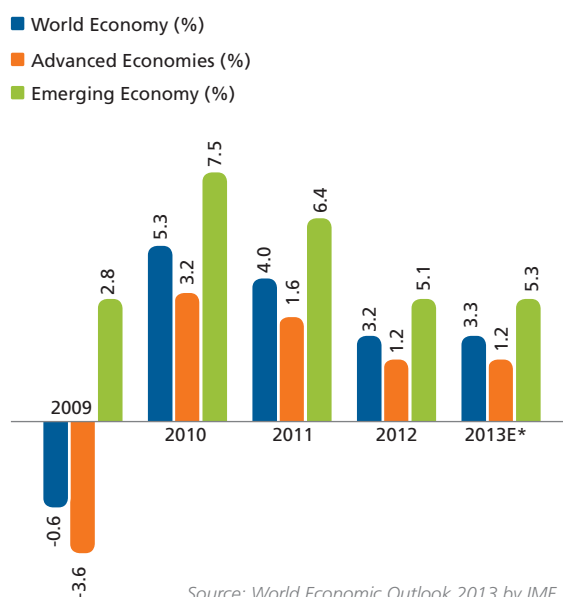


Economy

Global Economy

The world economic growth remained slow for the second successive year in 2012 at 3.2% compared to 4% in 2011 (*Source: World Economic Outlook*). While advanced economies were struggling to recover from the slowdown, the US posted a growth of 2.2% in 2012 against 1.8% in 2011 joined by Japan with a healthy 2% growth in 2012 against -0.6% in 2011. Emerging and developing economies, while facing slow capital inflow and high inflation, showed resilience and led global growth at 5.1% in 2012. Euro Area continued to pose concerns and recorded a -0.6% growth in 2012 against 1.4% in 2011. Despite fiscal and monetary measures during 2012, global economic growth is estimated to pick up from 2013.

World Economic Growth (%)

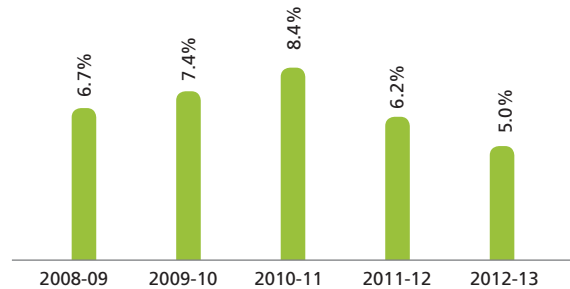




Indian Economy

After recording a GDP growth rate of 6.2% in FY12, India's economic growth further slowed down to 5% in FY13. The major factors for the slowing growth is attributed to a rapidly widening current account deficit at 4.6% for 9 months of FY13; a spill-over effect of high interest rate regime till first half of FY13; absence of fresh investments leading to contraction of GDP growth.

India GDP Growth

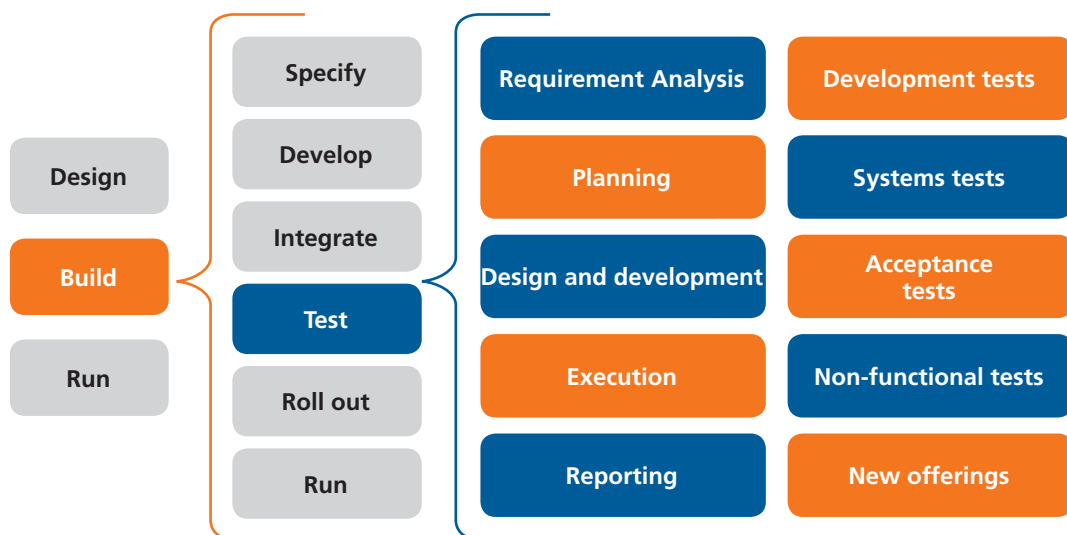


Source: CSO

Software testing – Overview

Software testing plays an integral part in the software development lifecycle (SDLC) where the software is tested in various ways during the development process to reduce defects before it goes to the end user. Software testing is a quality control (QC) activity aimed at evaluating a software item to detect differences between given input and expected output. Software testing constitutes two processes – verification and validation. Verification is the process which makes sure that the product satisfies the conditions imposed at the start of the development phase and behaves the way the manufacturer wants to. Validation is the process which makes sure that the product satisfies the specified requirements at the end of the development phase.

In the lifecycle of software development, around 20-30% of the time is spent on testing and it accounts for around 20-25% of the total IT spend of a company (Source: NASSCOM). Software testing consists of various steps and services which is described below:





Software testing services are further subdivided into two types:

- **Traditional Testing Services (TTS):** In TTS, the organization which develops the software performs software testing (internally or via a third party). The personnel conducting this testing i.e., developers or business analysts, are typically part of the development organization and are not full-time testers.
- **Specialist/Independent Testing Services (STS/ITS):** In STS, independent and specialist testers provide testing service, by using a systematic approach to testing based on methodologies, processes and software tools.

Global software testing industry

Shifting trends in software testing

2012 was one of the challenging years for the global economy which was marked by uncertainty due to the weak macro-economic conditions in Europe and Japan, decline in spending in the US federal sector and slowdown in Brazil, India and to a lesser extent in China. As a result overall IT services spending decelerated from around 5% growth in 2011 to around 2% in 2012.

As TTS spending patterns are correlated with the economic conditions and to overall professional services spend, TTS spending was deeply affected by the decline in discretionary spending in 2012. However, now the trend is changing as software testing is becoming somewhat independent from the economic conditions. As a result, IT spend is transferring from TTS to STS as clients are turning to standalone testing, rather than embedded testing.

As per a report by Nelson Hall, during the economic recession in 2008, STS spending had dipped to (-1)% but with the improving economic conditions it witnessed a speedy growth of 13% during 2010 and 2011. Nelson Hall estimates that STS spending in 2012 grew at 7% as clients changed their preference towards multi-year contracts with STS providers. Going ahead, Nelson Hall estimates that there will be a steady

decline in TTS spending from 2013 onwards and solid growth in STS spends.

A global report from Nelson Hall the leading analyst who tracks software testing industry landscape comments that “Spending in Software testing is becoming somewhat independent from the economic conditions”

Software testing spend growth



(Source: Nelson Hall)

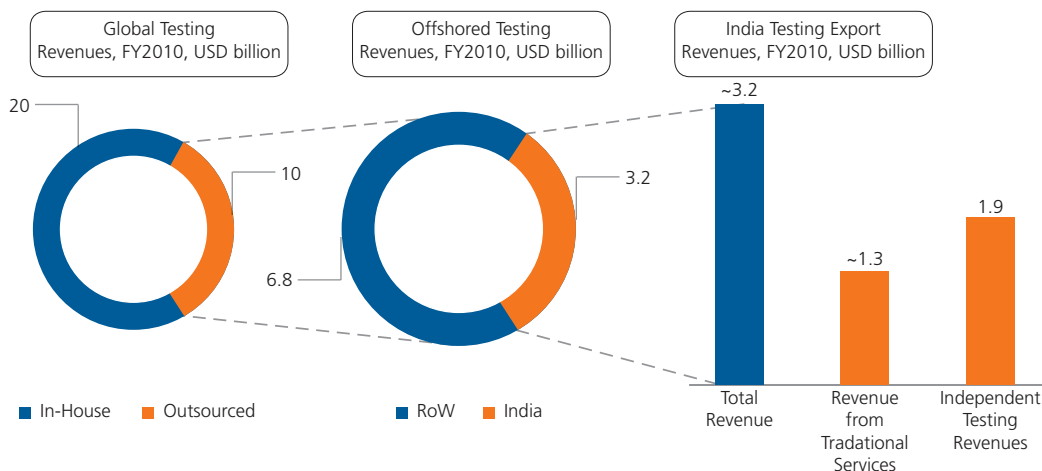
Global testing industry

The size of the global software testing market was USD 30 billion in FY2010. Of this, around 65% constituted in-house testing while the remaining 35% constituted outsourced testing (Source: NASSCOM). The outsourced testing market consists of both Traditional Testing Services (TTS) and Independent Testing Services



(ITS). The global software testing market is estimated to grow to USD 34.5 billion in FY 2012, of which around 70% will be accounted by Traditional Testing Services and the remaining 30% will be attributed to Independent Testing Services (Source: NASSCOM).

Over the years, ITS has gained significant popularity as enterprises are able to eliminate investments in expensive hardware and software by outsourcing the projects to independent testers. This trend has led to significant savings in their financial resources. In the outsourcing segment, India has emerged as one of the leading destinations for outsourcing of software testing services. In FY 2010, India accounted for around 32% of the total global outsourcing share.



(Source: NASSCOM)

Outlook

Nelson Hall estimates that the global software testing market size will grow at a CAGR of 2% from USD 34,500 million in 2012 to USD 37,850 in 2018. With clients shifting their preferences from TTS to STS owing to cost savings and faster execution, NelsonHall estimates that TTS spending will decline from USD 24,000 in 2012 to USD 19,750 by 2018, registering a CAGR decline of (-)3% while STS spend will increase at a CAGR of 9.5% from USD 10,500 in 2012 to USD 18,100 by 2018.

Service Type	Estimated Software Testing Market Size in 2012 (USD mn)	Estimated Software Testing Market Size in 2018 (USD mn)	CAGR (%)
Traditional testing services*	24,000	19,750	-3
Specialist testing services*	10,500	18,100	9.5
Total testing services	34,500	37,850	2

(Source: NelsonHall)

Indian software testing industry

The growth of the Indian software testing industry is supported by strong foothold of IT services sector in India. The IT services exports registered a healthy growth of 19% during FY 2012 (Source: NASCOM). The growing maturity of Indian vendors allows consistent high quality service delivery and better user defined standards. With the rapid evolution of vendor capabilities in the last two decades, the demand for testing services is gaining a speedy growth. As a result, India has become one of the major destinations for outsourcing software testing services owing to the availability of cost effective talent pool. With the rising demand for software testing services, an increasing number of software development companies are outsourcing their software testing work to India. The Indian software testing market will witness further growth owing to the emerging technologies such as cloud computing, mobility, social media and big data



/ analytics which will unleash new opportunities for the industry.

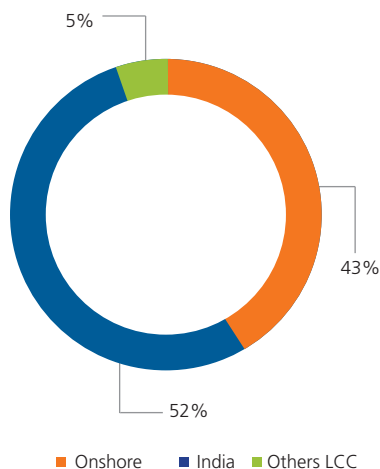
Shifting trends towards India

With the recessionary conditions prevailing in the global markets, clients now prefer factory-based delivery located in low-cost countries such as India. As per Nelson Hall report, India accounted for 52% of off-shore based delivery while other low cost countries accounted for a meager 5%.

Exports

The revenue from export of testing services was USD 1.9 billion in FY 2010. Of the total exports, around 52% was from the Banking and Financial Services

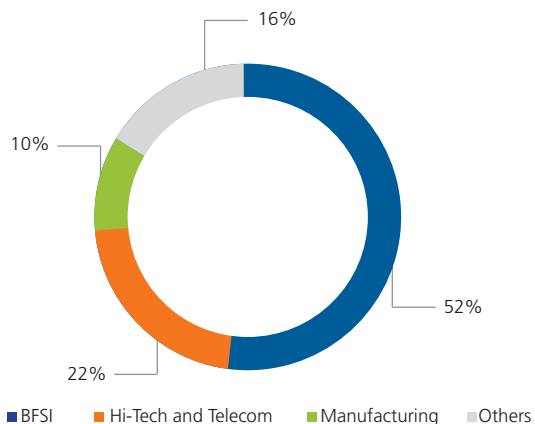
STS Breakdown by Delivery Location in 2012 (%)



Source: NelsonHall

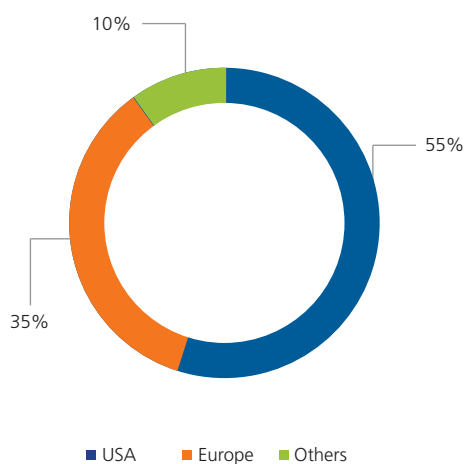
Industries (BFSI). There was an increase in demand from non-financial services like Hi-Tech, Telecom, Retail and Healthcare.

Exports by Vertical



Of the total exports, the USA accounted for around 55% in FY 2010. With the awareness and adoption of independent testing services across the USA, Europe and Asia-Pacific regions, the demand for testing services from non-US markets such as Continental Europe, Australia and the Middle East is also rising.

Exports by Geography



Emerging trends in the Indian software testing industry

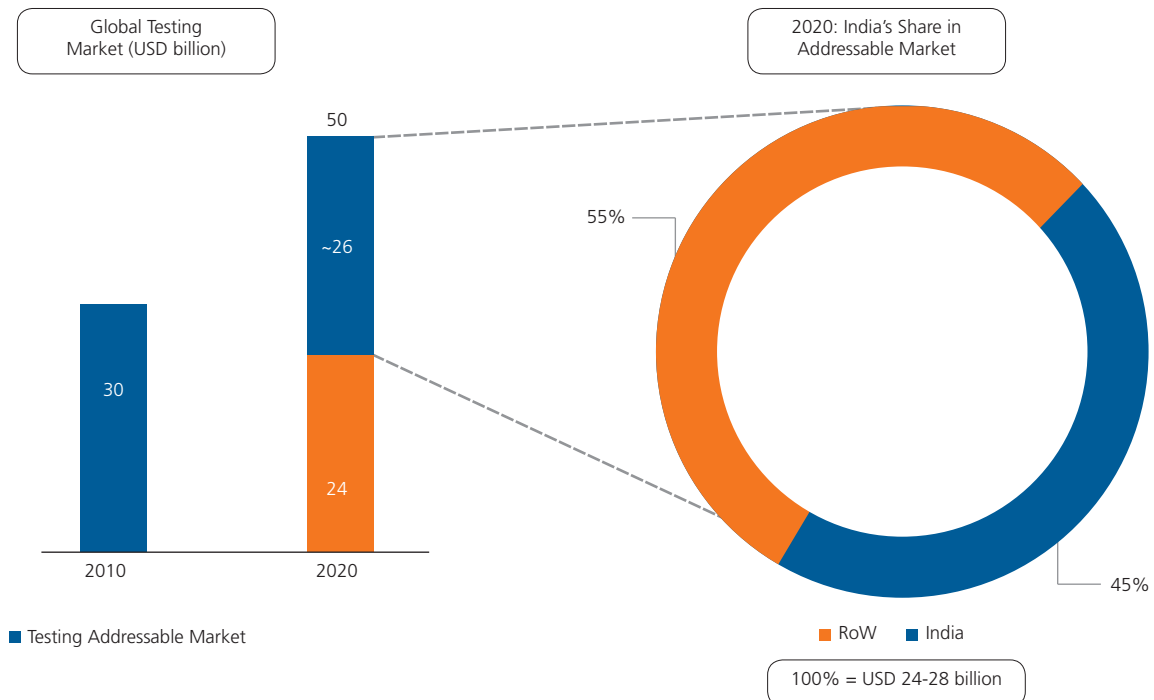
- **Software testing that adds value:** Testing has become inherent throughout the lifecycle of production and delivery. It has become a value creator and quality differentiator for the end product to provide the required edge to compete in the marketplace of excellence. Vendors are positioning testing as a standalone service to highlight their focus and service maturity which presents a compelling value proposition with cost control and value creation.
- **Shift in focus from traditional to specialized testing:** The software testing industry is undergoing a series of changes in service offerings, innovation and business and engagement models. Companies are expanding their portfolios from traditional functional testing to specialised testing such as Mobile, Cloud, Security, Big Data, SAP/Oracle, SOA, ERP and performance monitoring testing among others.
- **Innovation:** The industry has been witnessing considerable innovation as vendors are developing

IP tools, accelerators, technologies, processes and building comprehensive automated test labs for hire. This not only enables clients to increase speed-to-market, but also gives plug and play capabilities around testing as a service.

- **Mobile application testing:** With the rapid growth of mobile phone applications, the software testing industry is gearing up for mobile application testing. With emerging technologies, there is a shift towards cloud based testing, testing-as-a-service, automated testing and testing in domain-specific niche services.

Industry outlook

The global software testing market is estimated to reach USD 50 billion by 2020. India is well poised to capture a significant portion of the global market share as it provides faster time-to-market, compelling cost advantage, innovation in technologies, availability of skilled talent pool, and increased maturity of Indian vendors offering end-to-end services and solutions. It is expected that India will capture a leader's share of around 55% in the global software testing market by 2020.





Business drivers



Business driver 1

Innovation - IP Led Testing Services

Overview

It becomes essential for a software testing company to invest in Research & Development to build innovative and high quality services for its clients. Over the years, Cigniti has invested in R&D to build software tools that accelerate testing and improve the quality of services delivered to clients. In addition, the focus on IP led testing services and significant investments in this area will differentiate Cigniti from its key competitors.

Cigniti SMART Tools

Cigniti's focus on innovation and quality has led to the creation of 'Cigniti SMART Tools', which is a set of tools to accelerate events in software test life cycle. SMART Tools provide point solutions for gaps that are not fulfilled by the market tools and allow seamless integration with all the leading market tools. With more than a decade of experience in Software Quality Assurance industry, Cigniti has transformed its expertise into effective tools / solutions / frameworks that benefit end clients with an early Return on Investment. Most of Cigniti's IP is cloud enabled with a 'Pay As you Go' and 'Use as you Need' Model.

Key highlights, 2012-13

Assuring quality

During the year under review, Cigniti received CMMI-SVC v1.3 Maturity Level 3 of Capability Maturity Model Integration Institute (CMMI). With this appraisal, Cigniti has become the World's first Independent Software Testing Services Company rated at CMMI-SVC v1.3 Maturity Level 3. The CMMI for Services (CMMI-SVC) model is most relevant for software testing companies as it provides an integrated set of guidelines for providing superior services. This appraisal is in line with the Company's strategy of provide cutting edge services with maximum efficiency and it positions the company as a mature, trusted partner for its existing clients.

Investment in IP

The Company's investments in IP led to the development of two innovative tools which are in the process of being patented. The first tool is - 'iGenerate test Scenario', a UML based test condition generator, which takes inputs from a UML activity diagram (Generator's inbuilt diagram builder leveraging XML) and generates paths that need to be tested. The second tool - 'Web Services Validator', brings an integrated automated approach to address the entirety of web services testing. Cigniti's Web services Validator provides a comprehensive web service testing portfolio for enterprise applications as well as software products.

Quality certifications

Cigniti received ISO 27001:2005 certification for ensuring information security and business continuity to clients with world class processes during the year under review.

Thought leaders in software testing

Cigniti created PredictQuality™ framework and methodology which differentiated it from competition and positioned the company as a thought leader.

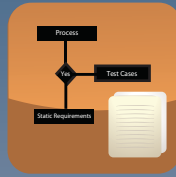
Developed SMART Tools

The company has developed SMART Tools which helps accelerate Test events across the Software Testing Life

SMART Tools



Static
Requirements
Analyzer



iGenerate Test
Solutions



Test Optimizer



Web Services
Validator



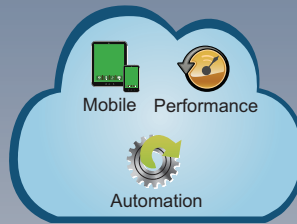
Automation
Accelerator Kit



Performance
Analyzer



CIO
Dashboards



TestCloud™

WinQuick®
RoboQuick

Cycle (STLC). SMART Tools provides seamless integration with all market tools and at the same time fills solutions for gaps which are left unfilled by the market tools.

Testlets for Big Data

Cigniti emerged as the first Independent Software Testing Services Company to offer end to end, specialized testing services for Big Data by launching Testlets as point solutions for Big Data testing. Big Data Testing services check for defects while enterprises consume, capture and channelize data to make inferences from meaningful information.

Mobile test lab

Cigniti has set up a world class cloud enabled mobile device lab featuring more than 200+ legacy, state of the art modern day devices across platforms and vendors to help clients realize best in class returns on mobile QA initiatives. The Mobile device lab also is in the process of being co-branded with HP for joint solution showcase, offerings to clients.

"HP Software Professional Services (PSO) is teaming up with Gallop Technologies Inc. (based in Dallas, TX) to offer automated migration services from WinRunner to QuickTest Pro using WinQuick - an HP R&D validated and approved automated migration solution. WinQuick (<http://www.winquick.com>) provides a fast, high quality, cost-effective solution for automatically migrating and re-architecting the WinRunner code base to QuickTest Pro."

Road ahead

Cigniti is working to create compelling IP in the Big Data testing arena. Initiatives are underway to develop a set of point solutions, tools that can complement and value add Data Quality issues in the context of Big Data. Special emphasis is being laid to address some well researched use cases around Intelligent Data Sampling in the context of Big Data testing. Data Security, Data Governance and Data Masking will be the other test data management areas that are being considered. A solution framework that can help companies migrate to Big Data platforms from the existing structured, unstructured and semi structured data sets is being discussed.



Business driver 2

Human Resources

Overview

Cigniti's ability to assure world class services to its clients is the result of its strong people governance practices and efficient human capital management. At Cigniti, employees are the foundation on which the company builds and delivers impeccable services. The company's policy incorporates every employee as a brand ambassador of the organization.

Organizational values

Cigniti's organizational values define acceptable standards which govern the behaviour of its people. The values of our 'people capital' are represented in the acronym 'CAPITAL' which stands for Collaboration, Assertiveness, Passionate, Innovative, Transparent, Accountable and Learning. The employees are encouraged to follow these traits in spirit and demonstrate them in conduct with internal as well as external stakeholders.

Collaborative

Understanding clients' goals and working together to achieve a common goal across functions, geographies and cultures

Assertive

Confidently expressing one's thoughts and feelings in a positive manner

Passionate

Demonstrating enthusiasm for work through action

Innovative

Constantly creating better services, processes, technologies or products to improve quality

Accountable

Communicating in an open fashion without a hidden agenda

Learning

Taking responsibility for one's actions

Transparent

Continuously acquiring new knowledge, behaviors and skills



Human Capital Management

At Cigniti, software testing is looked upon as an emerging discipline which requires commitment to quality, passion for excellence and the ability to collaborate with stakeholders to deliver services beyond the requirements. The company's employee management is a continuous process which starts with on-boarding, team building and skilling, followed by continuous assessment.



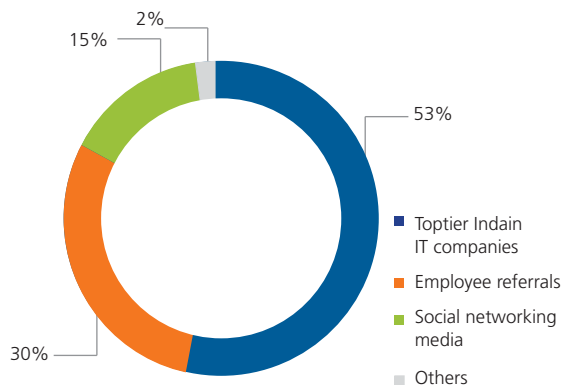
Key highlights, 2012-13

Recruitment

Cigniti believes testing is a great career option and attracts the best talent in the industry in order to emerge as the world's largest and most respected Independent Software Testing Services Company. During the year under review, the company strengthened its talent pool from around 400 people in 2011-12 to 800 people in 2012-13 including the added resources post Gallop's acquisition.

Cigniti strengthened the team with experienced as well as fresh talent from renowned institutes like IIM and ISB. Of the total employees hired during the year under review, 53% were from Tier-1 Indian IT services companies, 30% were through employee referrals, 15% were solicited and hired exclusively using Social Media significantly reducing the cost of the hire and 2% from other sources.

Recruitment by sources





Enriched talent pool

The company diversified its workforce in which around 30% of the senior management team is composed of expats who add a global outlook to the company. In addition, the company's resource pool comprises of talent from premier product companies, global services organizations and tier-1 Indian IT services companies.

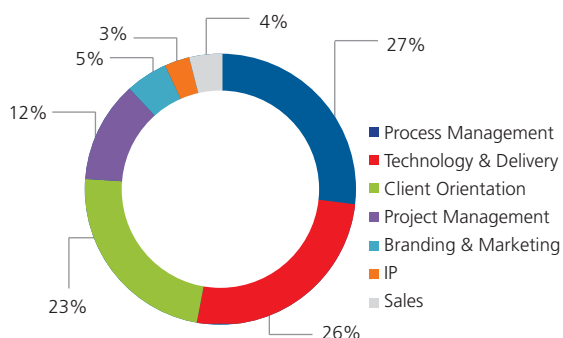
Appraisal

The appraisal system is linked to the performance and contribution of the employees. During the year under review, the company provided healthy compensation to its employees with the average hike ranging between 14-16%.

Training

As an organization, Cigniti ensures a strong emphasis on training. Continuous and systematic assessments of skills and competencies enhanced the training gap analysis which was taken up by the Learning and Development team. This team worked with all the functions to conduct a formal training need analysis, plan and deliver a host of trainings using a variety of resources and modes. Trainings were structured to ensure orientation to process, technology and client services apart from management of Project, Sales and Accounts, followed by branding and marketing. On an average, Cigniti spent 60% of its training budget on internal trainings and the remaining 40% on externally solicited trainings. The consolidation of world class infrastructure, facilities and online resources at Cigniti value added to the training modules, making it an ideal environment for career testers to excel and deliver the best.

Training Areas



Rewards and recognitions

The company believes in rewarding its employees appropriately for consistent performance and adherence to capital values. The objective of rewards and recognition is to align employee synergy with the business objectives.

Cigniti provides a global exposure for employees to work with leading clients through business driven travel to client locations across the globe. In addition, employees are nurtured to be thought leaders by participating in leading forums, associations, conferences of national and international repute. Cigniti's employees also publish articles share their opinions on global media, visit academic institutions, guide prospective projects, research reports and conduct webinars with pioneering insights.

Cignival

The company conducted its annual day celebration, Cignival, where the professional achievements of the employees were matched by their cultural performances. The HR team held pre-festive celebrations with interactive games, traditional wear and cultural competitions. The achievements were followed by issue of 'Champion' certificates, team lunches and outings.

Road ahead

- Adopt new media technologies like social recruiting and gamification to increase brand awareness and boost hiring ratios.
- Focus on driving recruitment through employee referrals as they help organizations attract premier, culturally similar, technically superior and better engaged employees.





Business driver 3

Sales and Account Management

In the conventional space of IT, it is essential to have a strong work force to engage large multinational companies with significant and growing IT spends. At Cigniti, we have invested in our sales force and have taken various initiatives during the year. Our initiatives and efforts are designed to ensure better client intimacy by understanding the requirements and pain points of our clients. Apart from enhancing our account management capabilities, this strategy is strengthened by the natural hedge against immigration.

Key highlights, 2012-13

- Invested significantly in enhancing sales force across all the regions of US and Canada.
- Hired five full time senior sales professionals having an average work experience of 15 years and above.
- Won 25 new clients/logos during the year. Many of these logos are large enterprises and ISVs across technologies and verticals. These include top companies such as a global provider of mobile internet services, a payment solutions provider which processes more than 11 million transactions every day, a leading Health information management enterprise, a leading media engagement company, Canada's leading integrated freight and parcel solutions provider among others.
- Became a premier partner with HP by signing an enterprise licensing agreement (ELA).
- Increased our pricing by 15 % for new clients owing to our superior services and higher value proposition.

Road ahead

- Expand sales force to maintain organic growth rate of 30% plus.
- Expand sales to Europe and continue to invest in Canada and Asia Pacific.
- Aim to become the world's Second Largest Independent Software Testing Services Company by 2014-15 with more than USD 75 million in revenues.
- Target more enterprises and more multi-million dollar clients.
- Account mining.
- Sell more of IP driven services around SMART Tools.
- Build practices around BFSI, Telecom, Healthcare and Mobility.





Business driver 4

Branding and Marketing

Overview

The core operational areas of the marketing team are brand management, technical marketing, positioning, employer branding, client relation management, sales enablement, IP filing, undertaking production of Annual Report, creation of sales collaterals, management of public & analyst relations, investor relations, digital & social media marketing and content creation for sales among various other functions. In addition to this, marketing function at Cigniti proudly works to drive the company's CSR initiative - Project Significance.

Key highlights, 2012-13

Integration of Brand Cigniti

The marketing team integrated brand Cigniti across all organizational processes and teams. The brand identity of Cigniti was standardized and incorporated across all internal and external communication materials, social network sites and professional networks to bring uniformity.

Cigniti launched its comprehensive and informative, well appreciated corporate website in October'2012 which has been a corner stone of the branding activities. Further, it also launched a streamlined, targeted and effective micro site and a video explaining the Cigniti SMART Tools. This has helped a great deal in uplifting the technical positioning and recall factor of Cigniti amongst its various stake holders. The audio visual content of the organisation was consolidated and branded under 'CigniTV'.

World-class content and technical marketing

In the year under review, the marketing team worked extensively with Sales, Solutions and Delivery teams to create world-class content in the form of brochures, data sheets, videos, presentations and a host of other

compelling materials to strongly position Cigniti as a technically superior testing services provider.

Purposeful Employer Branding

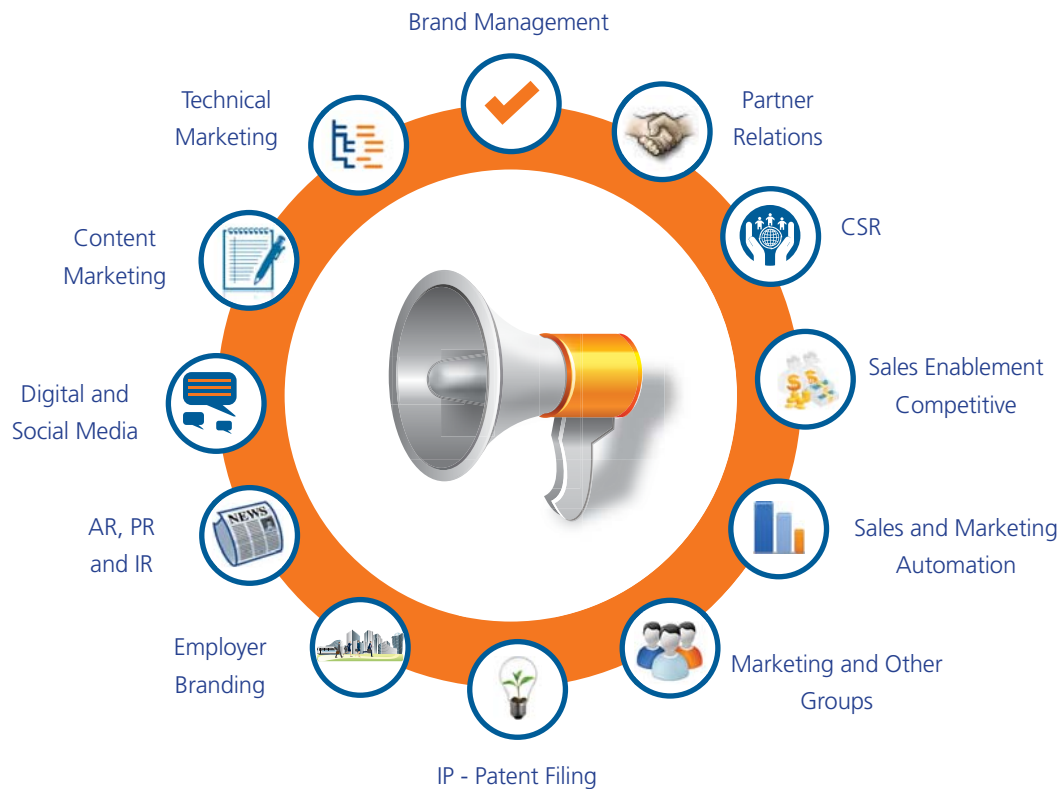
Cigniti made significant investments and efforts towards creating strong employer branding activities. This resulted in helping us attract premier talent both at lateral and fresher levels from world class organizations and campuses. The morale of the employees and the 'work = play' theme that we ensure at Cigniti has positioned us an ideal employer.

Strengthening analyst relations

The marketing initiatives of the team helped in strengthening analyst relations which resulted in the technical positioning of the company in the global arena. Cigniti's achievements and positioning were profiled and acknowledged by Nelson Hall, a leading Software Testing Analyst Firm. The report also confirmed the milestone that Cigniti reached this year by becoming the world's 3rd largest Independent Testing Services Company. Apart from this, the initiatives of the team helped the company get appraisal from leading analysts like Gartner and Forrester.

Strategic Alliances and Partnerships

The marketing team explored opportunities for creating value enhancing partnerships with companies in order to provide cost effective and customized services to clients. The marketing team's initiatives helped the Company in creating a niche for itself by providing customized, comprehensive and superior quality software testing services to its customers. This strategy helped the company in creating a wider client base in its existing markets, a scalable platform and a formidable service network for the future market. The following are



some of the initiatives taken by the marketing team for creating value enhancing partnerships:

- Signed a strategic alliance relation and partner program with HP.
- Laid foundations for a strong set of GTM activities with other partners like, Neotys, Ranorex and Testplant.
- Explored possibilities of partnerships with perfecto mobile, Borland and Compuware.

Marketing Automation

The marketing team initiated automation of all processes and tasks in order to streamline all marketing and sales enablement activities under the command

and control of a single platform. The automation helped the team in tracking and profiling visitors coming to the company's website on the basis of time spent on web page, frequently surfed sections, repeat visits etc. The visitor's database was filtered and handed over to Internal Sales Team for prospecting. In addition, all the marketing collaterals, campaigns and templates were pre-designed which helped the marketing personnel to fill in the appropriate content and send it to prospects, leading to reduced reliance on technical teams.

Social media and Digital Marketing

The marketing team leveraged the power of social network media and digital marketing through content based Search Engine Optimization (SEO). As a result, the company has been consistently ranked in the first



pages of Google search and in fact comes No. 1 for few keywords on Google searches and generated crucial leads. The marketing team enriched the Facebook page with regular updates of services and happenings in the company; improved its presence on LinkedIn by sharing company updates; launched a focused slide share channel on Slide Share & Lead Share to share presentations of its new offerings and services; and reinvented its identity on Twitter by following thought leaders, competitors and analysts in software testing space. These initiatives improved the visibility on social networks of employees and peers leading to an increase in the number of followers across all the social network accounts.

Road ahead

The marketing team plans to undertake the following initiatives:

- Improve Cigniti's brand visibility through digital and social network by launching blogs, microsites and a YouTube channel.
- Improve the brand recall of the company as one of the top three independent software testing services company for enterprises and ISVs.
- Enhance the return on marketing investment by focusing on generating a higher share of each customer's IT spends.
- Establish enterprise 2.0 and work space collaboration activities aimed at engaging the employees at the work place.





Business driver 5

Inside Sales and Enterprise Solutions

In the fast changing IT industry where technology is getting upgraded rapidly, selling is no longer restricted to on-field activities. The emerging trend has paved way for inside sales, where prospects can be converted into clients without being on field. At Cigniti, we have enhanced the strength and efficiency of our inside sales teams, which has enabled us to increase our client base during the year.

Key highlights, 2012-13

■ Expansion into new geographies and addition of new clients

Apart from the strong hold and traditional US market where more than 80% of our revenues, prospects and clients are located, the Inside Sales Team (IST) started focusing on APAC regions such as Malaysia, Singapore and Australia. The focus of expanding into new geographies helped the sales team to sign up eight new clients during the year under review and create a robust sales pipeline which includes

many Global 2000 companies. Further, in order to accelerate growth, the Company expanded IST and added new members to the North American sales team.

■ Enterprise Solution Group (ESG)

The ESG group was created to support the sales team and create compelling solutions and proposal for potential clients. It works in close collaboration with Inside Sales Team, Global Delivery Team, Support Team and Global Sales Team and helps them in winning enterprise deals..





Our clientele includes

- a global provider of mobile Internet services
- a leading software platform that delivers interactive video content online and on mobile
- a leading Consulting & Product Development company with services in multiple languages
- an international software solutions company delivering world-class retail solutions
- a leading Health Information management enterprise
- a global leader in investigations, intelligence and risk management
- a fastest growing e-learning solutions group
- a global medical marketing company
- a market leader in customer finance
- a leading enterprise that finances vehicle purchase across 45 states in US
- a leading enterprise that provides software products for accounts receivable
- world's largest developer of e-learning solutions
- a payment solutions provider which processes more than 11 million transactions every day
- a global leader in face-to-face marketing solutions
- a leading provider of customer experience solutions
- a leading hotel chain with over 4000 hotels in a hundred countries
- Canada's leading integrated freight and parcel solutions provider
- a leading provider of supply chain solutions for multi-channel e-commerce merchants
- one of the world's leading media engagement company





Business driver 6

Project execution and delivery

Overview

In an IT company, the delivery team plays the most important role in executing projects and keeping clients satisfied. At Cigniti, the delivery team has been one of the driving forces behind the company's services. The team plays a crucial part in balancing the growth in the number of clients and increasing number of test requirements with recruitment and strategic deployment of the resources. The delivery team's primary objective is to achieve and maintain excellence in customer satisfaction. The team treats every client as a unique commitment and orients the concerned technical teams to the client's business needs.



Key highlights, 2012-13

Strengthening talent pool of the delivery team

The delivery team strengthened its talent pool by adding industry recognized software testing professionals, certified professionals and freshers from premier institutes like IITs and ISBs, who are passionate about software testing. During the year under review, a total of 100 people have been added to the delivery team across various positions such as test leads, senior test managers and test architects in the areas of delivery management, test architecture and business analysis.

Enriching talent of delivery team

The company created a knowledge sharing platform for the delivery teams in addition to the regular trainings provided at account level. This platform helped the company in delivering more than 1500 hours of training material.

CignitiCUBE™

During the year under review, the Company launched its proprietary global engagement model, CignitiCUBE™, which is built around the four driving principles of the Company's commitment to delivery excellence – Customer focused, user centric, business driven and



employee engagement. The CUBE encapsulates the six facets of engagement which aim to enrich overall client experience ensuring satisfaction, speed, skill and accuracy. The six facets are:

Collaborate: Transparent communication

Leverage: Best Practices, People, Processes

Measure: Project and Process Quality

Govern: Lean governance and thought leadership

Innovate: IP led Testing Services

Ensure: Continuous improvement and Quicker ROI

Setting higher standards in client satisfaction

While getting new clients is essential for the company

to grow, it is equally important to keep existing clients happy. During the year under review, the company devised and introduced a survey titled Customer Satisfaction Index (CSI) for getting client feedback on service delivery on a quarterly basis. This helped the delivery team to understand the expectations and needs of clients and the result from this survey was used as a basis to improve client servicing further. Initially the delivery team received an average rating of 3.4/4 in CSI. But with the rich insights from the survey, the delivery team was able to secure an average rating of 3.8/4 in client satisfaction, which is the hallmark of delivery excellence.

Collaboration for improving service delivery

During the year under review, Cigniti entered into a



Clients who have rated Cigniti 4/4 on Customer Satisfaction Index

- a second generation electronic discovery platform and security software company
- a payment solutions provider which processes more than 11 million transactions per day
- a global medical marketing company
- a global leader in investigations, intelligence and risk management
- a market leader in customer finance
- a leading provider of solution focused products to eye care industry
- a leading provider of employee engagement services
- the world's third largest manufacturer of play materials

strategic partnership with Keynote DeviceAnywhere providing mobile testing services. With this partnership, Cigniti enhanced its capabilities of offering testing services to clients who choose to use the Mobile Testing Platform (Platform as a Service) of Keynote DeviceAnywhere. This has widened Cigniti's client base apart from enhancing its scope of providing testing services in the area of Mobile Testing.

Test Centre of Excellence (TCoE)

The delivery team has assembled a formidable combination of new age infrastructure and resources to offer superior software testing services. It has built a Test Center of Excellence (TCoE) to accommodate the requirements of the emerging technologies and business scenarios apart from addressing the existing test requirements. Cigniti's TCoE lays down roadmap for scalable frameworks that enrich business outcomes with speed, skill and accuracy. It connects the dots between devices, network, hardware and software to offer testing services with flexible, scalable and reusable components.

Mobile application testing: To meet the increasing reliance of clients on enterprise mobility, the delivery team leverages the mobile device bank accompanied by comprehensive test suites and expertise over mobile application testing and mobile device testing.

Performance testing center of excellence: Cigniti's dedicated Performance Testing Center of Excellence provides decomposing and recomposing of software systems to enable bottleneck exploitation and works directly with developers to conduct performance tests and analyze systems. Cigniti's performance testing services are designed to accommodate huge data volumes and enormous work flows with 'Just in time' reports that present a panoramic view as well as a microscopic view of the defects in the application/IT system.

Test automation: Cigniti's strong foundations in Test Automation engagements have resulted in the development of new age automation services that can be customized to business specific requirements and deployed across verticals. These frameworks incorporate human intellect in the form of inputs from client teams and stakeholders to enhance the client's business environment.

Cigniti TestCloud™: The Cigniti TestCloud™ is an elaborate network of devices, hardware and testing tools which enables remote access to a wide range of technologies ranging from legacy to latest models of varying versions and configurations. Cigniti TestCloud™ offers 'On demand' test infrastructure for mobile application testing, performance testing & test automation.

The team always strives to meet deadlines and typically exceeds them. I am very satisfied with the dedication and timeliness of projects. Overall, the team strives for high quality and it shows in the deliverables. I must give a lot of credit to the onshore team as they work well with the offshore team to ensure the projects match the expectations of the business.

-Manager - Web Operations, World's leading car rental company

Road ahead

Delivery team will continue to grow through sustained hiring of premier talent. Delivery team will invest in ensuring Cignitians stay abreast with the latest tools and technologies across the software testing landscape. Some of the upcoming initiatives include partnership with new age tools in the areas of Performance Testing, Enterprise Mobility and Security Testing.



Analyst Speak



"The background in software product testing provides assurance that Cigniti has capabilities in software testing for both enterprise and technology clients"

"The Company is profitable and therefore able to re-invest its profits into tools and IP, delivery and business development"

"The Gallop acquisition changes further the scale of Cigniti. This makes Cigniti the World's third largest software testing pure-play company"

*Ref NelsonHall - Cigniti Profile 2013

Client Testimonials

Testers were willing to continue arguing for their perception of a deficiency, this led to good improvements in some situations where we were misinterpreting their points. The team sent in a daily digest of logged bugs and also gave us a very clear indication of items that need feedback and clarification.

CEO, a leading software solutions provider

Cigniti has a world class Team of QA experts

Senior Software Producer, a leading toy maker with a customer base spread across 130 countries

Thank you Cigniti for taking our QA to the next level and making my visit so enjoyable

Test Automation Architect, A leading smart grid communications technology provider

I want to thank you and your team for all of the effort at getting us to this point. This is going to help us to make changes to ensure that our end-user experience is what it should be. It also has given us insight into the kind of expertise that the Cigniti team has for testing and the kind of value you bring to your clients.

Well Done!

CIO – A leading health information management enterprise

Though the complexity of the tests and verifications mechanisms are fairly simple for the test cases implemented to date, the team has operated relatively independently and defined quality standards and produced quality results in spite of working within an unfamiliar environment.

It is clear that the team has brought both skills and experience to bear on this project. This clearly minimized ramp up time and will reduce if not eliminate the need for rework in the future.

-A global leader in investigations, intelligence and risk management

Team was capable of handling issues without escalations, and was always reachable.

-A leading maker of web browsers



Business Risks & Management

Risk	Meaning	Mitigation
Geographic concentration risk	Reliance on a single geography can impact revenue growth.	<ul style="list-style-type: none">■ The company is expanding to Asia Pacific while continuing to grow revenues from Europe■ The company has established a new office in Canada to consolidate a consumer base from the location.■ The company is looking at acquisitions in Europe and Asia Pacific to speed up geographic risk mitigation.
Competition risk	Increasing competition in software testing may affect the market share of the company.	<ul style="list-style-type: none">■ The company become the world's third largest Independent Software Testing Services Company by acquiring Gallop Solutions, a US based specialized software testing services company.■ The company has enhanced its pricing by 10% on account of superior services and higher value proposition.■ The company won 25 new clients/logos during the year which includes top companies such as a global provider of mobile internet services, a payment solutions provider, which processes more than 11 million transactions every day, a leading Health information management enterprise, a leading media engagement company, Canada's leading integrated freight and parcel solutions provider among others.■ The company's marketing initiatives have helped in strengthening analyst relations which resulted in the technical positioning of the company in the global arena.■ In order to provide superior quality services and improve its service offerings, the company has partnered with various companies including HP, Neotys, Ranorex and Testplant, among others.■ The company introduced Customer Satisfaction Index (CSI) for assessing feedback on service delivery, which helped the delivery team to understand the expectations and needs of clients. The feedback was instrumental in making improvements to the client servicing.

Risk	Meaning	Mitigation
Technology risk	Any change in technology could have an adverse impact on the company's growth.	<ul style="list-style-type: none"> ■ The company's focus on innovation and quality has led to the creation of Cigniti SMART Tools, which is a set of tools to accelerate events in software test life cycle. SMART Tools provide seamless integration with all market tools by filling the gaps, which are left unfilled by leading market tools. ■ The Company's investments in IP led to the development of two new innovative tools - 'iGenerate test Scenario' and 'Web Services Validator'. ■ The company launched Testlets as a point solution for Big Data testing to ensure defect detection while enterprises consume, capture and channelize data to make inferences from meaningful information.
Attrition risk	Increased competition among organizations for a limited employable talent pool might lead to higher attrition rates.	<ul style="list-style-type: none"> ■ The company reported an employee retention higher than the industry average of our peers. ■ The company has provided healthy compensation to its employees with the average hike ranging between 14-16%, which is higher than the industry average of our peers. ■ Cigniti recognizes employees by providing them with global exposure of working with leading clients. To foster thought leadership, Cigniti encourages its employees to participate in leading forums, associations, conferences of national and international repute. Cigniti's employees publish articles and share their knowledge across global media, visit academic institutions, guide prospective projects, research reports and conduct webinars with pioneering insights. ■ The company keeps its employees engaged with various activities including wide participation in CSR activities. Employees are recognized and rewarded through multiple mechanisms.



Risk	Meaning	Mitigation
Commoditization risk	Low entry barriers in the testing industry might expose the industry to the danger of commoditization.	<ul style="list-style-type: none">■ Cigniti's Test Advisory Services is a high end offering that helps our clients improve their testing processes. This can only be done with the specialized expertise developed over years by Cigniti and cannot be easily replicated. Our proprietary PredictQuality™ Test Methodology helps deliver superior value to clients and ensured high customer satisfaction ratings from our clients.■ Cigniti's IP led testing services leveraged our SMART Tools that have been developed and cannot be replicated easily.■ Cigniti's specialized infrastructure like Mobile Labs, Anti Collision Labs, Robotics Labs are a result of many years of expertise and cannot easily be replicated.

Notice

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of the Company will be held on **Monday the 16th September 2013** at 11.00 am at "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2013 and Audited Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report.
2. To appoint a Director in place of Mr. K. Ch. Subba Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Nageswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

Appointment of Sri. C Srikanth as Director of the company

"RESOLVED THAT Mr. C Srikanth, who was appointed by the Board of Directors as an Additional Director with effect from 5th July 2013 and who holds the office of Director up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification the following Resolution as an Special Resolution:

Appointment of Sri. C Srikanth as Executive Director of the company

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, Mr. C. Srikanth be and is hereby appointed as an Executive Director of the Company for a period of 5 years with effect from 05.07.2013 with the following terms and conditions subject to the approval of shareholders in the next General Meeting.

- I) Salary : ₹10,00,000/- per month
- II) In addition to the above the Executive Director is entitled to the following facilities:
 - a) Free use of the Company's car with driver.
 - b) Free telephone facility at residence.
 - c) Encashment of leave as per the rules of the Company.
 - d) Club fee subject to maximum of two clubs. This will not include admission and life membership fee.
 - e) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
 - f) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 5 month's salary over a period of 5 years.
 - g) Leave Travel Concession for self & family once in a year as per the rules of the Company.

RESOLVED FURTHER THAT all other benefits, amenities and perquisites shall be allowed and paid to him as minimum remuneration during the tenure of his office, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any financial year, exceed the ceiling laid down in this behalf in schedule XIII of the Companies Act, 1956 including amendments made thereto from time to time.



RESOLVED FURTHER THAT the Remuneration committee be and is hereby authorized to review and also to determine performance linked incentives including commission, either on quarterly, half yearly basis, considering the maximum remuneration payable under provision of section 198 and schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

7. To consider and, if thought fit, to pass with or without modification the following Resolution as an Special Resolution:

Voluntary Delisting of equity shares of the Company from Bangalore and Madras Stock Exchanges Limited,

“RESOLVED THAT pursuant to all applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be acted hereinafter, Securities Contracts (Regulation) Act, 1956, and the rules framed there under, provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement(s), the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as may be amended from time to time or re-enactment thereof for the time being in force (the “SEBI Delisting Regulations”) and pursuant to the provisions of SEBI Delisting Regulations and such other applicable laws, rules and regulations and guidelines and subject to such approvals, permissions and sanctions, including those from the Stock Exchanges where the equity shares of the Company are listed, as may be necessary, approval of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”) which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this resolution to seek voluntary delisting of the equity shares of the Company from Bangalore and Madras Stock Exchanges Limited, where the equity shares of the Company are listed, in terms of SEBI Delisting Regulations and other applicable provisions of law.

RESOLVED FURTHER THAT the securities of the company shall continue to be listed on the stock exchange having nation wide trading terminals viz. BSE Limited and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to the voluntary delisting, the Board be and is hereby authorized to do all such acts, deeds, matters and things at in its sole and absolute discretion it may deem necessary or desirable to give effect to the aforesaid resolution, including making applications to the Stock Exchanges seeking their in- principle and final approval for the proposed voluntary delisting of the equity shares of the Company, and to execute all such deeds and documents and to settle all questions, difficulties and doubts that may arise in this regard, as it may consider necessary and expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred upon it to any Committee of Directors or to any Director or Directors or any other officers / authorized representative of the Company to give effect to this resolution.”

On behalf of the Board
Cigniti Technologies Limited

Place :Hyderabad
Date : 19.08.2013

C. V. Subramanyam
Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THERE AT INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. An instrument appointing proxy to be effective must be lodged at the Registered Office of the Company at least 48 hours before the meeting.
3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is herewith annexed.

4. The Register of Members /Register of Beneficiaries and Share Transfer Books of the Company will remain closed from Thursday, 12th September 2013 to Monday, 16th September 2013 (both days inclusive).
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. Members holding shares in physical form are requested to notify / send any change in their address to the Company's Share Transfer Agents, or to the Company at its registered office.
7. Members holding shares in dematerialisation form are requested to notify/send any change in their address to the concerned depository participant(s).
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the company. Therefore, the shareholders willing to avail this facility may make nomination in form 2B.
10. Shareholders / proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of Annual Reports to the Annual General Meeting.
11. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

Brief Details of Directors seeking re-appointment at this Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)

1 NAME	: Sri. Kolla China Subba Rao
Age	: 58 Yrs
Qualifications	: Master Degree in Science
Experience	: Varied Experience in Real Estates and other related activities
Other Directorships	: Nil
Number of Shares held in the Company	: Nil
2 Name	: Sri. K. Nageswara Rao
Age	: 44 Yrs
Qualifications	: Master in Commerce
Experience	: Rich Experience in Finance & Accounts
Other Directorships	: Nil
Number of Shares held in the Company	: Nil
3 Name	: Sri. C. Srikanth
Age	: 28 Yrs
Qualifications	: Mr. C. Srikanth has completed his MS in Computer Science from the University of South California and has done a Post Graduate Management Program in New York University's Stern School of Business.
Experience	: He has relevant experience of 5 years in Marketing field and played a key role in repositioning the company after he took over the Marketing function. The three key reasons the Board has appointed Mr. C. Srikanth as Executive Vice President of Marketing are his relevant qualifications, experience and his performance over the last five years in repositioning the company and playing a key role in making Cigniti the 3rd largest Independent Testing Services company.
Other Directorships	: 1. Aasaanpay Solutions India Private Limited 2. Tvarita Captial Private Limited
Number of Shares held in the Company	: 25,00,000 Shares



EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item: 5-6

Sri. C Srikanth was appointed as Additional Director as well as Executive Director in the Board Meeting held on 5th July 2013, as per the terms and conditions and remuneration mentioned in the notice. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office as an Additional Director only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director, without any break in the tenure of office of Executive Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of ₹500/-. Also, as per the provisions of Companies Act, 1956, his appointment as Executive Director needs to be ratified by the members of the company. Hence, the above resolutions at item no. 5 & 6 are submitted to the meeting for approval/ratification by the members of the Company.

Brief Profile: Details regarding the person proposed to be appointed as Director has been mentioned above. The Board of Directors recommends the above resolutions at item no. 5 & 6 for the members' approval in the Annual General Meeting

None of the Directors of the Company except Sri. CV Subramanyam and Sri. C Sudhakar (being the relatives of proposed appointee) to the extent of the appointment as Executive Director is concerned or interested in this resolution.

Item: 7

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nationwide trading terminal. The shares of the Company are listed and traded on BSE Limited, which is having nationwide trading terminal.

At present the equity shares of the company are listed at BSE Limited, Bangalore Stock Exchange Limited and Madras Stock Exchange Limited. Considering no volume of trading at Bangalore and Madras Stock Exchange and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Bangalore and Madras Stock Exchange Limited as proposed in the special resolution.

The Board recommends the resolution for approval of members. None of the directors is, in any way, concerned or interested in the said resolution.

On behalf of the Board
Cigniti Technologies Limited

Place :Hyderabad
Date : 19.08.2013

C. V. Subramanyam
Managing Director

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The highlights of the financial results for the year under review along with the comparative figures for the previous year are as follows:

(₹ in Lakhs)

Particulars	2012 – 13		2011 – 12	
	Consolidated	Standalone	Consolidated	Standalone
Income from Operations	15087.76	2356.75	3383.98	1023.89
Profit before depreciation and Tax	911.36	341.40	276.50	151.56
Depreciation	157.10	136.06	98.29	95.09
Profit before Tax	691.64	169.60	178.46	56.47
Provision for Tax	191.26	52.09	60.41	17.45
Profit after Tax	500.38	117.51	118.05	39.02
Profit carried forward to Balance sheet	907.10	445.18	406.70	327.67

REVIEW AND PROSPECTS

The total revenue of the Company for the financial year ended 31st March, 2013 is ₹15,087.76 lakhs as compared to the previous year's total revenue of ₹3,383.98 lakhs. During this financial year the company has recorded a net profit of ₹500.38 lakhs as against the previous year's net profit of ₹118.05 lakhs.

The past year has been an eventful one for the Company and all its stakeholders. The Company has grown from strength to strength, and undertaken challenges on the global stage in its strategic drive to reach the key markets of the world.

1. Current Scenario

Your company has been acknowledged as the third largest independent testing services company by Nelson Hall a leading IT industry analyst that tracks the software testing industry closely. The company has grown exponentially over the last one year on the basis of inorganic acquisition and organic growth. We have signed multiple Fortune 500 clients and continue to see rapid growth in our sales pipeline. Cigniti continues to expand its sales team, marketing investments and focus on newer geographies like Europe, Canada and Asia Pacific.

Your company's management believes that with the current pace of organic growth combined with inorganic acquisitions, Cigniti can aim to become the world's second largest independent testing services company by next year and aim to become the largest in the world by 2015.

While the overall IT industry has been growing at a sedate pace of 10-12%, Cigniti's focus on a niche area like software testing is yielding helping your company achieve significantly higher growth rates than the industry. Your company expects to maintain this growth rate over the next few years to emerge as a world leader in our segment.

2. Quality:

Your company continues to lay emphasis on high-level quality processes to deliver solutions to clients exceeding their expectations. Your company became the first independent testing services company to be rated at CMMI-SVC v1.3 Maturity Level 3 of the CMMI Institute (Powered by Carnegie Mellon University) Capability Maturity Model Integration (CMMI). The CMMI for Services (CMMI-SVC) model is most relevant for IT services companies like Cigniti and provides an integrated set of guidelines for providing superior services.



Your company also successfully passed the external compliance audit for ISO 27001:2005 certification. This certification compliance establishes that Cigniti's infrastructure and practices meet ISO's stringent standards for information security management and business continuity capabilities. Cigniti's evaluation was conducted by TÜV Rheinland Group which is a leading provider of technical services worldwide. This certification helps Cigniti prove to its customers that they take the security of customers' data very seriously and committed to provide seamless services. The ISO 27001 audit specifies the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented Information Security Management System, taking into account the organization's overall business risks.

DIVIDEND:

The Board of Directors of Company believe that the profits and retained earnings are best utilized to propel our sales efforts and for inorganic acquisitions in the coming year. Once consolidation is done and your company achieves leadership position a generous dividend policy can be adopted. Hence, Directors regret their inability to recommend dividend for the year under review.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Sri. K. Ch. Subba Rao and Sri. K Nageswara Rao retire by rotation at the 15th Annual General Meeting and being eligible, offer themselves for re-appointment. Also, Sri. C Srikanth was appointed as Additional Director in the Board Meeting held on 5th July 2013. His term of office as Director will expire on the date of this Annual General Meeting.

Brief resumes of the Directors proposed to be appointed / re-appointed, their expertise in specific functional areas and names of the companies in which they hold directorship / membership / chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges have been provided as an annexure to the Notice convening the 15th Annual General Meeting.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 274(1) (g) of the Companies Act, 1956

ALLOTMENT OF EQUITY SHARES

During the financial year, the Board of the Company in its meeting held on 8th February 2013 allotted 19,54,102 equity shares on preferential basis to the persons belonging to promoter & promoter group and persons belonging to other than promoters, and pursuant to this allotment the paid-up capital of the company has been increased accordingly.

EMPLOYEE STOCK OPTION SCHEME

Board of Directors of the company believes that in order to build your company into a world leader, we need to attract world class talent and more importantly retain them over the long term. Hence, over the period of time, your Company has introduced different Stock Option Schemes to issue and allot Stock options to the employees of the Company and to the employees of Subsidiary Company. Necessary approvals from the members of the company and statutory authorities were accorded in the due course to give effect to the said schemes.

SHARE CAPITAL

During the financial year, the Board of the Company in its meeting held on 8th February 2013 allotted 19,54,102 equity shares on preferential basis to the persons belonging to promoter & promoter group and persons belonging to other than promoters, and pursuant to this allotment the paid-up capital of the company has been increased accordingly.

CORPORATE GOVERNANCE

Directors are happy to report that your Company is compliant with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from the Statutory Auditor confirming compliance is set out in the Annexure forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed and there are no material departures.



- ii. We have selected appropriate accounting policies and applied them consistently and have 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 as on 31st March 2013 and of the profit of the company for the financial year ended 31st March 2013.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. We have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis.

AUDITORS

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

FIXED DEPOSITS

The Company has not invited/accepted any fixed deposits from the public in terms of Section 58A of the Companies Act, 1956.

RISK MANAGEMENT SYSTEM

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.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, form a part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956 this report and accounts are being sent to all the members of the Company and others entitled there to, excluding the



aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Secretarial Office of the Company and the same will be sent by post.

Additional Information as Required U/S 217(1) (e) of the Companies Act, 1956

1. Conservation of Energy:

Our operations are not energy intensive; however significant measures are taken to reduce energy consumption by using energy efficient computers and purchasing energy efficient equipment. We constantly evaluate new technologies and invest to make our infrastructure more energy efficient.

(b) Research and Development and Technology Absorption:

Research and development of new products, processes and methodologies continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous innovation. Our Company continues to invest in rapidly changing technologies and use them to improve the quality of the products, service offerings to ensure overall reduction in defect rates and a higher level of customer satisfaction.

- (c) Please refer to "Notes to Accounts" for Foreign exchange earnings & outflow

STOCK EXCHANGES

Company's present Equity shares are listed in Bombay Stock Exchange Limited, Bangalore Stock Exchange and Madras Stock Exchange, and the Company has paid the Listing Fees to the Stock Exchanges for the Financial Year 2013-14.

LISTING OF SHARES AT BOMBAY STOCK EXCHANGE

We are happy to inform you that, during the period under review the company has applied for the Direct Listing of its equity shares to be traded directly at Bombay Stock Exchange and has accorded the necessary approval for the same.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued co-operation and support by the Banks, Government authorities, Business Partners, Customers and other Stakeholders. Your Directors wish to place on record their sincere appreciation for the dedicated contribution made by all the Executives, Staff members of the Company in the achievements of the Company during the year under review.

On behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: 19.08.2013

C. V. Subramanyam **P. Sudhakar**
Managing Director Director

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

CORPORATE GOVERNANCE

CTL is committed to best practices in the area of Corporate Governance, both in letter and spirit. 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 based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. CTL's Corporate Governance policy is based on the following principles:

- (i) Independence and versatility of the Board
- (ii) Integrity and ethical behaviour of all personnel
- (iii) Recognition of obligations towards all stake holders – customers, employees and shareholders
- (iv) High degree of disclosure and transparency levels
- (v) Total compliance with laws in all environments in which the company operates
- (vi) Achievement of above goals with compassion for people and environment

The Company recognizes that good Corporate Governance is a continuing exercise and committed to follow the best practices in the overall interest of the stakeholders. The Securities and Exchange Board of India (SEBI) has specified certain mandatory governance practices, which

are incorporated in Clause 49 of the Listing Agreement of Stock Exchanges. This section, along with the section on "Management Discussion & Analysis" and "Additional Shareholders' Information" constitute the Company's compliance with Clause 49 of the Listing Agreement.

2. Board of Directors

A. Composition

- a. The Company has 7 Directors with an Executive Chairman on its Board. Out of Seven (7) Directors, Four (4) are Non-Executive Independent Directors, one is Executive Director, one is non-executive non-independent Director and another is Chairman and Managing Director. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b. 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 is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on March 31, 2013.
- c. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.



Composition and category of Directors on the Board for the year 2012-13 are given below:

Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies
Mr. C. V. Subramanyam	Promoter & Managing Director	3	NIL
Mr. Sudhakar Pennam	Independent Director	NIL	NIL
Mr. C. Sudhakar	Promoter Director	1	NIL
*Mr. C Srikanth	Executive Director	2	NIL
Mr. K. Ch. Subba Rao	Independent Director	NIL	NIL
Mr. K. Nageswara Rao	Independent Director	NIL	NIL
Mr. Mani Subramanian	Independent Director	NIL	NIL

*Appointed on the Board w.e.f. 5th July 2013

- d. Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.
None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.
- e. During the Financial Year 2012 - 13 the Board of Directors met 8 times on the following dates:
12.05.2012, 14.06.2012, 13.08.2012, 09.11.2012, 14.11.2012, 11.12.2012, 08.02.2013 and 14.02.2013
- f. The time gap between any two Board Meetings did not exceed three months.
Attendance of Directors at Board Meetings and at the last Annual General Meeting (AGM) held on 12th July, 2012.

Name of the Director	Number of Board Meetings attended	Attendance at last AGM
Mr. C. V. Subramanyam	7	Yes
#Mr. Sudhakar Pennam	3	Yes
Mr. C. Sudhakar	7	Yes
*Mr. C Srikanth	NA	NA
Mr. K. Ch. Subba Rao	7	Yes
Mr. K. Nageswara Rao	7	Yes
#Mr. Mani Subramanian	3	No

Appointed on the Board w.e.f. 14th June 2012

*Appointed on the Board w.e.f. 5th July 2013

BOARD'S PROCEDURE

Agenda papers along with explanatory statements were circulated to the Directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

3. AUDIT COMMITTEE

- I). The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of;
 - 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:
 - i Any changes in accounting policies and practices;
 - ii Qualification in draft audit report;
 - iii Significant adjustments arising out of audit;
 - iv The going concern concept;
 - v Compliance with accounting standards;
 - vi Compliance with stock exchange and legal requirements concerning financial statements;
 - vii 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.

III) Previous Annual General Meeting of the Company was held on 12th July 2012 and Mr. K. Ch. Subba Rao, Chairman of the Audit Committee, attended previous AGM.

IV) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Composition

The Company has constituted an Audit Committee comprising of the following three Non-Executive Independent Directors.

S. No	Name of the Director	Designation	Nature of Directorship
1	Mr. K. Ch. Subba Rao	Chairman	Non-Executive & Independent Director
2	Mr. C. Sudhakar	Member	Non-Executive & Non Independent Director
3	Mr. K. Nageswara Rao	Member	Non-Executive & Independent Director

- V) Five Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 12.05.2012, 14.06.2012, 13.08.2012, 14.11.2012, and on 14.02.2013,



The necessary quorum was present at all the meetings.

Attendance during the year 2012-13:

Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. K. Ch. Subba Rao	5	5
Mr. C. Sudhakar	5	5
Mr. K. Nageswara Rao	5	5

4. Remuneration Committee

The Company has constituted Remuneration Committee to decide, fix the remuneration payable to the Managing / Whole time Directors of the Company.

However, the remuneration of the Managing / Whole time Director is subject to approval of the Board, and of the Company in the General Meeting and such approvals as may be necessary. The remuneration structure of Managing Director comprises of salary only.

A. Composition

The Remuneration Committee consists of the following Directors:

S. No	Name of the Director	Designation	Nature of Directorship
1	Mr. K. Ch. Subba Rao	Chairperson	Non-Executive & Independent Director
2	Mr. Mani Subramanian	Member	Non-Executive & Independent Director
3	Mr. K. Nageswara Rao	Member	Non-Executive & Independent Director

One Remuneration Committee Meeting was held on 12th May 2012, during the period under review.

B. Brief description of terms of reference

The Remuneration Committee shall function in accordance with the terms of reference made by the Board of Directors, which are given as follows:

1. To fix the remuneration packages of Executive Directors i.e., Managing Director, Whole time Directors, etc.,
2. To decide on the elements of remuneration package of all the Directors i.e., salary, benefits, bonuses, stock options, pension etc."

The Non-executive Directors are paid sitting fees for attending the Board & Committee meetings.

The details of the salary and commission paid / payable for the Financial Year ended 31st March, 2013 to the Managing Director is as under:

Name of the Director	Designation	Salary per annum (₹)	Commission
Mr. C. V. Subramanyam	Managing Director	1,12,50,000/-	NIL

The Company does not have any stock option scheme to the Directors. The appointments are made in accordance with the terms and conditions specified in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

5. Investors' Grievance Committee

A. Composition

Your Company has constituted an Investors' Grievance Committee consisting of the following Directors:

S. No	Name of the Director	Designation	Nature of Directorship
1	Mr. K. Ch. Subba Rao	Chairperson	Non-Executive & Independent Director
2	Mr. C. Sudhakar	Member	Non-Executive & Promoter Director
3	Mr. K. Nageswara Rao	Member	Non-Executive & Independent Director

B. Powers

The Committee has been delegated with the following powers:

- to redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- to approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

6. General Body Meetings

Financial Year	Date	Time	Venue	Resolutions passed
14th AGM 2011-12	12.07.2012	11.00 AM	"The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	1. Appointment of Sri. P Sudhakar as the Director of the company 2. Appointment of Sri. Mani Subramanian as the Director of the company 3. Increase in remuneration payable to Sri. CV Subramanyam, Managing Director of the company 4. Appointment of Sri. C Srikanth to the office or place of profit
13th AGM 2010-11	29.09.2011	11.00 AM	Sundaraiah Vignana-Kendram, (Mini Hall), BaghLingampally, Hyderabad – 44	1. Increase In Authorised Share Capital 2. Alteration of article no. 3 of articles of association of the company 3. Issuance of equity shares on preferential basis 4. Change of name of the company 5. Employee stock option scheme – 2011 6. Grant of options to the employees of subsidiary and step down subsidiary company under employee stock options scheme – 2011
12th AGM 2009-10	29.09.2010	10.00 AM	Sundaraiah Vignana-Kendram, (Mini Hall), BaghLingampally, Hyderabad – 44	1. Resolved to issue 25,00,000 warrants to promoter and promoter group.



7. Resolutions Passed through Postal Ballot:

The Company had accorded the approval of members through postal ballot for

1. Issue of 19,54,102 equity shares on preferential basis to the promoter group and to the persons belonging to other than promoter group.

The result of Postal Ballot was Declared on 11th December 2012.

8. Auditors' Certificate on Corporate Governance

Auditors' Certificate on Corporate Governance as required by revised Clause 49 of the Listing Agreement is given as an annexure to the Director's Report.

9. Disclosures

- The Company has not entered into any transaction of material nature with related parties i.e., Directors, Management, their relatives conflicting with the Company's interest.

▪ Details of non-compliance

There has been no non-compliance of any legal requirements nor have been any strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

▪ Whistle Blower policy

We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the Company. The mechanism provided direct access to the Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the Company. The Whistle Blower Policy has been posted on the Intranet of the Company.

▪ Compliance with non-mandatory requirements of clause 49 of the listing agreement

The Company has complied with the non – mandatory requirements relating to remuneration committee and Whistle Blower policy to the extent detailed above and has not complied with other non-mandatory requirements.

▪ Management Discussion and Analysis

A detailed section on 'Management Discussion and Analysis' (MDA), pursuant to Clause 49 of the Listing Agreement forms part of this Annual Report.

10. 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.

The Management Discussion and Analysis Report forms part of the annual report, which is posted to the shareholders of the Company.

11. General Shareholder Information:

The following information would be useful to the shareholders:

a) Fifteenth Annual General Meeting

Date and Time : 16.09.2013, at 11.00 A.M

Venue : "The V (Ascendas) Auditorium",
Plot No# 17, Software Units Layout,
Madhapur, Hyderabad – 500 081

b) Financial Calendar 2013-14 (Tentative Schedule)

Adoption of Quarterly results for the Quarter ending

- 30th June, 2013 : 14th August, 2013
- 30th September, 2013 : 1st/2nd Week of November, 2013
- 31st December, 2013 : 1st/2nd Week of February, 2014
- 31st March, 2014 : on or before 15th May 2014

Annual General Meeting (Next year) : August / September, 2014

c) Book Closure Date

12th September 2013 to 16th September 2013
(both days inclusive)

d) Listing on Stock Exchanges : Bombay Stock Exchange Ltd

Bangalore Stock Exchange Ltd

Madras Stock Exchange Ltd

e) Stock Code

- Stock Code / Symbol :
BSEIndonext : 590089 / CIGNITI 2 BSE 534758 / CIGNITI
- Demat ISIN number in NSDL & CDSL :
INE 675C01017

Electronic Connectivity

National Securities Depository Limited

Trade World, Kamala Mills Compound

SenapatiBapat Marg, Lower Parel

Mumbai – 400 013

Central Depository Services (India) Limited

PhirozeJeejeebhoyTowers, 28th Floor

Dalal Street, Mumbai – 400 023

f) Stock Market Data

The monthly high / low prices of shares of the Company from April, 2012 to March, 2013 at Bombay Stock Exchange:

Company Name: CIGNITI For the period: April 2012 to March 2013

DATE	HIGH (₹)	LOW (₹)	NO. OF SHARES
APR-12	80.00	58.00	21,283
MAY-12	66.45	53.55	17,118
JUN-12	58.50	40.00	25,321
JUL-12	59.90	43.55	28,628
AUG-12	71.45	58.00	40,810
SEP-12	85.90	67.50	88,400
OCT-12	78.00	62.25	1,01,016
NOV-12	97.90	61.00	5,86,231
DEC-12	103.00	90.65	4,67,385
JAN-13	139.50	93.00	5,02,563
FEB-13	154.00	123.00	2,89,464
MAR-13	147.90	129.50	1,62,845

g) Registrars and Transfer Agents

Aarthi Consultants Pvt. Ltd.

1-2-285, Domalguda, Hyderabad- 500 029.

Tel: (040) 27642217/27638111

Fax: (040) 27632184

Email: info@arthiconsultants.com

h) Share Transfer System

SEBI has vide its circular dated 27-12-2002, directed

that all work relating to share registry, both physical and demat should be maintained at a single point. Accordingly, the Share Transfers, both physical and demat form, are done by the Registrar and Share Transfer Agents i.e., M/s. Aarthi Consultants Private Limited, Domalguda, Hyderabad. The requests received for transfer of shares in physical form are generally completed within the stipulated time.



11. (A) Shareholding pattern as on 31.03.2013

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	5497942	29.17	0	0
b.	Central Government/State Government(s)	0	0	0	0
c.	Bodies Corporate	0	0	0	0
d.	Financial Institutions/Banks	0	0	0	0
	Others :-				
e.	Mutual Funds	0	0	0	0
f.	Trusts	0	0	0	0
	Sub Total (A)(1)	5497942	29.17	0	0
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	5798000	30.77	0	0
b.	Bodies Corporate	0	0	0	0
c.	Institutions	0	0	0	0
	Others :-				
d.	Overseas Corporate Bodies	0	0	0	0
	Sub Total (A)(2)	5798000	30.77	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	11299942	59.94	0	0
(B)	Public Shareholding				
(1)	Institutions				
a.	Mutual Funds/UTI	0	0	0	0
b.	Financial Institutions/Banks	0	0	0	0
c.	Central Government/State Government(s)	0	0	0	0
d.	Venture Capital Funds	0	0	0	0
e.	Insurance Companies	0	0	0	0
f.	Foreign Institutional Investors	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0
	Others :-				
h.	Foreign Companies	0	0	0	0
	Sub Total (B)(1)	0	0	0	0
(2)	Non-Institutions				
a.	Bodies Corporate	357512	1.90	0	0
b.	Individuals				
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	1407602	7.47	0	0
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	5747543	30.50	0	0
c.	Any Others :-				
	i) Non Resident Individuals	31301	0.17	0	0
	ii) Overseas Corporate Bodies	0	0	0	0
	iii) Trusts	0	0	0	0
	iv) Employees	0	0	0	0
	v) Clearing Members	5600	0.03	0	0
	vi) Foreign Nationals	0	0	0	0
	Sub Total (B)(2)	7549558	40.06	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	7549558	40.06	0	0
	Total (A)+(B)	18845500	100.00	0	0
(C)	Shares held by Custodians and against Depository Receipts have been Issued	0	0	0	0
	Grand Total (A)+(B)+(C)	18845500	100.00	0	0

(B) Distribution of Shareholding as on 31.03.2013

Range (₹)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	687	55.23	108530	0.58
5001 - 10000	91	7.32	78453	0.42
10001 - 20000	88	7.07	138431	0.73
20001 - 30000	87	6.99	224023	1.19
30001 - 40000	39	3.14	140186	0.74
40001 - 50000	46	3.70	219269	1.16
50001 - 100000	72	5.80	552940	2.94
100001 & Above	134	10.77	17383668	92.24
TOTAL	1244	100.00	18845500	100.00

12. Dematerialisation of Shares and Liquidity

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE 675C01017. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialised form. Shares of the Company are actively traded in The Bombay Stock Exchange Limited, Mumbai, The Bangalore Stock Exchange, Bengaluru & Madras Stock Exchange Limited, Chennai and hence have good liquidity. The list of depository participants is available with the National Securities Depository Limited (NSDL) at www.nsdl.co.in.

Particulars	No. of Shares	% Share Capital
NSDL	61,98,872	32.89
CDSL	36,37,764	19.30
PHYSICAL	90,08,864	47.81
TOTAL	1,88,45,500	100.00

13. Address for Correspondence

Registered office : Suit No. 106 & 107,
6-3-456/C, MGR Estates, Dwarakapuri Colony,
Punjagutta, Hyderabad – 500 082.

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

14. OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT**i. 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.

Certificate of Code of Conduct for the year 2012-13

CTL is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2012-13.

Place: Hyderabad
Date: 19.08.2013

C. V. Subramanyam
Managing Director



ii. 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 treatment prescribed in the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956.

iii. 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.

iv. CEO/ CFO Certification

The CEO and CFO certification of the financial statements for the year 2012-13 is provided elsewhere in this Annual Report.

On behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad
Date: 19.08.2013

C. V. Subramanyam **P. Sudhakar**
Managing Director Director

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

I, C. V. Subramanyam, Managing Director of M/s. Cigniti Technologies Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March 2013 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our 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. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we 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.

Place : Hyderabad
Date : 19.08. 2013

C. V. Subramanyam
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 condition of corporate governance of Cigniti Technologies Limited ("the company") for the year ended 31st March, 2013 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India 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 and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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: 19.08. 2013

For **P. Murali & Co.,**
Chartered Accountants
Partner



Financial Statements

Independent Auditor's Report

To the Board of Directors of **CIGNITI TECHNOLOGIES LIMITED**

We have audited the accompanying consolidated financial statements of **CIGNITI TECHNOLOGIES LIMITED** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financials. As there is no reporting on 'Other Legal and Regulatory Requirements', there is no necessity of including the heading 'Report on the Financial Statements' above the introductory paragraph 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation

of the consolidated 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of its subsidiaries Cigniti INC and Cigniti Software services pvt Ltd as at 31st March, 2013. The financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **P. Murali & Co.,**

Chartered Accountants

Firm's Registration Number: 0072575

P. Murali Mohana Rao

(Partner)

Membership Number: 023142

Place: Hyderabad

Date :30/05/2013



Consolidated Balance Sheet as at March 31, 2013

Particulars	Note No	As on	As on
		31-03-2013	31-03-2012
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	188,455,000	168,913,980
(b) Reserves and Surplus	4	370,084,244	211,912,508
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	190,571,276	123,565,159
(b) Deferred Tax Liabilities (Net)	6	7,340,007	8,047,275
(c) Other Long Term Liabilities	7	-	27,939,728
(d) Long Term Provisions	8	3,014,861	1,713,693
(3) Current Liabilities			
(a) Trade Payables	9	122,165,697	84,423,134
(b) Other Current Liabilities	10	5,613,278	37,670,977
(c) Short-Term Provisions	11	100,644,027	16,916,159
Total		987,888,390	681,102,613
II. Assets			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	94,877,303	65,877,802
(ii) Intangible assets	12	223,427,822	223,427,822
(iii) Capital work-in-progress	12	99,866,463	35,116,610
(b) Long Term Loans and advances	13	45,966,474	10,939,338
(c) Other Non-Current assets	14	-	125,020
(2) Current Assets			
(a) Trade receivables	15	401,252,076	204,429,576
(b) Cash and Bank Balances	16	19,898,013	14,006,241
(c) Short-Term Loans and Advances	17	102,600,239	127,180,204
Total		987,888,390	681,102,613

Significant Accounting Policies accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For: CIGNITI TECHNOLOGIES LIMITED

For **P. Murali & Co.,**
Firm Regn. No: 0072575
Chartered Accountants

C. V. Subramanyam
Managing Director

P Sudhakar
Director

P. Murali Mohana Rao
Partner
M. No. 023412

Kush Mohammed
Company Secretary

Place : Hyderabad
Date : 30-05-2013

Consolidated Profit and Loss Account for the year ended March 31, 2013

Particulars	Note No	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
Revenue from Operations	18	1,508,775,710	337,565,240
Other Income	19	310,938	832,707
Total Revenue		1,509,086,648	338,397,947
Expenses:			
Employee Benefit expenses	20	675,024,923	251,943,501
Other Operating Expenses	21	629,702,356	28,590,508
Administrative Expenses	22	116,354,396	26,865,678
Financial costs	23	3,130,949	3,293,031
Depreciation and Amortization expense	24	15,709,888	9,828,900
Total Expenses		1,439,922,512	320,551,618
Profit Before Tax		69,164,136	17,846,329
Tax expense:			
(1) Current tax		19,797,579	5,831,957
(2) Deferred tax		(672,268)	208,940
Profit After Tax		50,038,825	11,805,432
Earning per equity share: (Refer Note No. 29)			
(1) Basic		2.66	0.70
(2) Diluted		2.91	1.12

Significant Accounting Policies accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For. CIGNITI TECHNOLOGIES LIMITED

For **P. Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

C. V. Subramanyam
Managing Director

P Sudhakar
Director

P. Murali Mohana Rao
Partner
M. No. 023412

Kush Mohammed
Company Secretary

Place : Hyderabad
Date : 30-05-2013



Consolidated Cash Flow Statement for the year ended 31-03-2013

Particulars	Current Year (₹ In Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit before taxation, and extraordinary Items	691.64
Adjustments for:	
Depreciation	157.10
Interest expenses	31.31
Foreign Currency Translation Reserve	6.57
Written off Expenses	1.25
Operating Profit before working capital changes	887.87
Trade Receivables	(1,968.23)
Increase in Short-Term Loans and Advances	245.80
Increase in Trade payables	377.43
Increase in Other Current Liabilities	(320.58)
Increase in Short Term provisions	638.95
NET CASH FLOW OPERATING ACTIVITIES	(138.76)
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(1094.59)
Increase in Long term Loans & Advances	(350.27)
NET CASH USED IN INVESTING ACTIVITIES	(1,444.86)
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds from Issue of Share Capital/Share Premium	1,270.17
Increase/(Decrease) in Long Term borrowings	670.06
Increase/(Decrease) in Long Term Liabilities	(279.39)
Increase/(Decrease) in Long Term Provisions	13.01
Interest paid	(31.31)
NET CASH FLOW FROM FINANCING ACTIVITIES	1,642.54
NET INCREASE IN CASH AND CASH EQUIVALENTS	58.92
Cash and Cash equivalents as at (Opening Balance) 01-04-2012	140.06
Cash and Cash equivalents as at (Closing Balance) 31-03-2013	198.98

for and on behalf of the Board

Place : Hyderabad
Date : 30-05-2013

C. V. Subramanyam
Managing Director

P Sudhakar
Director

Kush Mohammed
Company Secretary

To
The Board of Directors
M/s Cigniti Technologies Limited

We have examined the attached Cash Flow Statement of M/s Cigniti Technologies Limited for the year ended 31st March, 2013. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchange and is based on and in agreement of 31-03-2013 to the member of the company.

For **P. Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

P. Murali Mohana Rao
Partner
M. No. 023412

PLACE: HYDERABAD
DATE : 30.05.2013

Notes forming part of the Consolidated Financial Statements

1. CORPORATE INFORMATION:

M/s. Cigniti Technologies Limited, a listed company on the Regional Stock Exchanges since February 2004 onwards, was incorporated on September 03, 1998 in the name and style as Chakkilam Infotech Private Limited. Subsequently the name of the company was changed into Chakkilam Infotech Limited in January 2000. The initial focus of the company was on generic IT services and healthcare related services and products.

In 2008, Chakkilam Infotech Limited shifted focus and repositioned itself as a pure play independent testing services company. The strategic shift helped the company focus its energies in building delivery capability and building IP in a niche area which was growing faster than generic IT services. The Company offered Software Testing services to US, European and Asia Pacific clients in areas such as Functional Testing, Test Automation, Performance Testing, Mobile Application Testing and Compatibility Testing. The strategic shift in focus was vindicated with the higher growth rates the company was able to show in the next few years.

In October 2011, Chakkilam Infotech Limited acquired a US based testing services and consulting company called Cigniti Inc. and rebranded itself as Cigniti Technologies Limited. With consolidated revenue run rate of \$22 Million for the last quarter, Cigniti Technologies Limited emerged as India's largest pure play independent testing services company. The company has aggressive organic growth plans which will be augmented with inorganic growth and hopes that within three years it will emerge as the world's leading independent testing services company.

Over the last few years, Cigniti has built world class delivery capability for testing software. Investments have been made in attracting the brightest testing talent, building test infrastructure and test labs and building IP in the form of software testing frameworks, tools and utilities that help clients speed up their testing. Cigniti has invested in building India's first Robotics Testing lab and other test infrastructures like Mobile Testing Lab and Cloud Based Performance Testing Lab. Cigniti has also invested in building its brand name by participating in industry events and taking on speaker opportunities in testing events.

At present the company is listed on Bombay Stock Exchange, Bangalore Stock Exchange and Madras Stock

Exchange with the paid up capital of ₹18.84 Crores. The company's Registered office is Suite No. 106&107, 6-3-456/c, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad – 500082.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PREPARATION:

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

USE OF ESTIMATES:

The preparation of financial statements is in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful life of Fixed Assets and Provisions for Bad and Doubtful Debts. Any revision to accounting estimates is recognized prospectively.

PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements relates to Cigniti Technologies Limited and its wholly owned Indian subsidiary, Cigniti Software Services Private Limited (Share Holding 100 %, incorporated in India) and Cigniti INC., USA (Share Holding 100 % incorporated in USA), as at 31st March, 2013, have been prepared on the following basis;

- (i) The Financial statements of the company and its subsidiaries have been consolidated online-by-line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses, after eliminating intra group balances,



intra group transactions and unrealized profits on stocks arising out of intra group transactions as per Accounting Standard 21 – “Consolidated Financial Statements” notified by the Companies (Accounting Standard) Rules, 2006;

- (ii) Since the subsidiaries are 100% wholly owned subsidiaries, there is no minority interest for the company.
- (iii) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the companies separate financial statements.

Revenue Recognition:

- i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and / or on the basis of man days / man hours as per the terms of contract.
- ii) Revenue from professional services consist primarily of revenue earned from services performed on a ‘time and material’ basis. The related revenue is recognised as and when the services are performed.
- iii) Revenue from software development services includes revenue from time and material and fixed piece contracts are recognised as related services are performed.
- iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.
- v) Revenue is not recognized on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Fixed Assets:

- i) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight duties, taxes and incidental expenses thereto.
- ii) The cost and the accumulated depreciation for fixed assets retired from active use are removed from the stated values. Assets fully depreciated are removed from the Gross Block and accumulated depreciation.

Depreciation and Amortization:

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortised over the period of 10 years.
- (iii) Public Issue Expenses are amortised over the period of 10 years.

Taxation:

Deferred tax asset and liability is recognized for future tax consequences attributable to the timing differences that result between profit offered for Income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earnings per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earning per share is the weighed average number of shares outstanding during the year. Detailed calculations of EPS are shown in the notes to accounts.

Retirement Benefits:

Company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. Company provides for accrued liability in respect of gratuity on accrual basis.

Foreign Exchange Transaction:

- i) Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.
- ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are treated as a period cost and are expensed in the year of occurrence.

3. SHARE CAPITAL

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
a	Equity Share Capital		
	(a) Authorised		
	(No. of Shares 2,00,00,000 Current Year)	200,000,000	200,000,000
	(No. of Shares 2,00,00,000 Previous Year)		
		200,000,000	200,000,000
	(b) Issued		
	(No. of Shares 1,88,45,500 Current Year)	188,455,000	168,913,980
	(No. of Shares 1,68,91,398 Previous Year)		
	(c) Subscribed & Fully Paid Up		
	(No. of Shares 1,88,45,500 Current Year)	188,455,000	168,913,980
	(No. of Shares 1,68,91,398 Previous Year)		
	(d) Subscribed & not fully paid up		-
	(e) Par Value per share ₹10/-		
	Total Equity Share capital	188,455,000	168,913,980
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of ₹10 Each, Fully paid up		
	At the Beginning	168,913,980	93,413,980
	Issued during the year - Cash Issue	19,541,020	17,500,000
	Issued during the year - Issued Other than Cash	-	58,000,000
	At the end	188,455,000	168,913,980
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	% of Share Holding
	Equity Shares of ₹10 each Held By		
	P. Sapna - No. Of Shares (C.Y) 3769000 (P.Y) 3769000	20.00%	22.31%
	C. Srikanth - No. Of Shares (C.Y) 2500000 (P.Y) 2500000	13.27%	14.80%
	K. Kumar Bapuji - No. Of Shares (C.Y) 2029000 (P.Y) 2029000	10.77%	12.01%
	Chakkilam Constructions Pvt Ltd - No. Of Shares (C.Y) NIL (P.Y) 1430000	-	8.47%
	Chakkilam Venkata Subramanyam - No. Of Shares (C.Y) 2373343 (P.Y) 42,300	12.59%	0.25%
	Notes :		
d	During the year the company allotted 19,54,102 Equity Share on 8th February 2013 on preferential Basis @ ₹65/- with a premium of ₹ 55/-		
e	The Company had allotted 25,00,000 share warrants to promoter / promoter group in the Board Meeting held on 26th October 2010. These warrants are convertible into equal numbers of equity shares at the option of the warrant holder within 18 months from the date of the allotment. Out of the total warrants, Mr. C. Srikanth exercised the option to convert 7,50,000 share warrants into equal number of equity shares on 30th October 2010 and balance of 17,50,000 Share Warrant also converted in to equal number of equity Shares on December 20, 2011 in the boarding meetings and pursuant to this allotment the paid-up capital of the company has been increased accordingly.		
f	As per FIPB approval letter dated 17.02.2012, the company has allotted 57,00,000 equity shares of ₹10/- each with premium of ₹29/- per share to the shareholders of M/s. Cigniti Inc., USA and 100000 Equity Shares of ₹10/- each with premium of ₹29/- per share to the shareholders of M/s. Cigniti Software Services Private Limited on swap basis towards consideration for acquisition of business and there is no involvement of cash outflow.		

**4 RESERVES AND SURPLUS**

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	Reserves And Surplus		
	a) Capital reserve	2,240,000	2,240,000
	b) Investment Subsidy Reserve	1,250,000	1,250,000
	c) Securities Premium Reserve		
	As at the commencement of the year	168,200,000	-
	Add: Additions during the year	107,475,610	168,200,000
		275,675,610	168,200,000
	d) Surplus :		
	i) Opening Balance - Profit and Loss Account	40,670,148	28,864,716
	Add: Transfer from Profit & Loss Account	50,038,825	11,805,432
	Less: Transfer To General Reserve	-	-
	Less: Goodwill Written Off	-	-
		90,708,973	40,670,148
	e) Foreign Currency Translation Reserve.	209,661	(447,640)
		-	-
	Total Reserves and Surplus	370,084,244	211,912,508

5. LONG TERM BORROWINGS

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	Long Term borrowings		
	i) Term Loans - Secured		
	From Financial Institutions	161,843,452	116,920,659
	Vehicle loan form Kotak Mahindra Bank	61,307	269,500
		161,904,759	117,190,159
	ii) Un Secured Loans		
	From Others	28,666,517	6,375,000
		28,666,517	6,375,000
	1. Corporate Loan Sanction by APSFC on 20th December, 2007 of ₹100 Lakhs repayable in 50 monthly installments of ₹2 lakhs each with 15% interest. Period of loan 5 Years including moratorium of 11 months		
	2. Working Capital Term Loan Sanction by APSFC on 26th October, 2009 of ₹120 Lakhs repayable in 43 monthly installments. 42 Installments @ ₹2.80 lakhs each and 43rd installment @ ₹2,40 lakhs with 14% interest. Period of loan 4 Years including moratorium of 6 months		
	3. Medium Term Loan Sanction by APSFC on 19th January, 2011 of ₹100 Lakhs repayable in 55 monthly installments. 54 Installments @ ₹1.80 lakhs each and 55th installment @ ₹2.80 lakhs with 14% interest. Period of loan 5 Years including moratorium of 6 months		
	4. PRIMARY SECURITY: The above all Term loans secured by ways Equitable Mortgage of free hold interest in commercial Space bearing municipal No. 6-3-456/C/F1 & 6-3-456/C/F2, part of First Floor Nos. 106 & 107, admeasuring 4450 sft at MGR Estate, Dwarakapuri Colony, Panjagutta, Hyderabad together with undivided share of land admeasuring 95 sq yds out of 2900 sa yds in the Sy. No. 145 and Hypothecation of Plant & Machinery / equipments existing and all other future acquisitions of fixed assets in nature		

5. COLLATERAL SECURITY: The above all Term loans are secured by way of Extension of equitable Mortgage of plots bearing Nos. 56 & 63 admeasuring 976 sq yds and 986 sq yds respectively covered by Sy. Nos. 57 Part, 58 Part on Bloack Diamond Enclave Layout at Bachpally (V) , Pragathinagar, Gram Panchayat, Qutbullapur (M), Ranga Reddy District, belonging to Smt Chakkilam Rajeswari and Sri Chakkilam Venkat Subramanyam.		
6. The collateral Security holders shall guarantee the Corporation's Medium Term Loan in their individual capacity as co-obligants		
Total Long Term Borrowings	190,571,276	123,565,159

6. DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	Opening Deferred tax Liability	8,047,275	7,838,335
	Add:	-	
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(285,104)	389,855
	Gross Deferred tax Liability	7,762,171	8,228,190
	Opening Deferred tax Asset		-
	Provision for Gratuity	422,164	180,915
	Gross Deferred tax Asset	422,164	180,915
	Deferred Tax Liability/ (Asset) - Net	7,340,007	8,047,275

7. OTHER LONG TERM LIABILITIES

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Loans & Advances	-	27,939,728
	Total Long Term Liabilities	-	27,939,728

8. LONG TERM PROVISIONS

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Provisions for employee benefits		
	- Provision for Gratuity (Refer Note No.26)	3,014,861	1,713,693
	Total Long Term Provisions	3,014,861	1,713,693

9. TRADE PAYABLES

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Trade Payables	122,165,697	84,423,134
	Total Trade Payables	122,165,697	84,423,134

**10. OTHER CURRENT LIABILITIES**

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	a) Current maturities of long term debt	5,365,421	7,520,000
	b) Current maturities of Vehicle Hire Purchase obligation	134,110	34,479
	c) Advance from customers	-	25,052,881
	d) Outstanding Expenses	15,956	4,860,273
	e) Interest on Term Loans	97,791	203,344
	Total Other Current Liabilities	5,613,278	37,670,977

11. SHORT TERM PROVISIONS

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	a) Provisions for employee benefits		
	PF Payable	334,790	248,879
	Salaries Payable	91,214,689	10,058,441
	Provision for Audit Fee	60,000	30,000
	b) Others		
	Statutory Liabilities	3,153,701	746,882
	Provision for Income Tax	5,880,847	5,831,957
	Total Short Term Provisions	100,644,027	16,916,159

12 TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2013

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2013	Net Block as on 31.03.2012
		As on 01.04.2012	Additions during the year	Additions through Business acquisitions	Sale / Deletions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Dep. For the year 2012-2013	Impairment Loss / Reversal	Total Depreciation	
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	25,526,560	-	-	-	25,526,560	3,676,168	852,587.00	-	4,528,755	21,850,392
3	Plant & Machinery	-	-	-	-	-	-	-	-	-	-
4	Electrical Equipment	-	-	-	-	-	-	-	-	-	-
5	Air conditioners	5,503,921	-	-	-	5,503,921	2,835,667	261,436.00	-	3,097,103	2,668,254
6	Interiors & Civil Works	16,382,811	-	-	-	16,382,811	8,919,855	778,184.00	-	9,698,039	7,462,956
7	Computers	82,005,864	44,225,923	-	-	126,231,787	67,677,984	10,833,336.00	-	78,511,320	14,327,880
8	Furniture	16,214,215	483,466	-	-	16,697,681	5,719,199	1,048,306.00	-	6,767,505	10,495,016
9	Vehicles	4,715,395	-	-	-	4,715,395	130,738	1,936,039.00	-	2,066,777	4,584,657
10	Misc. Fixed Assets	7,663,592	-	-	-	7,663,592	3,174,945	-	-	3,174,945	4,488,647
11	Intangible Fixed Assets	223,427,822	-	-	-	223,427,822	-	-	-	223,427,822	223,427,822
	Brands / Trade Marks	-	-	-	-	-	-	-	-	-	-
	Goodwill	-	-	-	-	-	-	-	-	-	-
	Patents / Copy Rights	-	-	-	-	-	-	-	-	-	-
12	Capital Work In Progress	35,116,610	64,749,853	-	-	99,866,463	-	-	-	-	35,116,610
	Total	416,556,790	109,459,242	-	-	526,016,032	92,134,556	15,709,888	-	107,844,444	324,422,234

**13. LONG TERM LOANS AND ADVANCES**

S. No.	Particulars	Non Current As on 31-03-2013 ₹	Non Current As on 31-03-2012 ₹
	Security Deposit		
	Secured, Considered Good	366,100	366,100
	Unsecured, Considered Good	7,703,157	5,573,238
	Sub Total	8,069,257	5,939,338
	Less: Provision for Bad & doubtful Security Deposit	-	-
		8,069,257	5,939,338
	Secured, Considered Good		
	Advances Recoverable in Cash or in kind	37,897,217	5,000,000
	Sub Total	37,897,217	5,000,000
	Total Short Term Loans and Advances	45,966,474	10,939,338

14. OTHER NON CURRENT ASSETS

S. No.	Particulars	Non Current As on 31-03-2013 ₹	Non Current As on 31-03-2012 ₹
I	Preliminary Expenses to the extent not written off	-	125,020
	Total Other Assets	-	125,020

15. TRADE RECEIVABLES

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Other Receivables:		
	Unsecured, Considered Good	401,252,076	204,429,576
	Total Trade Receivables	401,252,076	204,429,576

16. CASH AND BANK BALANCES

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	19,814,378	13,743,491
	c) Cash on hand	83,635	62,750
	Sub Total	19,898,013	13,806,241
	Other Bank Balances		
	On Deposit Accounts		
	1) Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	200,000
	Sub Total	-	200,000
	Total Cash and Cash Equivalents	19,898,013	14,006,241

17. SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	Non Current As on 31-03-2013 ₹	Non Current As on 31-03-2012 ₹
	Loans & Advances		
	Unsecured, Considered Good		
	Security Deposit	4,891,374	2,003,771
	Loans and Advances to Employees	-	10,707,496
	Prepaid Expense	5,919,820	5,770,835
	Other Receivables	1,442,000	11,466,647
	Advances Recoverable in Cash or in kind	90,347,045	97,231,455
	Total Short Term Loans and Advances	102,600,239	127,180,204

18. REVENUE FROM OPERATIONS

S. No.	Particulars	Year Ended 31-03-2013 ₹	Year Ended 31-03-2012 ₹
(i)	Revenue from operations		
	Sale of Services		-
	Domestic	4,632,731	15,829,290
	Exports	1,504,142,979	321,735,950
	Total Revenue from Operations	1,508,775,710	337,565,240

19. OTHER INCOME

S. No.	Particulars	Year Ended 31-03-2013 ₹	Year Ended 31-03-2012 ₹
	Net Gain on Foreign Currency Transactions	310,938	768,957
	Other non-operating income	-	63,750
	Total Other Income	310,938	832,707

20. EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	Year Ended 31-03-2013 ₹	Year Ended 31-03-2012 ₹
I	(a) Salaries & Wages	656,183,978	246,382,096
	(b) Contribution to Provident & Other Funds	7,590,945	4,431,405
	(c) Managerial Remuneration	11,250,000	1,130,000
	Total Employee Benefit Expenses	675,024,923	251,943,501

**21. OTHER OPERATING EXPENSES**

S. No.	Particulars	Year Ended 31-03-2013 ₹	Year Ended 31-03-2012 ₹
I	(a) Cost of Goods Sold	422,240,874	-
	(b) Power & Fuel	6,054,357	2,407,016
	(c) Rent	19,561,176	3,268,194
	(d) Repairs to Maintenance	2,566,754	1,988,201
	(e) Insurance	20,166,369	532,889
	(f) Professional & Consulting Services	158,505,458	20,338,079
	(g) Miscellaneous Expenditure	607,368	56,129
	Total Other Expenses	629,702,356	28,590,508

22. ADMINISTRATIVE EXPENSES

S. No.	Particulars	Year Ended 31-03-2013 ₹	Year Ended 31-03-2012 ₹
I	(a) Telephone, Postage and Others	8,009,602	2,617,242
	(b) Business Promotion Expenses	12,741,246	8,824,539
	(c) Travelling & Conveyance	41,529,708	8,794,367
	(d) Office Maintenance	47,624,827	4,980,416
	(e) Printing & Stationery Expenses	5,248,406	1,095,274
	(f) Security Charges	364,943	39,780
	(k) Web Development Expenses	680,644	392,934
	(p) Miscellaneous Expenses Written Off	125,020	121,126
	(q) Auditor's Remuneration		
	(i) As Auditor	20,000	20,000
	(ii) For Taxation Matters	10,000	10,000
	Total Administrative Expenses	116,354,396	26,895,678

23. FINANCE COST

S. No.	Particulars	Year Ended 31-03-2013 ₹	Year Ended 31-03-2012 ₹
I	(a) Interest Expenses		-
	- Interest on Working Capital Loan	3,096,470	3,212,622
	- Interest on Car Loan	34,479	24,669
	- Other Borrowing	-	55,740
	Total Finance Cost	3,130,949	3,293,031

24. QUANTITATIVE DETAILS:

The Company is engaged in the development of Computer Software and services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.

25. DUES TO MICRO & SMALL ENTERPRISES:

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2013.

26. EMPLOYEE BENEFITS

The Company has made provision based on actuarial valuation in respect of Gratuity as per AS-15. The details are as follows.

Particulars	31.03.2013 ₹	31.03.2012 ₹
Gratuity	13,01,168/-	5,85,486/-

27. RELATED PARTY TRANSACTION

During the financial year 2012-13 the Company has entered into some transaction, which can be deemed as related transactions. All these matters have been approved by the Board, wherever necessary.

(a) Related Parties:

S No.	Particulars	Nature of Relationship
1	Mr. C. V. Subramanyam	Managing Director
2	Mr. Sudhakar Pennam	Director
3	Mr. C. Sudhakar	Director
4	Mr. K. Ch. Subba Rao	Director
5	Mr. Mani Subramanian	Director
6	Mr. K. Nageswara Rao	Director
S No.	Particulars	Nature of Relationship
8	Cigniti INC, USA	100% Wholly Owned Subsidiary
9	Cigniti Software Services Pvt. Ltd	100% Wholly Owned Subsidiary

(b) Related Parties Transactions:

Particulars	Nature of Relationship	Nature of Transaction	Year Ended 31-03-2013	Year Ended 31-03-2012
Mr. C. V. Subramanyam	Managing Director	Remuneration	11,250,000/-	1,040,000/-

28. FOREIGN CURRENCY OUTFLOW:

Foreign Currency Outflow as reported by the Company to Government of India and as certified by Management.

Particulars	Year ended 31 March	
	2013	2012
Foreign Travel	2,746,237/-	528,350/-
Others	604,075/-	98,765/-

29. FOREIGN CURRENCY INFLOW:

Earnings in Foreign Exchange as reported by the Company to Government of India and as certified by Management.

Particulars	Year ended 31 March	
	2013	2012
Revenue	127,371,736/-	64,012,486/-



30. EARNINGS PER SHARE

Calculation of EPS

Particulars	2012-13	2011-12
Profit after tax during the year (Rs.)	50038825	11805432
Earnings available to Equity Shareholders for Basic & Diluted EPS (Rs.)	50038825	11805432
Weighted Average Number of Shares taken for Computation of EPS	17169791	10531152
Earning per Share		
- Basic	2.66	0.70
- Diluted	2.62	1.12
Face Value of the Share	10.00	10.00

31. CONFIRMATION OF CLOSING BALANCES:

Closing Balances of Debtors, Creditors, Loans and Advances are subject confirmations.

32. Previous year's figures have been regrouped wherever necessary.

33. The figures have been rounded off to the nearest rupee.

SIGNATURES TO FINANCIAL STATEMENTS

As per our report of even date
For **P. Murali & Co.,**
Chartered Accountants

P. Murali Mohana Rao
Partner

Place : Hyderabad
Date : 30-05-2013

For and on behalf of the Board
CIGNITI TECHNOLOGIES LIMITED

C. V. Subramanyam
Managing Director

P Sudhakar
Director

Independent Auditor's Report

To the Members of **CIGNITI TECHNOLOGIES LIMITED**

Report on the Financial Statements:

We have audited the accompanying financial statements of CIGNITI TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have 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 appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.



- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **P. Murali & Co.,**

Chartered Accountants

Firm's Registration Number: 007257S

P. Murali Mohana Rao

(Partner)

Membership Number: 023142

Place: Hyderabad

Date :30/05/2013

ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The company has no Inventory. Hence this clause is not applicable.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other

- terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the central government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/ Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans



taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .

XVI. According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.

XVII. According to the information and explanations given to us no funds are raised by the Company on short-term basis. Hence the Clause of Short term funds being used for Long term investment do not arise.

XVIII. The Company has made preferential allotment of share to the Promoters, Promoters Group and others on 08-02-2013. No Promoters are covered in the register maintained under section 301 of the Act. The terms and conditions of the issue are in accordance with SEBI (Disclosure & Investor Protection) Guidelines, 2000 and hence the price at which shares have been issued is not prejudicial to the interest of the Company.

XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.

XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.

XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For **P. Murali & Co.,**
Chartered Accountants
Frn:007257S

P. Murali Mohana Rao
Partner
Membership No. 23412

Place : Hyderabad
Date : 30/05/2013

Balance Sheet as at 31st March, 2013

Particulars	Note No	As on	As on
		31-03-2013	31-03-2012
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	188,455,000	168,913,980
(b) Reserves and Surplus	4	323,683,820	204,456,952
(2) Non-Current Liabilities			-
(a) Long-Term Borrowings	5	4,301,307	14,766,596
(b) Deferred Tax Liabilities (Net)	6	7,339,733	8,012,001
(c) Long Term Provisions	7	3,014,861	1,713,693
(3) Current Liabilities			-
(a) Trade Payables	8	3,721,865	1,403,393
(b) Other Current Liabilities	9	3,695,753	31,123,751
(c) Short-Term Provisions	10	19,248,846	10,630,603
Total		553,461,185	441,020,969
II. Assets			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	62,429,836	60,419,207
(ii) Intangible assets	11	-	-
(iii) Capital work-in-progress	11	35,116,610	35,116,610
(b) Non-current investments	12	226,200,000	226,200,000
(c) Long Term Loans and advances	13	32,485,949	10,501,538
(d) Other Non-Current assets	14	-	116,568
(2) Current assets			
(a) Trade receivables	15	93,297,879	27,907,490
(b) Cash and Bank Balances	16	15,157,866	10,120,846
(c) Short-Term Loans and Advances	17	88,773,045	70,638,710
Total		553,461,185	441,020,969

Significant Accounting Policies accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For. CIGNITI TECHNOLOGIES LIMITED

For **P. Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

C. V. Subramanyam
Managing Director

P Sudhakar
Director

P. Murali Mohana Rao
Partner
M. No. 023412

Kush Mohammed
Company Secretary

Place : Hyderabad
Date : 30-05-2013



Profit and Loss statement for the year ended 31st March, 2013

Particulars	Note No	Year Ending 31-03-2013 ₹	Year Ending 31-03-2012 ₹
Revenue from Operations	18	235,674,820	102,388,645
Other Income	19	111,467	756,995
Total Revenue		235,786,287	103,145,640
Expenses:			
Employee Benefit expenses	20	144,428,043	63,941,358
Other Operating Expenses	21	33,122,938	6,091,562
Administrative Expenses	22	25,882,281	15,014,105
Financial costs	23	1,787,028	2,941,942
Depreciation and amortization expense	11	13,606,160	9,509,440
Total Expenses		218,826,450	97,498,407
Profit Before Tax		16,959,837	5,647,233
Tax Expenses			
(1) Current tax		5,880,847	1,571,331
(2) Deferred tax		(672,268)	173,666
Profit After Tax		11,751,258	3,902,236
Earning per equity share:			
(1) Basic		0.62	0.23
(2) Diluted		1.12	0.37

Significant Accounting Policies accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For. CIGNITI TECHNOLOGIES LIMITED

For **P. Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

C. V. Subramanyam
Managing Director

P Sudhakar
Director

P. Murali Mohana Rao
Partner
M. No. 023412

Kush Mohammed
Company Secretary

Place : Hyderabad
Date : 30-05-2013

Cash Flow Statement for the year ended 31-03-2013

Particulars	Current Year (₹ In Lakhs)	Previous Year (₹In lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary Items	169.60	56.47
Adjustments for:		
Depreciation	136.06	95.10
Interest expenses	17.87	29.42
Written off Expenses	1.16	1.21
Operating Profit before working capital changes	324.69	182.20
Trade Receivables	(653.90)	(36.31)
Increase in Short-Term Loans and Advances	(181.34)	(385.68)
Increase in Trade payables	23.18	10.33
Increase in Other Current Liabilities	(274.28)	226.06
Increase in Short Term provisions	27.37	48.69
NET CASH FLOW OPERATING ACTIVITIES	(734.28)	45.29
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(156.17)	(82.66)
Increase in Long term Loans & Advances	(219.84)	(51.36)
NET CASH USED IN INVESTING ACTIVITIES	(376.01)	(134.02)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital/Share Premium	1,270.17	175.00
Conversion of Share Warrants	-	(43.75)
Increase/(Decrease) in Long Term borrowings	(104.65)	(0.64)
Increase/(Decrease) in Long Term provisions	13.01	5.85
Interest paid	(17.87)	(29.42)
NET CASH FLOW FROM FINANCING ACTIVITIES	1,160.66	107.04
NET INCREASE IN CASH AND CASH EQUIVALENTS	50.37	18.31
Cash and Cash equivalents as at (Opening Balance) 01-04-2012	101.20	82.89
Cash and Cash equivalents as at (Closing Balance) 31-03-2013	151.57	101.20

for and on behalf of the Board

Place : Hyderabad
Date : 30-05-2013

C. V. Subramanyam
Managing Director

P Sudhakar
Director

Kush Mohammed
Company Secretary

To
The Board of Directors
M/s Cigniti Technologies Limited

We have examined the attached Cash Flow Statement of M/s Cigniti Technologies Limited for the year ended 31st March, 2013. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchange and is based on and in agreement of 31-03-2013 to the member of the company.

For **P. Murali & Co.,**
Firm Regn. No: 0072575
Chartered Accountants

P. Murali Mohana Rao
Partner
M. No. 023412

PLACE: HYDERABAD
DATE : 30.05.2013



Notes forming part of the Financial Statements

1. CORPORATE INFORMATION:

M/s. Cigniti Technologies Limited, a listed company on the Regional Stock Exchanges since February 2004 onwards, was incorporated on September 03, 1998 in the name and style as Chakkilam Infotech Private Limited. Subsequently the name of the company was changed into Chakkilam Infotech Limited in January 2000. The initial focus of the company was on generic IT services and healthcare related services and products.

In 2008, Chakkilam Infotech Limited shifted focus and repositioned itself as a pure play independent testing services company. The strategic shift helped the company focus its energies in building delivery capability and building IP in a niche area which was growing faster than generic IT services. The Company offered Software Testing services to US, European and Asia Pacific clients in areas such as Functional Testing, Test Automation, Performance Testing, Mobile Application Testing and Compatibility Testing. The strategic shift in focus was vindicated with the higher growth rates the company was able to show in the next few years.

In October 2011, Chakkilam Infotech Limited acquired a US based testing services and consulting company called Cigniti Inc. and rebranded itself as Cigniti Technologies Limited. With consolidated revenue run rate of \$22 Million for the last quarter, Cigniti Technologies Limited emerged as India's largest pure play independent testing services company. The company has aggressive organic growth plans which will be augmented with inorganic growth and hopes that within three years it will emerge as the world's leading independent testing services company.

Over the last few years, Cigniti has built world class delivery capability for testing software. Investments have been made in attracting the brightest testing talent, building test infrastructure and test labs and building IP in the form of software testing frameworks, tools and utilities that help clients speed up their testing. Cigniti has invested in building India's first Robotics Testing lab and other test infrastructures like Mobile Testing Lab and Cloud Based Performance Testing Lab. Cigniti has also invested in building its brand name by participating

in industry events and taking on speaker opportunities in testing events.

At present the company is listed on Bombay Stock Exchange, Bangalore Stock Exchange and Madras Stock Exchange with the paid up capital of ₹18.84 Crores. The company's Registered office is Suite No. 106&107, 6-3-456/c, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad – 500082.

2. SIGNIFICANT ACCOUNTING POLICIES:

General:

- (i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

- (i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and / or on the basis of man days / man hours as per the terms of contract.
- (ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.
- (iii) Revenue from software development services

includes revenue from time and material and fixed price contracts are recognised as related services are performed.

- (iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.
- (v) Revenue is not recognized on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Fixed Assets:

- (i) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight duties, taxes and incidental expenses thereto.
- (ii) The cost and the accumulated depreciation for fixed assets retired from active use are removed from the stated values. Assets fully depreciated are removed from the Gross Block and accumulated depreciation.

Depreciation and Amortization:

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortised over the period of 10 years.
- (iii) Public Issue Expenses are amortised over the period of 10 years.

Taxation:

Deferred tax asset and liability is recognized for future tax consequences attributable to the timing differences that result between profit offered for Income tax and

the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earnings per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earning per share is the weighed average number of shares outstanding during the year. Detailed calculations of EPS are shown in the notes to accounts.

Retirement Benefits:

Company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. Company provides for accrued liability in respect of gratuity on accrual basis.

Foreign Exchange Transaction:

- b) Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.
- ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are treated as a period cost and are expensed in the year of occurrence.



3. SHARE CAPITAL

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
a	Equity Share Capital		
	(i) Authorised		
	(No. of Shares 2,00,00,000 Current Year)	200,000,000	
	(No. of Shares 2,00,00,000 Previous Year)		200,000,000
		200,000,000	200,000,000
	(ii) Issued		
	(No. of Shares 1,88,45,500 Current Year)	188,455,000	
	(No. of Shares 1,68,91,398 Previous Year)		168,913,980
	(iii) Subscribed & Fully Paid Up		
	(No. of Shares 1,88,45,500 Current Year)	188,455,000	
	(No. of Shares 1,68,91,398 Previous Year)		168,913,980
	(iv) Subscribed & not fully paid up	-	-
	(v) Par Value per share ₹10/-		
	Total Equity Share capital	188,455,000	168,913,980
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	No. of Shares	No. of Shares
	Equity Shares of ₹10 Each, Fully paid up		
	At the Beginning	16,891,398	9,341,398
	Issued during the year - Cash Issue*	1,954,102	1,750,000
	Issued during the year - Issued Other than Cash	-	5,800,000
	At the end	18,845,500	16,891,398
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	% of Share Holding
	Equity Shares of ₹10 each Held By		
	P. Sapna - No. of Shares (C.Y) 3769000 (P.Y) 3769000	20.00%	22.31%
	C. Srikanth - No. of Shares (C.Y) 2500000 (P.Y) 2500000	13.27%	14.80%
	K. Kumar Bapuji - No. of Shares (C.Y) 2029000 (P.Y) 2029000	10.77%	12.01%
	Chakkilam Venkata Subramanyam - No. of Shares (C.Y) 2373343 (P.Y) 42,300	12.59%	0.25%
	Chakkilam Constructions Pvt Ltd - No. of Shares (C.Y) Nil (P.Y) 1430000	0.00%	8.47%
	Notes :		
d	During the year the company allotted 19,54,102 Equity Share on 8th February 2013 on preferential Basis @ ₹65/- with a premium of ₹55/-		
e	The Company had allotted 25,00,000 share warrants to promoter / promoter group in the Board Meeting held on 26th October 2010. These warrants are convertible into equal numbers of equity shares at the option of the warrant holder within 18 months from the date of the allotment. Out of the total warrants, Mr. C Srikanth exercised the option to convert 7,50,000 share warrants into equal number of equity shares on 30th October 2010 and balance of 17,50,000 Share Warrant also converted in to equal number of equity Shares on December 20, 2011 in the boarding meetings and pursuant to this allotment the paid-up capital of the company has been increased accordingly.		
f	As per FIPB approval letter dated 17.02.2012, the company has allotted 57,00,000 equity shares of ₹10/- each with premium of ₹29/- per share to the shareholders of M/s. Cigniti Inc., USA and 100000 Equity Shares of ₹10/- each with premium of ₹29/- per share to the shareholders of M/s. Cigniti Software Services Private Limited on swap basis towards consideration for acquisition of business and there is no involvement of cash outflow.		

4 RESERVES AND SURPLUS

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
	Reserves and Surplus		
a)	Capital Reserve	2,240,000	2,240,000
b)	Investment Subsidy Reserve	1,250,000	1,250,000
c)	Securities Premium Reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	275,675,610	168,200,000
		275,675,610	168,200,000
d)	Surplus :		
i)	Opening Balance - Profit and Loss Account	32,766,952	28,864,716
	Add: Transfer from Profit & Loss Account	11,751,258	3,902,236
		44,518,210	32,766,952
	Total Reserves and Surplus	323,683,820	204,456,952

5 LONG TERM BORROWINGS

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	Long Term Borrowings		
i)	Term Loans - Secured		
	From Financial Institutions	4,240,000	8,122,096
	Vehicle Loan from Kotak Mahindra bank	61,307	269,500
		4,301,307	8,391,596
ii)	Un Secured Loans		
	From Others	-	6,375,000
	Total	4,301,307	14,766,596

Notes: Term Loans from Financial Institutions

- Corporate Loan Sanction by APSFC on 20th December, 2007 of ₹100 Lakhs repayable in 50 monthly installments of ₹2 lakhs each with 15% interest. Period of loan 5 Years including moratorium of 11 months
- Working Capital Term Loan Sanction by APSFC on 26th October, 2009 of ₹120 Lakhs repayable in 43 monthly installments. 42 Installments @ ₹2.80 lakhs each and 43rd installment @ ₹2.40 lakhs with 14% interest. Period of loan 4 Years including moratorium of 6 months
- Medium Term Loan Sanction by APSFC on 19th January, 2011 of ₹100 Lakhs repayable in 55 monthly installments. 54 Installments @ ₹1.80 lakhs each and 55th installment @ ₹2.80 lakhs with 14% interest. Period of loan 5 Years including moratorium of 6 months
- PRIMARY SECURITY: The above all Term loans secured by ways Equitable Mortgage of free hold interest in commercial Space bearing municipal No. 6-3-456/C/F1 & 6-3-456/C/F2, part of First Floor Nos. 106 & 107, admeasuring 4450 sq ft at MGR Estate, Dwarakapuri Colony, Panjagutta, Hyderabad together with undivided share of land admeasuring 95 sq yds out of 2900 sa yds in the Sy. No. 145 and Hypothecation of Plant & Machinery / equipments existing and all other future acquisitions of fixed assets in nature
- COLLATERAL SECURITY: The above all Term loans are secured by way of Extension of equitable Mortgage of plots bearing Nos. 56 & 63 admeasuring 976 sq yds and 986 sq yds respectively covered by Sy. Nos. 57 Part, 58 Part on Black Diamond Enclave Layout at Bachpally (V), Pragathinagar, Gram Panchayat, Qutbullapur (M), Ranga Reddy District, belonging to Smt Chakkilam Rajeswari and Sri Chakkilam Venkat Subramanyam.
- The collateral Security holders shall guarantee the Corporation's Medium Term Loan in their individual capacity as co-obligants

**6 DEFERRED TAX LIABILITY (NET)**

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	Opening Deferred Tax Liability	8,012,001	7,838,335
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(250,104)	354,581
	Gross Deferred Tax Liability	7,761,897	8,192,916
	Opening Deferred Tax Asset	-	-
	Provision for Gratuity	422,164	180,915
	Gross Deferred tax Asset	422,164	180,915
	Deferred Tax Liability/ (Asset) - Net	7,339,733	8,012,001

7 LONG TERM PROVISIONS

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Provisions for Employee Benefits		
	- Provision for Gratuity	3,014,861	1,713,693
	Total Long Term Provisions	3,014,861	1,713,693

8 TRADE PAYABLES

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Trade Payables	3,721,865	1,403,393
	Total Trade Payables	3,721,865	1,403,393

9 OTHER CURRENT LIABILITIES

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Current maturities of long term debt	3,447,896	7,520,000
	b) Current maturities of Vehicle Hire Purchase obligation	134,110	34,479
	c) Advance from customers	-	22,929,931
	d) Outstanding Expenses	15,956	435,997
	e) Interest on Term Loans	97,791	203,344
	Total Other Current Liabilities	3,695,753	31,123,751

10 SHORT TERM PROVISIONS

S. No.	Particulars	As on 31-03-2013 ₹	As on 31-03-2012 ₹
I	a) Provisions for employee benefits		
	PF Payable	334,790	169,566
	Salaries Payable	10,303,189	8,306,147
	Provision for Audit fee	30,000	30,000
	b) Others		
	Statutory Liabilities	2,700,020	553,559
	Provision for Income Tax	5,880,847	1,571,331
	Total Short Term Provisions	19,248,846	10,630,603

11 TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2013

Sl. No.	Particulars	As on 01.04.2012	Gross Block Additions during the year	Deletions during the year	As on 31.03.2013	Deprecia- tion As on 01.04.2012	Depreciation/Amortization For the year 2012-2013	Total Depre- ciation	Net Block as on 31.03.2013	Net Block as on 31.03.2012
I	TANGIBLE FIXED ASSETS:									
	Buildings	25,526,560	-	-	25,526,560	3,676,168	852,587	4,528,755	20,997,805	21,850,392
	Air Conditioners	5,503,921	-	-	5,503,921	2,835,667	261,436	3,097,103	2,406,818	2,668,254
	Interiors	16,382,811	-	-	16,382,811	8,919,855	778,184	9,698,039	6,684,772	7,462,956
	Computers	80,731,718	15,133,323	-	95,865,041	67,464,603	10,618,634	78,083,237	17,781,805	13,267,115
	Furniture	16,177,597	483,466	-	16,661,063	5,717,551	1,048,306	6,765,857	9,895,206	10,460,046
	Vehicles	494,880	-	-	494,880	31,049	47,013	78,063	416,817	463,831
	Misc. Fixed Assets	7,416,816	-	-	7,416,816	3,170,203	-	3,170,203	4,246,613	4,246,613
	Total Tangible Fixed Assets	152,234,303	15,616,789	-	167,851,092	91,815,096	13,606,161	105,421,257	62,429,836	60,419,207
II	INTANGIBLE FIXED ASSETS	-	-	-	-	-	-	-	-	-
III	CAPITAL WORK IN PROGRESS	35,116,610	-	-	35,116,610	-	-	-	35,116,610	35,116,610
	TOTAL	187,350,913	15,616,789	-	202,967,702	91,815,096	13,606,160	105,421,257	97,546,446	95,535,817
	PREVIOUS YEAR	143,968,223			143,968,223	823,305,656	10,084,765	833,390,421	61,662,567	57,461,976

**12 NON- CURRENT INVESTMENTS**

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	Non- Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Cigniti INC (100% of holding)	222,300,000	222,300,000
	Cigniti Software Services Pvt Ltd (100% of holding)	3,900,000	3,900,000
	Total Non - Current Investments	226,200,000	226,200,000

13 LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
	Security Deposit		
	Secured, Considered Good	366,100	366,100
	Unsecured, Considered Good	7,703,157	5,135,438
	Sub Total	8,069,257	5,501,538
	Secured, Considered Good		
	Advances Recoverable in Cash or in kind	24,416,692	5,000,000
	Total Long term Deposits, Loans & Advances	32,485,949	10,501,538

14 OTHER NON CURRENT ASSETS

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	Preliminary Expenses to the extent not written off		116,568
	Total Other Assets	-	116,568

15 TRADE RECEIVABLES

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
a	Outstanding for a period exceeding six months from the date they are due for payment	-	-
b	Other Receivables:		
	Unsecured, Considered Good	93,297,879	27,907,490
	Total Trade Receivables	93,297,879	27,907,490

16 CASH AND BANK BALANCES

S. No.	Particulars	As on 31-03-2013	As on 31-03-2012
		₹	₹
I	Cash and cash equivalents :		
	a) Balances with banks :		
	On Current Accounts	15,080,976	10,081,386
	b) Cash on hand	76,890	39,460
	Total Cash and Cash Equivalents	15,157,866	10,120,846

17 SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	Current	
		As on 31-03-2013	As on 31-03-2012
		₹	₹
	Loans & Advances		
	Unsecured, Considered Good		
	Advances Recoverable In Cash or In Kind	88,773,045	70,638,710
	Total Short Term Loans and Advances	88,773,045	70,638,710

18 REVENUE FROM OPERATIONS

S. No.	Particulars	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
(i)	Revenue from operations		
	Sale of Services		
	Domestic	4,632,731	15,829,290
	Export	231,042,089	86,559,355
	Total Revenue from Operations	235,674,820	102,388,645

19 OTHER INCOME

S. No.	Particulars	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
	Net gain on Foreign Currency Transactions	111,467	756,995
	Total Other Income	111,467	756,995

20 EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
I	(a) Salaries & Wages	127,243,942	60,244,756
	(b) Contribution to Provident & Other	5,934,101	2,656,602
	(c) Managerial Remuneration	11,250,000	1,040,000
	Total Employee Benefit Expenses	144,428,043	63,941,358

**21 OTHER OPERATING EXPENSES**

S. No.	Particulars	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
I	(a) Power & Fuel	5,738,128	2,137,656
	(b) Rent	15,009,972	1,200,240
	(c) Professional & Consultancy	7,867,879	1,374,654
	(d) Rates & Taxes (excluding Income Tax)	2,493,055	1,379,012
	(e) CAD Expenses	2,013,904	-
	Total Other Expenses	33,122,938	6,091,562

22 ADMINISTRATIVE EXPENSES

S. No.	Particulars	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
I	(a) Telephone, Postage and Others	2,645,001	1,227,137
	(b) Business Promotion Expenses	7,316,351	6,331,056
	(c) Travelling & Conveyance	4,751,272	2,096,134
	(d) Office Maintenance	9,208,586	4,385,733
	(e) Printing & Stationery Expenses	1,449,560	723,892
	(f) General Expenses	364,943	99,027
	(f) Miscellaneous Expenses Written Off	116,568	121,126
	(g) Payment to Auditors:		
	(i) As Auditor	20,000	20,000
	(ii) For Taxation Matters	10,000	10,000
	Total Administrative Expenses	25,882,281	15,014,105

23 FINANCE COST

S. No.	Particulars	Year Ending 31-03-2013	Year Ending 31-03-2012
		₹	₹
I	(a) Interest Expenses		
	- Interest on WCTL	1,752,549	2,917,273
	- Interest on Car Loan	34,479	24,669
	Total Finance Cost	1,787,028	2,941,942

24. MANAGERIAL REMUNERATION:

The Key Management personnel Remuneration comprise Managing Director. Particulars of Remuneration and other benefits provided to Key Management personnel is given below.

(Amount in ₹)

	Year ended 31 March	
Particulars	2013	2012
Remuneration	1,12,50,000/-	10,40,000/-
Perquisites & Allowances	NIL	NIL

25. AUDITOR'S REMUNERATION:

(Amount in ₹)

Particulars	Year ended 31 March	
	2013	2012
Statutory Audit Fees	20,000/-	20,000/-
Tax Audit Fees	10,000/-	10,000/-

26. The Company is engaged in the development of Computer Software and services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.

27. RELATED PARTY TRANSACTION

During the financial year 2012-13 the Company has entered into some transaction, which can be deemed as related transactions. All these matters have been approved by the Board, wherever necessary.

(a) Related Parties:

S No.	Particulars	Nature of Relationship
1	Mr. C. V. Subramanyam	Managing Director
2	Mr. Sudhakar Pennam	Director
3	Mr. C. Sudhakar	Director
4	Mr. K. Ch. Subba Rao	Director
5	Mr. Mani Subramanian	Director
6	Mr. K. Nageswara Rao	Director
S No.	Particulars	Nature of Relationship
8	Cigniti INC, USA	100% Wholly Owned Subsidiary
9	Cigniti Software Services Pvt. Ltd	100% Wholly Owned Subsidiary

(b) Related Parties Transactions:

Particulars	Nature of Relationship	Nature of Transaction	Year Ended 31-03-2013	Year Ended 31-03-2012
Mr. C. V. Subramanyam	Managing Director	Remuneration	11,250,000/-	1,040,000/-

28 FOREIGN CURRENCY OUTFLOW:

Foreign Currency Outflow as reported by the Company to Government of India and as certified by Management.

Particulars	Year ended 31 March	
	2013	2012
Foreign Travel	27,46,237/-	5,28,350/-
Others	6,04,075/-	98,765/-

29. FOREIGN CURRENCY INFLOW:

Earnings in Foreign Exchange as reported by the Company to Government of India and as certified by Management.

Particulars	Year ended 31 March	
	2013	2012
Revenue	12,73,71,736/-	6,40,12,486/-

**30. EMPLOYEE BENEFITS (AS-15)**

The Company has made provision based on actuarial valuation in respect of Gratuity as per AS-15. The details are as follows.

Particulars	31.03.2013 ₹	31.03.2012 ₹
Gratuity	13,01,168/-	5,85,486/-

31. EARNINGS PER SHARE

Calculation of EPS

Particulars	2012-13	2011-12
Profit after tax during the year (₹)	1,17,51,258	39,02,236
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	1,17,51,258	39,02,236
Weighted Average Number of Shares taken for Computation of EPS	1,71,69,791	1,05,31,152
Earning per Share		
- Basic	0.61	0.23
- Diluted	0.62	0.37
Face Value of the Share	10.00	10.00

32. SEGMENT REPORTING:

Segment Reporting is not applicable to the Company

33. INTRA BRANCH TRANSACTION:

Intra Branch transactions have been eliminated while preparing the financial statements.

34. DUES TO MICRO & SMALL ENTERPRISES:

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2013

35. CONFIRMATION OF CLOSING BALANCES:

Closing Balances of Debtors, Creditors, Loans and Advances are subject confirmations.

36. Previous year's figures have been regrouped wherever necessary.

37. The figures have been rounded off to the nearest rupee.

SIGNATURES TO FINANCIAL STATEMENTS

As per our report of even date
For **P. Murali & Co.,**
Chartered Accountants

P. Murali Mohana Rao
Partner

Place : Hyderabad
Date : 30-05-2013

For and on behalf of the Board
CIGNITI TECHNOLOGIES LIMITED

C. V. Subramanyam
Managing Director

P Sudhakar
Director

Dear Shareholder(s),

Sub: Request for registration of e-mail ID under "Green Initiative" issued by Ministry of Corporate Affairs, Govt. of India.

- 1) Ministry of Corporate Affairs, Government of India (MCA) has issued a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies, stating that the service of notice / document by a company to its shareholders can be made through electronic mode, vide circular nos. 17/2011 dt. 21.04.2011 & 18/2011 dt. 29.04.2011. For full text of the said circulars, please refer to MCA's website www.mca.gov.in. The said Circulars inter-alia stipulates that the Companies have to obtain e-mail address by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company or Depository Participant (DP).
- 2) In view of the above, your company proposes to send Annual Reports (Audited Financial Statements, Directors Report, Auditors Report, etc.,) and also other documents including Notice of the Annual General Meeting, henceforth to the shareholders in electronic mode. Accordingly, an advance opportunity is given to you to register your e-mail address to receive the notice/ document in electronic mode as under:

Shares held in Electronic Mode	If Email ID is already registered with DP	Please inform changes, if any therein to DP and also update the same.
	If Email ID is not registered	Please register Email ID with DP immediately.
Shares held in Physical Mode	If Email ID is already registered	Please inform changes, if any therein to Share Transfer Agent (STA) and also update the same
	If Email ID is not registered	Please register immediately with Share Transfer Agent (STA)

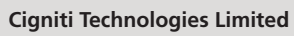
- 3) In case, you are interested in receiving the notices / documents in physical form only, irrespective of your Shareholding in demat or physical, please inform to our STA at the addresses given below:

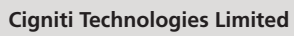
M/s Aarthi Consultants Pvt. Ltd Unit: Cigniti Technologies Limited 1-2-285, Domalguda, Hyderabad-29. Tel: (040) 27642217 / 27638111 Fax: (040) 27632184 Email: info@aarthiconsultants.com	or	Click Button on "Green Initiative" on website www.aarthiconsultants.com
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- 4) Please note that the e-mail address indicated in your DP account, with depositories viz. NSDL/CDSL and e-mail address received by our STA will be deemed to be your registered email address for serving notices/documents etc., including those covered under Section 219 of the Companies Act, 1956, (the Act) read with section 53 of the Act.
- 5) Further, the documents electronically sent to you, would be displayed on our website www.cigniti.com well in advance for your ready reference and an advertisement would be issued in newspapers to this effect for information of the shareholders.
- 6) This move by the Ministry is welcome initiative, since it will benefit the society at large through reduction in paper consumption and contribution towards a Green Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.
- 7) We are sure you would appreciate the "Green Initiative" undertaken by MCA and your company's desire to participate in such initiatives. We are also sure that you would join hands with the Company in complying "Green Initiative" by registering/ updating your e-mail address with concerned depository including dividend mandate/ECS and change of address, if any for prompt receipt of communications/dividend and avoid loss in postal transit.

Yours faithfully
For Cigniti Technologies Limited

C. V. Subramanyam
Managing Director





CIGNITI TECHNOLOGIES LIMITED

Suit No. 106 & 107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Punjagutta, Hyderabad – 500 082.

PROXY FORM

Folio No. DP ID No. * Client ID No. *

I/We.....of..... in the district of being a member/members of the above named company, hereby appoint Mr./Ms..... in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Monday, the 16th-day of September 2013 at 11.00 A.M at "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081 and at any adjournment thereof.

Signed this..... day of _____ 2013.

Address

Signed

₹ 1/-

* Applicable for investors holding shares in electronic form.

- NOTE :
- a. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
 - b. Proxy need not be a member.
 - c. The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.

CIGNITI TECHNOLOGIES LIMITED

Suit No. 106 & 107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Punjagutta, Hyderabad – 500 082.

ATTENDANCE SLIP

Folio No. DP ID No. * Client ID No. *

No. of Shares held

I hereby record my presence at the Fifteenth Annual General Meeting of the Company to be held on Monday, the 16th-day of September 2013 at 11.00 A.M at "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

- NOTE :
- 1) To be signed at the time of handing over this slip.
 - 2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.

Corporate Information

Board of Directors

Mr. C.V. Subramanyam, *Managing Director*

Mr. Sudhakar Pennam, *Director*

Mr. C Srikanth, *Executive Director*

Mr. C. Sudhakar, *Director*

Mr. K. Ch. Subba Rao, *Director*

Mr. Mani Subramanian, *Director*

Mr. K. Nageswara Rao, *Director*

Registered Office

Suite No. 106 & 107, 6-3-456/C,
MGR Estates, Dwarakapuri Colony,
Punjagutta, Hyderabad – 500 082.

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

Statutory auditors

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda
Hyderabad – 500 082

Registrars & 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

Bankers

Oriental Bank of Commerce, S.D Road,
Secunderabad.
Citi Bank, Begumpet, Hyderabad.
Axis Bank Ltd, Madhapur, Hyderabad.
ICICI bank Limited, Khairatabad, Hyderabad.



www.cigniti.com