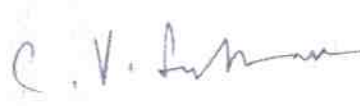


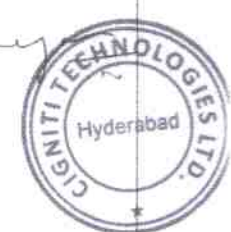
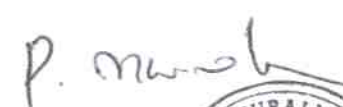





FORM A

1.	Name of the company	CIGNITI TECHNOLOGIES LIMITED
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NOT APPLICABLE
5.	SIGNED BY	
	Managing Director	 
	CFO	 
	Auditor of the company	 
	Audit Committee Chairman	 

Global. In Letter and Spirit.



Global Leadership



Global HR



Global Technology



Global Delivery



Global CSR

Annual Report 2013-14

World's 3rd Largest Independent Software Testing Services Company

US | INDIA | CANADA | UK | AUSTRALIA

Cigniti
Software Quality | Assured



Forward Looking Statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance 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, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Snapshot FY14

Global Awards and Recognition

- Cigniti was listed in the Gartner's Vendor Guide to the Right Application Testing Service Partner under Pure-Play Testing Service Providers; Multi domain Skills
- Cigniti won the prestigious 2014 Global Customer Value Leadership Award for Automated Software Testing Services from Frost & Sullivan (both in North America and Europe region)
- Cigniti was rated as one of the top 20 software testing vendors in Europe by the TESTA magazine
- Cigniti constituted an award for the "Best Agile Testing Project of the Year" at the TESTA Awards 2014 in London, UK



Global Offices, Test Engineering Centers, Labs and Infrastructure

- Opened a 34,000 sq. ft global test engineering center in Hyderabad. Signed up another 50,000 sq. ft of new global test engineering center in Hyderabad
- Set up offices in UK and Australia
- 140,000 sq. ft of space across Hyderabad-India, Dallas- US, London-UK, Sydney-Australia, and Toronto-Canada
- Inaugurated a cloud enabled mobile test lab at its Hyderabad facility for global clients
- Setup cloud enabled Performance Lab test lab at its Hyderabad facility for global clients



Global Talent

- Hired more than 600 specialist software career testers globally



IP and Innovation

- Has developed accelerators and Pre-built test suites for SAP and Oracle. More than 1300 test cases automated and offered to clients free of cost as part of these Pre-built Suites
- Launched the browser compatibility test accelerator tool, as part of Gallop's service portfolio
- Successfully applied for a global/US patent for its iGenerateTestScenarios tool which is a part of the SMART tools portfolio



Global Alliances and Partnerships

- Signed up partnership with AppDynamics



Global Business

- Added more than 50 new clients in the year under review
- Acquired Gallop Solutions Inc, a US based specialized software testing services company



- Inaugurated a cloud enabled mobile test lab at its Hyderabad facility for global clients
- Added more than 50 new clients in the year under review
- Setup cloud enabled Performance Lab test lab at its Hyderabad facility for global clients
- Cigniti rated as one of the top 20 software testing vendors in Europe by the TESTA magazine



2014 Global Customer Value Leadership Award for Automated Software Testing Services from Frost & Sullivan



Cloud
Enabled Performance Lab

50 New Clients

TESTA Magazine

Cigniti rated as one of the top 20 software testing vendors in Europe

Financial Highlights

Consolidated

(₹ Million)

Particulars	FY14	FY13	FY12
Revenue	2,591.0	1,508.8	337.6
EBITDA	364.8	87.7	30.2
EBIT	340.4	72.0	20.3
Tax	72.2	19.1	6.0
Profit After Tax	255.4	50.0	11.8
EPS (₹)	12.3	2.7	0.6
Share Capital	208.2	188.5	168.9
Reserve	874.2	370.1	211.9
Networth	108.2	558.5	380.8
Total Debt	253.9	190.6	123.6
Capital Employed	1,201.2	749.1	504.4
No. of Shares	20.8	18.8	18.7
EBITDA Margin (%)	13.8	5.8	8.9
EBIT Margin (%)	12.9	4.8	6.0
PAT Margin (%)	9.8	3.3	3.5
Effective Tax (%)	21.9	26.6	29.7
Return on Invested Capital (%)	21.7	7.1	2.8
Return on Equity (%)	26.9	9.0	3.1

Key Performance Indicators

Revenue (₹ Million)

FY14 _____ **2,591**
FY13 _____ 1,509

+72%

EBITDA (₹ Million)

FY14 _____ **365**
FY13 _____ 88

+315%

Net Profit (₹ Million)

FY14 _____ **255**
FY13 _____ 50

+410%

Cash Profit (₹ Million)

FY14 _____ **280**
FY13 _____ 66

+326%

Earnings per Share (₹)

FY14 _____ **12.3**
FY13 _____ 2.7

+355%

EBITDA Margin (%)

FY14 _____ **14.0**
FY13 _____ 5.8

+820 bps

Message from the Management



Dear Shareholders,



It gives us great pleasure to share with you our performance, which has been fantastic during the year. We are excited to announce that one of our dreams has finally become a reality this year. With two new offices in Australia and U.K, we are now a truly global company with operations spanning across every time zone encompassing the globe from Australia to U.S. This has brought in new excitement, new experiences and most importantly new opportunities to your Company.

The acquisition of Gallop Solutions Inc. during the year has added great value to your Company. With this acquisition, we have not only emerged as the world's third largest independent software testing services company but we have also enhanced our software testing capabilities.

On the financial front, we have performed significantly well despite a difficult macro environment. The total revenue for the year stood at ₹ 2,591.0 million up by 72% from ₹ 1,508.8 million in FY13. The key reasons of the growth in revenue have been the acquisition of Gallop Inc and the addition of more than 50 new clients.

The EBITDA during the year has significantly increased to ₹ 364.8 million from ₹ 87.7 million recorded in FY13. Also, the EBITDA margin during the year has been enhanced to 14.0% as against 5.8% in FY13. The key



reason has been high value customers as well as higher utilization. The net profit for the year stood at ₹ 255.3 million up from ₹ 50.0 million in FY13. The EPS for the year is ₹ 12.3 as against 2.7% recorded the previous year.

To deepen our domain expertise and serve our clients better, we have built dedicated Testing Centers of Excellence (TCoE) for Security, Mobile, BFSI and Retail. For the Retail TCoE, we have added technical SMEs and Delivery experts. These TCoEs not only enable us to provide deep domain insights but also help us develop accelerators for software testing. We have a strong conviction that IP led testing services is the future for STS (Specialty Software Testing) and we have increased our focus to strengthen our capabilities in order to stay globally competitive and ensure superior services.

We are investing in increasing our client intimacy, ensuring deeper engagements with clients and have key strategic account management teams. We have structured teams across our global locations to identify, strategize and execute large account, named client acquisition programs. We have also created a "Top 100-Must have Client" account team that is specifically working to source large structured deals around our core capabilities in executing large scale software testing programs.

As we expanded our wings globally, we came across more opportunities as well as complexities. But with a

highly capable management team, which is global in thinking, experience and collective competency, we have been able to capture the opportunities and build capabilities to overcome the challenges. To cater to the growing and culturally diverse workforce, we have designed a robust human resource framework to integrate our workforce for seamless operations. As part of this framework we have also developed global performance management systems, which help our workforce align their aspirations with your Company's mission.

To make our workforce ready for the global opportunities and challenges, we have re-aligned our training and competency development teams to match and deliver expectations of a global standards. Our training programs cover relevant and updated courses and enrich the skillsets of our employees across their respective specializations in domains, technologies, client relations and crisis management. Cross cultural sensitization and global readiness programs are part of every Cignitian's mandated training program to match the global market space and the clients we serve.

Globally, the STS (Specialty Software Testing) market is expected to grow at 9.5% till 2018. The share of STS in the overall software testing market would move up from 30% in 2012 to 40% by 2018. One of the key growth drivers for STS, as per a report from Technavio, is cost optimization. According to the

NASSCOM outsourced software testing to India is expected to continue to grow at a CAGR of 24% till 2020.

As per the World Quality Report, the average spending on software testing as a percentage of the total IT spending has grown from 18% in 2012 to 23% in 2013 and is expected to further grow to 28% by 2015. Hence, the future of the software testing industry in general and STS in particular remains very positive. We have built all the right levers to tap the upcoming opportunities and grow at much faster rate than the industry.

We take this opportunity to thank all our shareholders for their support and belief in us. We would also like to thank all our employees for their dedication and efforts towards realizing our dream of becoming a globally renowned software testing company.

Best Regards,

C. V. Subramanyam
Chairman & Managing Director

Sudhakar Pennam
Chief Executive Officer

Global. In Letter and Spirit.



Global Leadership



Global HR



Global Technology



Global Delivery



Global CSR

- ➔ Global citizenship, Leadership, Agility, and Cultural Sensitivity are corner stones of building a truly global Cigniti.



- ➔ Cigniti, being global is no more a dream. It is happening right Now!



Software is omnipresent. So are its customers. Its providers (read developers), though, have traditionally been concentrated at certain geographies, deploying global delivery mechanism to serve customers from a remote location.

Software then was a process enhancer. Software today is a strategic business enabler. Enterprises, especially the global ones are increasingly engaging software developers that can serve them across regions and countries where the businesses are operated. Thus, going closer to customers is becoming imperative for IT services providers.

At Cigniti, we have been strengthening our fundamentals in order to drive our global ambitions. Our thoughts and actions reflect the global standards of professionalism. Global citizenship, Leadership, Agility, and Cultural Sensitivity are corner stones of building a truly global Cigniti. In this direction, we have been making investments in people, processes, technology infrastructure, domain capabilities and competencies. While sustaining the growth in the existing business, we are investing in our abilities to realize our vision of becoming the world's largest and most respected independent testing services company.

Programming our mindset to think global on the one hand, we are sensitizing ourselves on local priorities, regulations, customs and traditions etc. in order to create lasting success in each of our geographies. Going global also means being closer to customers, understanding them and serving them better. The global endeavor has broadened as well as reinforced our commitment to excellent service delivery.

Cigniti's mantra is to achieve a value proposition of superior software testing services while pursuing newer avenues of growth. At Cigniti, being global is no more a dream. It is happening right Now! Brand Cigniti=Global.

Cigniti=Global

Growth Potential. In Leaps and Bounds.

More and more companies are shifting away from traditional testing services (TTS) to Specialized testing services (STS). 



With net sales CAGR of 226% over FY11-14, Cigniti on the other hand has grown significantly higher than the industry average, via organic as well as inorganic route.



The field of software testing has undergone a sea change over the last decade and has evolved significantly. In the initial days of programming, testing had no major role to play in software development.

This was the mundane Software Testing 1.0 phase. As the scale and scope of IT kept on growing, there was a rise of Independent Verification & Validation, Turn Key solutions, Test services, tools and accelerators. This was the start of Software Testing 2.0 era which is all about developing confidence in the software and a lot more.

Currently close to 20% - 30% of the time in software development is spent on software testing and testing accounts for 20% to 25% of the total IT spend. There is a gradual rise in outsourcing of testing services to specialty testing services providers as it not only brings in validation of the testing process but also leads to cost optimization for software developers.

Hence more and more companies are shifting away from traditional testing services (TTS) to STS. The share of STS is projected to increase from 30% in 2012 to 48% by the end of 2018. Hence the opportunity for STS



providers is immense. These projections are also verified by other industry studies that project a 24% CAGR for outsourced testing services to India.

With net sales CAGR of 226% over FY11-14, we on the other hand have grown significantly higher than the industry average, via organic as well as inorganic route. We aim to continue to grow aggressively by making large sales and marketing investments across the globe to emerge over the next few years as the largest and most respected independent testing services company in the world.



Cigniti Technologies. A Truly Global Company.



At Cigniti, we have stepped up our global mission. This is in true alignment with our vision of assuring best services to our clients across the globe.



While the focus on North American market is as strong as ever, we accelerated our global footprint expansion by setting up offices in London and Australia during the year under review. This is a major step towards catering to the UK, European and the ANZ markets. While this is happening, our ability to serve the Indian market continued to grow with some of the recent big client wins coming from India.

We continued to strengthen our vertical focus through dedicated Testing Centers of Excellence (TcoE). Our Security TcoE comprises of teams that offer web, application, network and mobile

security testing tools, services and solutions. BFSI TcoE was equipped with a new solution and delivery team while the Retail TcoE was strengthened with technical SMEs and Delivery experts. With an aim to bolster the offerings around mobile, an exclusive mobile TcoE was set up by integrating competencies, labs and tool partnerships.

Our new cloud enabled performance lab has strengthened the performance center of excellence. We witnessed a 5X increase in dedicated performance testing engagements during the year.



Smart Tools for the life cycle



Test cloud



Test Accelerator



Certified Services



Agility

Fortifying our global ascent

- Gartner's Vendor Guide to the Right Application Testing Service Partner listed Cigniti under Pure-Play Testing Service Providers; Multi domain Skills
- Cigniti was bestowed the coveted '2014 Global Customer Value Leadership Award' for Automated Software Testing Services by Frost & Sullivan
- 92% of the Customers rated Cigniti 4/4
- Cigniti has successfully applied a global/US patent for its iGenerateTestScenarios tool part which is a part of the SMART tools portfolio

With a strong conviction that IP led testing services will soon become the new normal, we continued to strengthen our capabilities in order to be globally competitive and superior. Having built accelerators and pre-built test suites for SAP and Oracle coupled with more than 1300 test cases automated, we are offering these test cases free of cost to clients as part of these pre-built suites.

We launched the browser compatibility test accelerator tool during the year. The tool helps our clients test their applications and software products on more than 200 browsers, multiple platforms and operating systems.

We also built global partnerships and alliances with leading testing tool vendors in niche areas like Application Performance Monitoring and Mobile test automation during the year.



Investments in building global test labs in the areas of Mobile and Performance engineering strengthened our ability to scale up on the technology and infrastructure aspects.

Our passion to innovate through IP led approach reached a new high during the year when we successfully applied for a global/US patent for our iGenerateTestScenarios tool which is a part of the SMART tools portfolio.

Our growing stature in the global independent software testing landscape is being reflected in recognitions from leading industry analysts like Gartner, NelsonHall and Frost & Sullivan.

< 200

Clients test their applications and software products

Global Strides. Quantitative and Qualitative.

As the world's third largest independent software testing company, sustaining our growth momentum is paramount in our mission Global Leadership. With our global aspirations maturing, qualitative growth takes center stage while we continue to back it up quantitatively.



Our vision of holistic growth encompasses geographies, verticals, platforms, deal size and tenure. Our spectrum of holistic growth engines is equally wider. It includes people, processes, technology, infrastructure and customer relations.

New offices in Europe and Australia

In the year under review, we set up new offices in London and Sydney. We foresee a lot of growth in the UK and European markets. UK is a mature market for software services and enterprises understand the value of engaging independent software testing services providers. Our UK operations will keep us close to our clients, help build stronger relationships and serve our clients better. With added impetus to mine and serve Europe and Australia & New Zealand markets better, we have laid strong foundations in our journey to become the world's largest and most respected independent testing services company.

Global Partnerships

We have built global partnerships and alliances with leading testing tool vendors in niche areas like Application Performance Monitoring and Mobile test automation.

Harnessing Talent

Strengthening our human capital globally is a key pivot for realizing global aspirations. In order to support growth, we



> 50
New Clients
Added



> 475
Specialist Career
Testers Added

have ramped up our global sales force by 4 times. The new sales team at our London office brings in leadership experience of 50 man-years of global sales in the UK markets.

Our growing brand equity coupled with rapid preference among global professional workforce has helped us attract premier talent from tier-1 global companies, Indian MNCs, product and leading companies. We added more than 475 specialist career testers at our Hyderabad center and more than 100 professionals across all functions in our US office.

Growth by Clients

We have added more than 50 new clients to our customer base in the year under review.

A reflective list of our global clientele

- A leading payments solutions provider processing 11 million transactions every day
- A global hotel chain operating over 4000 hotels in a hundred countries
- A leading marine logistics company with a fleet of 200 vessels, multiple land based facilities, tank farms, containers, cranes and terminals
- Canada's leading integrated freight and parcel solutions provider
- A leading provider of research regarding risk, performance and financial modeling, as well as consulting, training and software services
- A leading global media engagement company
- Australia's oldest independent game development studio
- The world's largest submarine sandwich chain operates more units in the US, Canada and Australia

- A leading software development company which enables customers to build and adapt Excel and SharePoint-based interactive forms and workflows for SAP
- A global leader and innovator in semiconductor solutions for wired and wireless communications
- A provider of fast, easy and convenient transactions with intuitive self-service and assisted-service options
- A leading provider of climate control solutions for heating, air conditioning, refrigeration, and indoor air quality systems for residential and commercial uses with facilities
- A world leader in the research and development of products to protect and improve health and well-being
- An American software company that develops financial and tax preparation software and related services for small businesses, accountants and individuals
- A leading mortgage insurer with \$157.9 billion primary insurance in force covering approximately one million mortgages as of March 31, 2014
- A California film studio, which develops, produces, and distributes films, video games and television programming. It has produced or distributed more than ten films with box-office grosses totaling more than \$100 million each
- An enterprise platform technology company that provides next generation payment solutions and services to large global corporations across the world
- A leading power corporation that serves 321,000 natural gas and 397,000 electric customers
- An American wholesale distributor of food and grocery store items
- India's most comprehensive payment gateway with credit cards, debit cards and net banking



Capability Ramp up. Aligned to Global Complexities.

As we continue our global ascent, complexities are bound to increase. What differentiates us, at Cigniti is our resolve and preparedness to overcome them. Our ability to anticipate these challenges, invest upfront in levers that can help us counter them effectively and stay prepared with the right course of action makes our character truly global.

At Cigniti, we are cognizant of what we are set out to do and sure about our destination. Being ready for the challenges we are amassing the wherewithal to scale the peak.

Capabilities built

We have developed a leadership team that is global in thinking, experience and collective competency. The inherent resilience has been fortified in order to stay calm, assured and focused about the current and the future deliverables.

We have invested in increasing our client intimacy, having deeper engagements with clients and have key strategic account management teams. We have structured teams across our global locations to identify, strategize and execute large account, named client acquisition programs. We have also created a "Top 100-Must have Client" account team that

is working to source large structured deals around our core capabilities in executing large scale software testing programs.

Our human capital management framework and team have both been strengthened. This would help support our pursuit of aggressive growth both in terms of quality and quantity of people to be deployed across geographies. We are implementing Global performance management system(s) that meet people's aspirations, growth potential and align human capital with corporate business goals and objectives.

Training and competency development teams have been realigned to meet, match and deliver expectations of a global work force. Today our global training programs cover relevant and updated courses on Soft skills, domain skills, technical skills, client facing skills, account and relationship management

skills, and crisis management skills. Cross cultural sensitization and global readiness programs are part of every Cignitian's mandated training program to match the global market space and clients we serve.

Our global corporate finance teams are ready to meet intrinsic demands of operating business environments both at strategic and operational level. We have designed our systems and structure to help meeting globally accepted, practiced financial reporting standards contextual to the operating geographies.

The addition of critical talent at all levels of the organization by roping in the best of the breed software testers from globally renowned companies have made our delivery capabilities stronger than ever.

Investments in accelerators and pre-built test suites as part of the IP led testing strategies are helping us offer differentiated, superior software testing services that are future ready.

Our investments in building global solution and pre-sales, thought leadership and technical capabilities are helping us meet the complex and diverse technology testing needs of enterprises and ISVs. We have been able to understand, architect and roll out software testing services and solutions that can help clients meet their future demands. This is a major step towards becoming a globally recognized leader in assuring superior software quality.

Global marketing, consistent branding and locally sensitive messaging strategies have been developed. In order to leverage Analyst, PR, Digital, Web and Social media marketing mechanisms; an integrated yet locally relevant geography specific marketing communication plan is on the execution side already.

Scalable and ultra modern IT Infrastructure that can absorb and meet the IT needs of globally mobile workforce across the countries has been set up.

Global citizenship with cultural sensitivity is the foundation of Cigniti's people outlook. Our orientations and inductions have been designed to ensure greater collaboration among employees and stakeholders of diverse nationalities and cultures.

Our cultural fabric is interweaving and seamlessly integrated to help us stay young, vibrant, cool and fun loving. We respect global sensitivities, understand intricacies of being local while continue to act global.

Our investments are paying off to help us navigate the above-mentioned complexities. Proven Global Leadership has ensured the direction and navigation of the company from the aspects of delivery, scale, efficiency, process, thought leadership, innovation and being relevant to the changing dynamics of the market space. Our sales leadership is ensuring that current growth rate is maintained. Our solution leadership is ensuring that we remain contextual to the geographies we operate in. Our geographic, vertical and functional diversity is de-risking our business and lending sustainability in terms of future growth.

"Identified Top 100-Must have Key Clients"



Cigniti's mantra to scale the global peak

- Weaving a cultural fabric across geographies, nationalities, ethnicities and beliefs



- Developing a global, mobile and dynamic resource mobilization framework



- Building a unified, scalable and customizable processes framework



- Nurturing progressive behavior of being open to un-learn, listen, adapt, adopt and stay agile



Global Corporate Citizenry. Project Cignificance.

Cigniti's CSR initiative Project Cignificance aims to empower a million lives with education. The project nurtures a sustainable educational ecosystem backed by audiovisual educational with Telugu narration to reach out to the students studying in the Telugu medium schools.



By ensuring freely available and reusable audiovisual educational content, Project Cignificance aims to create and consolidate a knowledge base of Mathematics and Science subjects with a primary objective to empower school students from Standard V to X. The primary target audience is the population of around 6 million students who study in the Telugu medium schools run by the Government. Being made available in digital format, tablets, CDs and the Internet, these videos provide an alternate option for the use of books, which also require a teacher to explain the topics.

The videos are self-explanatory and narrated in a simple language. While the project believes in the importance of a classroom ambience with the teacher – student system, these videos serve as cost and time effective teaching aids.

In the year under review, Project Cignificance has grown much stronger. Some of the key highlights of the year under review were:

- An exclusive microsite has been launched
- By virtue of this work we were the worldwide finalists at the European Software Testing Awards- TESTA held at UK under Sustainability and Green Testing Team of the year category
- More than 385 videos covering the maths and science chapters of class 8, 9 and 10 with an exclusive 100+ videos of Class 10 videos were produced
- We have piloted our efforts with more than 150+ students across three different government schools in and around Hyderabad. The response has been phenomenal
- We had identified 3 different tablets and embedded the videos in them along with custom made CD's for Class X students
- The videos were delivered as teaching supplements in the respective classes in the year under review. The students, teachers and the parents were extremely pleased with the resourcefulness of the content

We have developed a special mobile application for the CSR initiative that will facilitate easy navigation and use of the videos on the Android tablets. The app also provides ability to feature Quizzes, notes and enables comments on the videos.



150+

Students across three different government schools in and around Hyderabad

Worldwide Finalists at TESTA

Held at UK under Sustainability and Green Testing Team of the year category

Road Ahead: We plan to roll this CSR Project Cignificance to more than 5,000 students across 100+ Schools in 11 Mandals of 2 districts around Hyderabad and logistics are currently been worked out.

Management Discussion and Analysis

Economic Overview

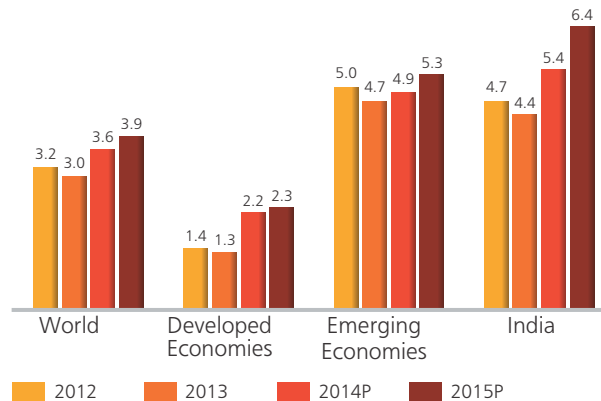
Global Economy

Year 2013 witnessed a role reversal of sorts with gradual strengthening of developed economies coinciding with softening in developing economies. The strategies adopted by the central banks of major advanced economies have helped these economics to revive from one of the longest recessions. However key emerging markets such as Brazil, China and India continued to witness demand slowdown during the year. The Global GDP in the year 2013 as per IMF's WEO has marginally moderated to 3.0% from 3.2% in 2012.

Cigniti's key focus geography and the world's largest economy, the U.S., continued to gain strength with the growth momentum picking up strongly in the second half of the year. The UK also saw stronger than expected recovery while the Euro zone after many quarters saw a positive quarterly growth during the year.

However key emerging markets such as Brazil, China and India continued to witness demand slowdown during the year.

Exhibit 1: Annual GDP growth (%)



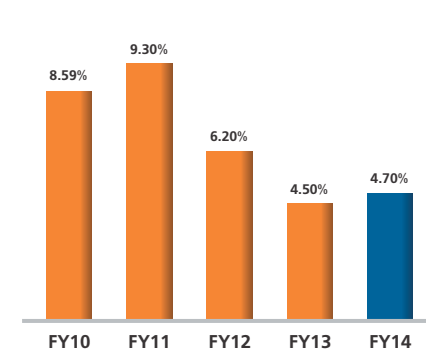
Going ahead, as per IMF, the recovery in the developed economies is expected to considerably strengthen during the year 2014. This in-turn would lead to an increase in corporate investments and discretionary spending.

Indian Economy

The Indian economy plagued by many structural issues witnessed sub-par growth for the second year in a row during the financial year 2013-14. As per provisional estimates of Central Statistics Office (CSO), the economy is expected to have grown at 4.7% (Exhibit 2) during the financial year. Number of tough measures taken by the RBI and the government during the year arrested the fast slide of the key macro-economic indicators such as the twin deficits, currency and consumer price index.

Going ahead with expected gradual recovery of the global economy and with a stable government at the centre, Indian economic growth should pick-up. IMF expects Indian economy to grow by 5.4% in the year 2014 and by 6.4% in 2015.

Exhibit 2: India GDP growth (%)



Global Software Testing Industry

Software testing is one of the most critical steps in the development of software solutions. It extends across the software development lifecycle from the requirement analysis to planning to design to development to integration and execution.

From service provider perspective, testing conducted by an independent third party is called 'Specialized Testing Services' (STS) while the testing bundled along with the software development work and performed by non-full-time testing professionals is called 'Traditional Testing Services' (TTS).

As per a report by Nelson Hall, the global software testing services spending is projected at a little less than USD 35 billion for the year 2013. A little over third of this or USD 11.3 billion is projected to be directed to STS. Industry wise the global testing services is expected to grow to USD 37.8 billion by 2018.



Testing is now fast gaining the due importance in the project lifecycle and higher percentage of overall budget is being made available for software testing services spending. As per the World Quality Report, the average spending on software testing as a percentage of the total IT spending has grown from 18% in 2012 to 23% in 2013 and is expected to further grow to 28% by 2015.

Another key development observed lately, has been the gradual shift in the preference of enterprises towards STS from TTS for outsourcing testing services. As a result while the software testing revenues earned by TTS has been de-growing, STS continues to grow at over double the industry average.

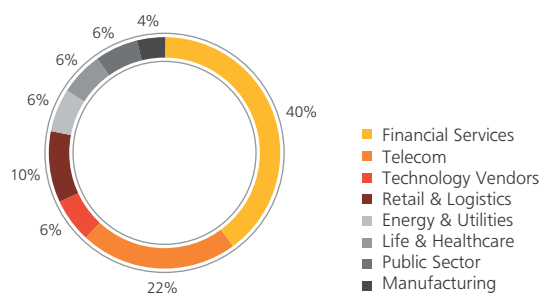
As per NelsonHall, globally in 2013 there are near about 230,000 career testers and overall the career testing ecosystem is now larger than that of SAP services. For over the last five years the number of career testers has been growing at 25,000 per year and it is likely to maintain this pace for the next three years as well. Hence there is a strong growth of career testers globally; however 75% of the existing 230,000 career testers worldwide are Indian nationals. Hence India has the highest number of resources available for the software testing industry.

One of the key drivers for the STS, as also highlighted in a report by technavio, is the need to reduce operational time and cost. Testing has a strong bearing on the quality of the

application developed and increasing number of companies are willing to spend to avoid poor execution, slow test turnaround, or excessive costs in the software's lifecycle which in-turn is leading to increasing adoption of outsourced software testing services.

Industry wise, financial services sector has been the largest contributor to the growth of STS and is estimated to have grown by 15% during the year 2013. Financial Services has also been by far the largest contributor to STS revenues and is followed by Telecom sector. The two together contribute close to two third of the overall revenues of STS (Exhibit 3)

Exhibit 3: STS revenues - by vertical (2012)



Source: NelsonHall

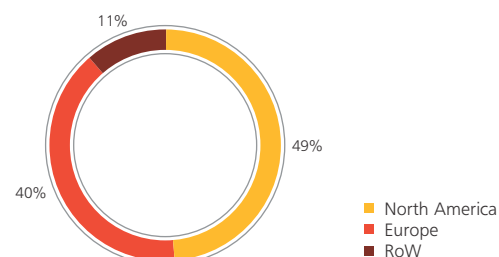
Exhibit 4: Specialist testing services growth (%)

	2014	2013	2012
Financial services	15	15	5
Telecom	2	2	2
Technology vendors	1	0	-6
Retail & logistics	7	7	0
Energy & utilities	5	5	3
Life and healthcare	4	4	3
Public sector	3	3	3
Manufacturing	2	0	0
Total	10	7	7

Source: NelsonHall

Geography wise, North America contributed nearly half to the overall STS revenues. With strong recovery in region its share is expected to grow further. During the year, the region was one of the fastest growing markets, with its growth estimated at 9%, ahead of 7% growth in the worldwide spending. Going ahead too the region is expected to grow much stronger by a CAGR of 12% over the next two years against worldwide spending growth projected at a CAGR of 10% during the same period.

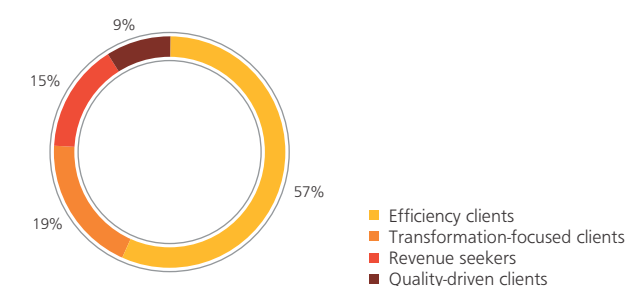
Exhibit 5: Geographical share in spending (2013)



Source: NelsonHall

The clients for STS can be grouped into four segments with differing goals but sharing a common need for lowering costs. These are Efficiency clients, Transformation-focused clients, Revenue seekers and Quality-driven clients. Of these the efficiency clients is not only the largest but also the fastest growing client segment for STS companies (Exhibit 6).

Exhibit 6: Clientele break-up for STS



Source: NelsonHall



Growing Importance of Quality Assurance and Testing

The latest research jointly published by Capgemini, Sogeti and HP has projected increasing importance of Quality Assurance (QA) and Testing in software development. As per their survey report "World Quality Report 2013-14", 26% of respondents in 2013 have reported streamlining and centralizing in-house testing as against just 8% in 2012. Similarly, the number of respondents reporting a fully operational Test Centre of Excellence has jumped three fold to 19% in 2013 from 6% in 2012.

QA & testing outsourcing in general and off-shoring in particular has gained further importance during the year. Around 20% of the respondents in 2013 confirmed engaging an external testing services vendor as against 13% in 2012. Cost optimization continues to be the most critical parameter during the year with 57% of the respondents specifying it as the key driver for outsourcing QA. Also the significant drop from 51% to 41% in terms of testing projects in companies worked by a complete in-house team indicates of the growing preference towards outsourcing

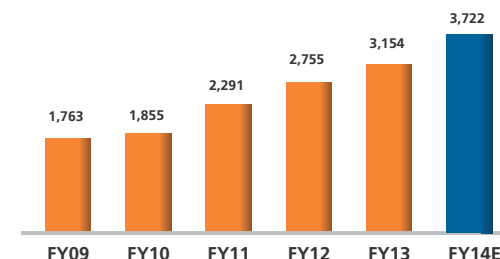
Additionally, as increasing percentage of enterprises integrate disruptive technologies into their existing IT infrastructure, the security checks required to ensure secure and robust work environment increase many folds. As per the survey, legacy application transformation was rated as the second top business priority by 62% of the respondents. The survey reported increase in the share of total testing budget allocated to transformational projects to 46% in 2013 against 41% in 2012. Within disruptive technologies there has been a significant increase in mobile testing. According to the above mentioned survey the percentage of respondents confirming organizations opting for mobile testing saw a significant jump from 31% in 2012 to 55% in 2013.

Indian Software Testing Market

India is the leader in software sourcing and during the year 2013 it further strengthened its leadership position by increasing its market share in the global sourcing of the business to 55% from 52% in the year 2012.

The independent software testing exports have been witnessing even faster growth. While their revenues have more than doubled during the last five years, during FY 2013-14 their revenues are estimated to have grown by a strong 18% to USD 3.7 billion (Exhibit 7), enhancing its contribution to over 7% to Indian IT services export. IT services export grew by 14.3% during the financial year. As per one of the earlier NASSCOM reports, the worldwide software testing outsourcing market is expected to grow to USD 50 Billion in 2020. India is expected to be the biggest beneficiary of this growth and is estimated to garner USD 15 Billion of these spending as per the report.

Exhibit 7: India software testing export market (USD million)



Source: NASSCOM

As per NelsonHall, Indian pure play software testing companies attracted USD 150 million during the year 2013, growing by 12%. Going ahead, the growth is expected to get much steeper and Indian pure-plays are expected to grow at 14% in 2014 as well as in 2015.



Operational Review

This year, your Company commenced collaboration with Gallop Inc. With the addition of a wide resource pool and better technology, this has improved the operating efficiency and enhanced our clients' satisfaction.

During the year Cigniti has further expanded its business operations with new offices in strategically key business areas, Australia and UK. With these new offices, the Company is now a global company with presence across key geographies. With a mature market for software services, UK enterprises offers enormous opportunities for independent software testing services providers. Cigniti's UK operations will keep it close to its clients, help build stronger relationships and serve its clients better. This is an important milestone in Cigniti's mission to become the world's largest and most respected independent testing services company.

Along with the geographical expansion, Cigniti has significantly ramped up its sales force by 4 times across the geographies. In its U.S. office alone it has added 100+ professionals. In India, your Company has enhanced its technical team with the addition of 475 specialist software career testers at Hyderabad.

The year has also been significant in terms of client addition. During the year your Company has added more than 50 new clients.

Added 600+
Cignitians across the globe

Other Key operational high points

Technological high points

During the year under review, Cigniti has built accelerators and pre-built test suites for SAP and Oracle. More than 1300 test cases were automated and offered to clients as part of pre-built suites. Cigniti also launched the browser compatibility test accelerator tool as part of Gallop's services portfolio which helps leading companies test their applications and software products on more than 200+ browsers and multiple platforms, operating systems. The key success of the year was successfully applying for a global/US patent for Cigniti's iGenerateTestScenario, which is a part of the SMART tools portfolio.

Key Partnerships & Alliances

Cigniti has also built global partnerships and alliances with leading testing tool vendors in niche areas like Application Performance Monitoring and Mobile test automation.

Key strategic alliances and partnerships

- Ranorex
- NEOTYS
- TestPlant
- AppDynamics
- Experitest
- Keynote
- Joint Enterprise Mobility Solution Center with HP



92% of our clients rate us 4/4. Quarter after Quarter... Year after Year...
Superior Software Testing Services help our clients Say No To Bad Software.

Major Awards & Recognitions

Cigniti has won the prestigious 2014 Global Customer Value Leadership Award for Automated Software Testing Services from Frost & Sullivan. During the year, the leading technology research agency Gartner Inc has recognized Cigniti as Pure-play Testing Services Providers in its report "Vendor Guide to the Right Application Testing Service Partner". In terms of client satisfaction also Cigniti's delivery excellence was demonstrated with 92% Client satisfaction index of 4/4.



Financial Review (Consolidated)

Revenue

Revenue during the year increased to ₹ 2,591.0 million as against ₹ 1,508.8 million, up by 72%. The key reasons for the growth are consolidation of Gallop Inc and also addition of 50 new clients.

EBITDA

The EBITDA during the year stood at ₹ 364.8 million, significantly up from ₹ 88.0 million in FY13. The EBITDA margin during the year has also increased from 5.8% in FY13 to 14.0% in FY14.

Profit After Tax

The net profit after tax during the year FY14 was ₹ 255.5 million as against ₹ 50.0 million in FY13. The multifold jump in profitability was also supported by better margins where the net profit margin for the year FY14 has significantly enhanced to 9.8% as against 3.3% in FY13.

Interest and Borrowings

During the year the Company has incurred interest cost of ₹ 11.9 million up from 3.1 million in FY13. The cash and bank balance has enhanced to ₹ 56.5 million from ₹ 19.8 million in FY13. The total borrowing of the Company has increased to ₹ 253.9 million from ₹ 190.5 million FY13. The increase in debt was majorly due to increase in working capital borrowing.

Net Worth

The Net Worth of the Company during the year has near doubled to ₹ 1082.3 million from ₹ 558.5 million in FY13.

Fixed Assets

The Company added gross fixed assets of ₹ 391.7 million and the total gross block has been enhanced to ₹ 917.7 million from ₹ 526.0 million in FY13. The key reason for the growth in fixed assets is the acquisition of Gallop inc.



“Multifold Jump
in Profitability”



Outlook

Software testing currently plays a very crucial role in Software Development Life Cycle. As per NelsonHall's report the total software testing market is expected to grow at a CAGR of 2.0% over 2012-2018 and would be a USD 37,850 million market in 2018. However, the specialty testing services segment is expected to grow at much higher rate of 9.5% per annum while the traditional testing services segment is projected to de-grow during the same period. The gradual shift from the conventional, traditional testing services providers to independent, pure play software testing providers is expected to further accelerate during the year 2014.

Projected recovery of the advanced economies should lead to increasing spends from sectors such as Financial Services, Energy and Utilities which should aid in faster growth of the industry in the visible future.

Human Resource

The human resource framework at Cigniti reflects the belief that employees are the most integral assets of the Company. Cigniti's 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.

In addition, Cigniti's HR and human capital management processes are designed to cater to massive growth both in terms of quality and quantity of people across the geographies. Global performance management system(s) have been initiated to align people aspirations, growth charters and corporate business objectives across functions.

**USD 37,850 million
market in 2018.**

Rewards and Recognition



Organizational values

Cigniti's organizational values define acceptable standards which govern the behaviour of its people. The employees are encouraged to follow these traits in spirit and demonstrate them in conduct with internal as well as external stakeholders.

Cigniti's CAPITAL values

Collaborative

Understanding client's 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.

Transparent

Communicating in an open fashion without a hidden agenda.

Accountable

Taking responsibility for one's actions.

Learning

Continuously acquiring new knowledge, behaviors and skills.

Key highlights of the years

- Hired more than 475 specialist software career testers in Hyderabad
- Added 100+ professionals in Cigniti's US office

Corporate Social Responsibility

Cigniti's CSR initiatives include Project Cignificance. This project aims to empower a million lives with education. The project nurtures a sustainable educational ecosystem backed by audiovisual educational with Telugu narration to reach out to the students studying the Telugu medium schools.

The project covers a total student base of around 6 million who study in the Telugu medium schools run by the Government. Project Cignificance aims to create and consolidate a knowledge base of Mathematics and Science subjects with a primary objective to empower school students from Standard V to X. Under this project we have tried to ensure availability of reusable audiovisual educational content. Being made available in digital format, tablets, CDs and the Internet, these videos provide an alternate option for the use of books, which also require a teacher to explain the topics.

The videos are self-explanatory and narrated in a simple language. While the project believes in the importance of a classroom ambience with the teacher – student system, these videos serve as cost and time effective teaching aids.

In the year under review, our CSR – Corporate social responsibility initiative Project Cignificance has grown much stronger.

- An exclusive microsite has been launched
- By virtue of this work we were the worldwide finalists at the European Software Testing Awards- TESTA held at UK under Sustainability and Green Testing Team of the year category
- More than 300 videos covering the Maths and Science chapters of class VIII, IX and X with an exclusive 100 videos of Class X topics were produced

- The pilot project covered more than 150+ students across three different government schools in and around Hyderabad. The response has been phenomenal
- We had identified 3 different tablets and embedded videos in them along with custom made CD's for Class X students
- The videos were delivered as teaching supplements in the respective classes in the year under review. The students, teachers and the parents were extremely pleased with the resourcefulness of the content

Cigniti has developed a special mobile application for the CSR initiative that will facilitate easy navigation and use of the videos on the Android tablets. The app also provides ability feature Quizzes, notes and comments on the videos.

Road Ahead: We plan to roll this CSR Project Cignificance to more than 5,000 students across 100+ Schools in 11 Mandals of 2 districts around Hyderabad and logistics are currently been worked out.



Cigniti has always been cognizant of its responsibilities towards society. Project Cignificance is part of Cigniti's CSR activities.



Risk Management



Risk	How it Relates to Cigniti	Mitigation
Geographic Concentration Risk	Reliance on a single geography can impact revenue growth	<ul style="list-style-type: none"> While U.S. contributes bulk of the Company's revenue, it has been gradually expanding into other geographies like, Europe & Asia Pacific. and also focusing on strategies to enhance revenues from existing geographies like Europe During the year the Company opened new offices in UK & Sydney to add new logos and deepen its presence in the existing accounts from these geographies
Competition Risk	Increasing competition in software testing may affect the market share of the Company	<ul style="list-style-type: none"> The Company through a mix of organic and inorganic routes has been developing capabilities that help it remain competitive The Company is World's third largest Independent Software Testing Services Company and has secured a technical positioning of the company brand in the global arena. Through a smart mix of marketing initiatives, analyst relations and other brand building initiatives, the Company has been consistently strengthening its brand
Technology Risk	Any change in technology could have an adverse impact on the Company's growth	<ul style="list-style-type: none"> The Company makes considerable investments in new technologies and to consistently upgrade its skills. To stay relevant and ahead of the curve the Company has partnered with various companies including HP, Neotys, Ranorex and Testplant, among others
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 understands the importance of attracting, nurturing and retaining good talent and takes several initiatives for the same. The Company provides number of opportunities including global exposure, conducive work environment, world-class learning aids, opportunities to participate in forums, associations, conferences of national and international repute, higher than industry salary increments, HR development practices to motivate and retain the best talent including employee recognition on various platforms
Commoditization Risk	Low entry barriers in the testing industry might expose the industry to the danger of commoditization	<ul style="list-style-type: none"> Testing needs strong domain and technology understanding which take years to be acquired. The Company over the years has developed tools, processes and solutions that help it generate high level of efficiencies. A new player would take years to develop such capabilities. Additionally, most of Cigniti's Services are a high end offering that can only be done with the specialized expertise developed over years and cannot be easily replicated Cigniti has developed many IP led testing services and SMART Tools that cannot be easily replicated Cigniti specialized infrastructure like Mobile Labs Anti Collision Labs, Robotics Labs are a result of many years of expertise and cannot be easily replicated

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended 31st March, 2014.

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:

Particulars	2013 – 14		2012 – 13	
	Consolidated	Standalone	Consolidated	Standalone
Income from Operations	25909.98	5552.12	15087.76	2356.75
Profit before depreciation and Tax	3528.32	1359.02	911.36	341.40
Depreciation	243.35	169.33	157.10	136.06
Profit before Tax	3284.97	1189.69	691.64	169.60
Provision for Tax	730.47	385.73	191.26	52.09
Profit after Tax	2554.50	803.96	500.38	117.51

REVIEW AND PROSPECTS

The total revenue of the Company for the financial year ended 31st March, 2014 is ₹ 25,909.98 Lakhs as compared to the previous year's total revenue of ₹ 15,087.76 Lakhs. This represents an increase of 72% Year on Year in revenues. During this financial year the Company has recorded a net profit of ₹ 2554.50 Lakhs as against the previous year's net profit of ₹ 500.38 Lakhs. The Year-on-year Net Profit growth is 410%.

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

1. Current Scenario

The independent testing space has been acknowledged by NASSCOM, Nelson Hall and other industry analysts as one of the fastest growing niches in the software services space. Nelson Hall has called specialist testing services recession proof because of the growth in this segment even during the downturn period of 2008 to 2012. The software testing segment of the IT industry in India is expected to continue to grow at a CAGR of more than 20% over the next six years.

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 72% over last year and expects to grow aggressively over the next few years to emerge as the largest independent testing services company in the world. Your company has ambitious plans to emerge as the second largest independent testing services company in the world over the next one year through a combination of organic growth and inorganic acquisitions. Your company has tripled its sales force and marketing investments to ensure that our aggressive growth plans can be achieved.

A key aspect of being a global leader is operations and geographic spread across the world. In the last one year your company has spread its operations to Europe, Australia and Asia Pacific apart from strengthening its sales and marketing operations in North America. Today with operations and a sales force spread across six countries in four continents your company is truly a global organization. Being a truly global company also derisks the company from geographic risks and helps us leverage its experience and talent pool across the globe to deliver superior value to its clients.

The overall IT situation across the world is improving slowly and new technologies like social mobile, cloud and analytics are driving increasing investments into software development. The increasing exposure of these software applications to consumers and the business critical nature of these applications necessitates very high quality software. Your company is well positioned to help companies deliver high quality software through its services. The current year promises to be exciting with growth in new geographies and new service offerings.

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. This year your company is aiming higher and hoping to achieve the pinnacle of the CMMI-SVC model by preparing for and undergoing an assessment for Level 5 of the CMMI model.

Your company is also ISO 27001:2005 compliant. 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 are committed to provide seamless services.

Your company is also pursuing other domain related IT security certifications like the PCI and HIPAA. These certifications will enable us to serve clients in the BFSI and Healthcare segments.

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 the consolidation is done and your company achieves a leadership position, a generous dividend policy can be adopted. Hence, the Directors regret their inability to recommend dividend for the year under review.

RESERVES

The Company proposes to transfer ₹ 803.96 lakhs to Reserves and Surplus for the financial year 2013-14.

DIRECTORS

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. With the changes in the Companies Act, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint the existing independent directors, as Independent Directors on the Board of the

Company for a term up to five consecutive years. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the Directors namely Mr. K. Ch. Subba Rao, Mr. M. Subramanian and Mr. K. Nageswara Rao for the office of Independent Directors of the Company. In the opinion of the Board, they fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.cigniti.com

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

Mr. C. Sudhakar will retire by rotation at the ensuing Annual General Meeting in terms of Section 152 and any other applicable provisions of the Companies Act, 2013 and has not opted for re-appointment.

ACQUISITION OF GALLOP SOLUTIONS

During the year the company completed the acquisition of a US based software testing services company called Gallop Solutions Inc. based in Irving, Texas, USA and Gallop Solutions Pvt. Ltd, India.

AUTHORISED SHARE CAPITAL OF THE COMPANY

The authorized capital of the company increased from ₹ 20 crores to ₹ 25 crores during the financial year 2013-14. The authorized capital of the company stands at ₹ 25,00,00,000/- divided into 2,50,00,000 equity shares of ₹10/- each.

PAID UP CAPITAL

During the financial year 2013-14, the company has allotted 7,54,211 Equity Shares for Acquisition of Gallop Solutions

Inc –USA on SWAP basis and 12,15,289 Equity Shares allotted to Promoters and others. The company's paid up capital increased from ₹ 18,84,55,000 to ₹ 20,81,50,000 and capital of the company divided into 2,08,15,000 equity shares of ₹ 10/- each.

UTILISATION OF THE PROCEEDS

During the year Company has allotted 19,69,500 equity shares of ₹ 10/- to M/s Gallop Solutions Inc – USA on swap basis and for cash to the promoters and the others. The Company could raise about ₹ 26.54 crores from the above issue and spent the same towards purposes as mentioned in the respective explanatory statements.

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 Companies. Necessary approvals from the members of the company and statutory authorities were accorded in the due course to give effect to the said schemes.

The details of the stock options granted are forming part of this report and given in a separate Annexure to this report.

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, 2014, 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 2014 and of the profit of the company for the financial year ended 31st March 2014.
- 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, 2014 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. The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint them as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

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.

INSURANCE

The Company assets are adequately insured.

EMPLOYEE PARTICULARS

Particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956 ("the Act") form part of this report. However, as per the provisions of Section 219(1)(b) (iv) of the Act, the report and accounts are being sent to the shareholders of the Company excluding the particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company for the same.

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

1. Conservation of Energy

- (a) 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, this has resulted in 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 2014-15.

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 also 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

C.V. Subramanyam
Managing Director

K. Ch. Subba Rao
Director

Place: Hyderabad
Date: 14th August, 2014

Annexure to the Director's Report

Pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, as amended, the details of stock options as on 31st March, 2014 under company's Employee Stock Option Schemes are as under:

S r. No.	Description	Esop Scheme 2011	Esop Scheme 2013
a	Options granted	1500000	1000000
b	Pricing formula	N.A	N.A
c	Options vested during the year	NIL	NIL
d	Options exercised during the year	N.A	N.A
e	Total number of shares arising as a result of exercise of options	N.A	N.A
f	Options lapsed during the year	N.A	N.A
g	Variation in terms of options	N.A	N.A
h	Money realized by exercise of options during the year	N.A	N.A
i	Total number of options in force	N.A	N.A
j	Employee wise details of options granted during the year to:	N.A	N.A
(i)	Senior managerial personnel	N.A	N.A
(ii)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	N.A	N.A
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	N.A	N.A
k	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 – Earning per share.	N.A	N.A
l	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost that shall have been recognized if it had used the fair value of the options.	N.A	N.A
m	Weighted-average exercise prices and weighted-average fair values of options, whose exercise price either equals or exceeds or is less than the market price of the stock	N.A	N.A
n	Description of the method and significant assumptions used during the year to estimate the fair values of options.	N.A	N.A

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. 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 behavior 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. As on the date of this report, the Company has 7 Directors. The meetings are Chaired by independent director. Out of Seven (7) Directors, Three (3) are Non-Executive Independent Directors. 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, 2014.
- 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 Investors Grievance Committees/Stakeholders Relationship Committee.

Composition and category of Directors on the Board for the year 2013-14 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	NIL	NIL
Mr. Sudhakar Pennam	Promoter Non Executive Director	NIL	NIL
Mr. C. Sudhakar	Promoter Non Executive Director	NIL	NIL
Mr. C Srikanth	Promoter Executive Director	NIL	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

- 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 2013 - 14 the Board of Directors met 8 times on the following dates:
16.05.2013, 29.05.2013, 03.06.2013, 05.07.2013, 19.08.2013, 28.11.2013, 13.12.2013 and 14.02.2014

- 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 16th September 2013.

Name of the Director	Number of Board Meetings attended	Attendance at last AGM
Mr. C.V. Subramanyam	8	Yes
Mr. Sudhakar Pennam	4	No
Mr. C. Sudhakar	8	Yes
Mr. C Srikanth	8	Yes
Mr. K. Ch. Subba Rao	8	Yes
Mr. K. Nageswara Rao	8	Yes
Mr. Mani Subramanian	4	No

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 16th September 2013 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:

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

- V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 30.05.2013, 14.08.2013, 15.11.2013 and 14.02.2014.

The necessary quorum was present at all the meetings.

Attendance during the year 2013-14:

Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. K. Ch. Subba Rao	4	4
Mr. C. Sudhakar	4	4
Mr. K. Nageswara Rao	4	4

4. Nomination and Remuneration Committee

The Company has constituted Nomination and 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 and Whole time 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 29th March 2014, during the period under review and all the members of the Committee were present.

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:

- To fix the remuneration packages of Executive Directors i.e., Managing Director, Whole time Directors, etc.,
- 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 have not been paid any sitting fees for the financial year 2013-14.

The details of the salary and commission paid / payable for the Financial Year ended 31st March, 2014 to the Managing / Whole-time Director is as under:

Name of the Director	Designation	Salary per annum (Rs.)	Commission
Mr. C.V. Subramanyam	Managing Director	1,20,00,000/-	NIL
Mr. C. Srikanth	Executive Director	80,00,000/-	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. Stakeholders Relationship Committee/Investors' Grievance Committee

A. Composition

Your Company has constituted a Stakeholders Relationship Committee/ 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
15th AGM 2012-13	16.09.2013	11.00 AM	"The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	<ol style="list-style-type: none"> 1. Appointment of Sri. C Srikanth as Director of the Company. 2. Appointment of Sri. C Srikanth as Executive Director of the company. 3. Voluntary Delisting of equity shares of the Company from Bangalore and Madras Stock Exchanges Limited.
14th AGM 2011-12	12.07.2012	11.00 AM	"The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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

7. Resolutions Passed through Postal Ballot:

The Company had accorded the approval of members through postal ballot for Issue of 22,10,000 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 20.03.2014.

99.51% of the shareholders voted in favour of the resolution whereas 0.49% voted against the resolution. Mr. Vivek Surana, Practicing Company Secretary was the scrutinizer for the postal ballot process.

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) Sixteenth Annual General Meeting

Date and Time : 19th September 2014, at 11.00 a.m.

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

b) Financial Year and Financial Calendar 2014-15 (Tentative Schedule)

Financial year to which the Annual General Meeting relates: 2013-14

Financial calendar: 2014-15

Adoption of Quarterly results for the Quarter ending

- 30th June, 2014 : 14th August, 2014
- 30th September, 2014 : 1st/2nd Week of November, 2014
- 31st December, 2014 : 1st/2nd Week of February, 2015
- 31st March, 2015 : on or before 30th May 2015

Annual General Meeting (Next year):
August / September, 2015

c) Book Closure Date

17th September 2014 to 19th September 2014
(both days inclusive)

d) Listing on Stock Exchanges :

BSE Ltd
Bangalore Stock Exchange Ltd
Madras Stock Exchange Ltd

e) Stock Code

- Stock Code / Symbol :
BSE 534758 / CIGNITI
- Demat ISIN number in NSDL & CDSL :
INE675C01017

Electronic Connectivity

National Securities Depository Limited

Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street, Mumbai – 400 023

f) Market Price Data

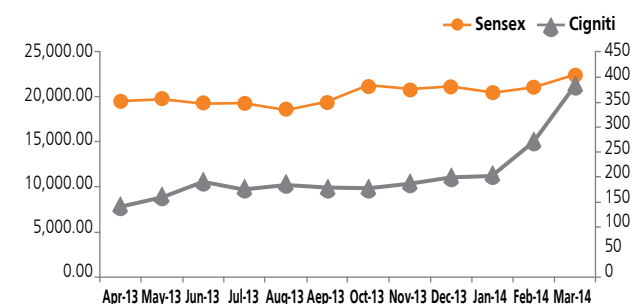
The monthly high / low prices of shares of the Company from April, 2013 to March, 2014 at Bombay Stock Exchange:

Company Name: CIGNITI

For the period: April 2013 to March 2014

Date	High (₹)	Low (₹)	No. of Shares
Apr-13	150.00	136.00	184981
May-13	161.95	137.00	328514
Jun-13	198.55	166.05	375450
Jul-13	202.50	175.95	245879

Date	High (₹)	Low (₹)	No. of Shares
Aug-13	202.00	154.00	295197
Sep-13	195.00	174.00	340978
Oct-13	194.00	171.00	546892
Nov-13	206.75	178.00	531976
Dec-13	203.95	184.50	565017
Jan-14	240.00	194.00	514975
Feb-14	271.35	200.50	535513
Mar-14	388.00	275.25	729654



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@aarthiconsultants.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 31.03.2014

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a %
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	5904039	28.36	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)	5904039	28.36	0	0
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	6045557	29.05	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)	6045557	29.05	0	0
	Total Shareholding of Promoter and Promoter Group				
	(A)=(A)(1)+(A)(2)	11949596	57.41	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

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a %
(2)	Non-Institutions				
a.	Bodies Corporate	636435	3.06	0	0
b.	Individuals				
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	1879080	9.03	0	0
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6213809	29.85	0	0
c.	Any Others :-				
	i) Non Resident Individuals	59769	0.29	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	76311	0.37	0	0
	vi) Foreign Nationals	0	0	0	0
	Sub Total (B)(2)	8865404	42.59	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	8865404	42.59	0	0
	Total (A)+(B)	20815000	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)	20815000	100.00	0	0

(B) Distribution of Shareholding as on 31.03.2014

Range (₹)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	1186	59.27	180246	0.87
5001 - 10000	196	9.8	161940	0.78
10001 - 20000	137	6.85	214635	1.03
20001 - 30000	96	4.8	243100	1.17
30001 - 40000	59	2.95	209874	1.01
40001 - 50000	70	3.5	334333	1.61
50001 - 100000	94	4.7	677374	3.25
100001 & Above	163	8.15	18793498	90.29
TOTAL	2001	100.00	20,81,5000	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 INE675C01017. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the Company are actively traded in BSE Limited, Mumbai, The Bangalore Stock Exchange, Bengaluru & Madras Stock Exchange Limited, Chennai and hence have good liquidity.

Particulars	No. of Shares	% Share Capital
NSDL	1,26,50,822	60.78
CDSL	53,33,439	25.62
PHYSICAL	28,30,739	13.60
Total	2,08,15,000	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 2013-14

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 2013-14.

Place: Hyderabad

Date: 14th August, 2014

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 2013-14 is provided elsewhere in this Annual Report.

On behalf of the Board
Cigniti Technologies Limited

C.V. Subramanyam

Managing Director

Place: Hyderabad

Date : 14th August, 2014

K. Ch. Subba Rao

Director

Certificate by the Managing Director (CEO)

I, C.V. Subramanyam, Managing Director of M/s. Cigniti Technologies Limited and also heading the financial functions of the Company hereby certify:

1. That I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2014 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 my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. That I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That I 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 : 14th August, 2014

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, 2014 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.

For **P. Murali & Co.,**
Chartered Accountants
FRN:0072575

Place : Hyderabad
Date : 14th August, 2014

P. Murali Mohana Rao
Partner
Membership No: 023142

Independent Auditor's Report on Consolidated Financial Statements

To
Board of Directors of
M/s CIGNITI TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of M/s. CIGNITI TECHNOLOGIES LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and 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 of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 did not audit the financial statements of the two subsidiaries of M/s. CIGNITI TECHNOLOGIES LIMITED, whose financial statements reflect total assets of ₹ 67,55,17,749/- as at 31st March, 2014 and total revenue of ₹ 195,50,58,939/- for the year ended on that date and these financial statements have been audited by other auditors whose reports have been furnished to us. Our opinion in so far as it relates to the said amounts included in respect of the subsidiaries is based solely on the accounts prepared and certified by them.

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 consolidated 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 Consolidated Balance Sheet, of the state of affairs of the group as at March 31, 2014;

- (b) In the case of the Consolidated Statement of Profit and Loss Account, of the profit of the group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash Flows of the group for the year ended on that date.

For **P.Murali & Co.,**
Chartered Accountants
Frn:0072575

P. Murali Mohana Rao
Partner.
Membership No. 23412

Place: Hyderabad
Date: 30th May 2014

Consolidated Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	208,150,000	188,455,000
(b) Reserves and Surplus	4	874,157,187	370,084,244
Share Application Money Received towards Preferentials Shares		41,850,000	-
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,900,000	4,240,000
(b) Deferred Tax Liabilities (Net)	6	8,181,977	7,340,007
(d) Long Term Provisions	7	9,406,320	3,014,861
(3) Current Liabilities			
(a) Short-Term Borrowings	8	252,002,968	186,331,276
(b) Trade Payables	9	129,161,662	122,165,697
(c) Other Current Liabilities	10	129,396,198	5,613,278
(d) Short-Term Provisions	11	194,781,853	100,644,027
Total		1,848,988,165	987,888,390
II. Assets			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	137,055,073	94,877,303
(ii) Intangible assets	12	548,622,298	223,427,822
(iii) Capital work-in-progress	12	99,866,463	99,866,463
(b) Long Term Loans and advances	13	187,984,490	45,966,474
(c) Other Non-Current assets	14	2,628,928	2,368,928
(d) Other Current assets	15	33,240,259	6,415,395
(2) Current Assets			
(a) Trade receivables	16	638,633,493	401,252,076
(b) Cash and Bank Balances	17	56,510,738	19,898,013
(c) Short-Term Loans and Advances	18	144,446,423	93,815,916
Total		1,848,988,165	987,888,390

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

As per our report of even date

For **P. Murali & Co.**

Firm Regn. No: 007257S

Chartered Accountants

P.Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 30th May, 2014

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam

Managing Director

K. Ch. Subba Rao

Director

A. Naga Vasudha

Company Secretary

Consolidated Profit and Loss Account for the year ended 31st March, 2014

Particulars	Note No	Year Ending 31st March, 2014	Year Ending 31st March, 2013
Revenue from Operations	19	2,590,997,733	1,508,775,710
Other Income	20	8,993,550	310,938
Total Revenue		2,599,991,283	1,509,086,648
Expenses			
Employee Benefit expenses	21	1,297,037,542	675,024,923
Other Operating Expenses	22	821,189,157	629,702,356
Administrative Expenses	23	116,991,348	116,354,396
Financial costs	24	11,940,361	3,130,949
Depreciation	11	24,335,483	15,709,888
Total Expenses		2,271,493,891	1,439,922,512
Profit Before Tax		328,497,391	69,164,136
Tax expense:			
(1) Current tax		72,206,033	19,797,579
(2) Deferred tax		841,696	(672,268)
Profit After Tax		255,449,662	50,038,825
Earning per equity share: (Refer Note No.29)			
(1) Basic		12.27	2.66
(2) Diluted		12.27	2.91

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

As per our report of even date

For **P. Murali & Co.**

Firm Regn. No: 007257S

Chartered Accountants

P.Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 30th May, 2014

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam

Managing Director

K. Ch. Subba Rao

Director

A. Naga Vasudha

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2014

₹ in Lakhs

Particulars	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary Items	3,284.98	691.64
Adjustments for:		
Depreciation	243.35	157.10
Interest expenses	119.40	31.31
Foreign Currency Translation Reserve	(231.67)	6.57
Written off Expenses	-	1.25
Operating Profit before working capital changes	3,416.06	887.87
(Increase)/Decrease in Trade Receivables	(2,373.81)	(1968.23)
(Increase)/Decrease in Short-Term Loans and Advances	(506.31)	245.80
(Increase)/Decrease in Trade Payables	69.96	377.43
(Increase)/Decrease in Other Current Liabilities	1,237.83	(320.58)
(Increase)/Decrease in Other Current Assets	(268.25)	-
(Increase)/Decrease in Other Non-Current Assets	(2.60)	-
(Increase)/Decrease in Short-Term Borrowings	656.72	-
(Increase)/Decrease in Short Term Provisions	219.32	638.95
NET CASH FLOW OPERATING ACTIVITIES	2,448.92	(138.76)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,917.08)	(1094.59)
Increase in Long term Loans & Advances	(1,420.18)	(350.27)
NET CASH USED IN INVESTING ACTIVITIES	(5,337.26)	(1,444.86)

		₹ in Lakhs
Particulars	2014	2013
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares / Share Premium	2,914.86	1270.17
Share application money against preferential allotment	418.50	-
Increase/(Decrease) in Long Term borrowings	(23.40)	670.06
Increase/(Decrease) in Long Term Liabilities	-	(279.39)
Increase/(Decrease) in Long Term provisions	63.91	13.01
Interest paid	(119.40)	(31.31)
NET CASH FLOW FROM FINANCING ACTIVITIES	3,254.47	1,642.54
NET INCREASE IN CASH AND CASH EQUIVALENTS	366.13	58.92
Cash and Cash equivalents as at (Opening Balance) 1st April, 2013	198.98	140.06
Cash and Cash equivalents as at (Closing Balance) 31st March, 2014	565.11	198.98

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam
Managing DirectorK. Ch. Subba Rao
DirectorA. Naga Vasudha
Company SecretaryPlace : Hyderabad
Date : 30th May, 2014To
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, 2014. 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 31st March, 2014 to the member of the company.

Place: Hyderabad
Date : 30th May, 2014For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants**P. Murali Mohana Rao**
Partner
M.No. 023412

Notes forming part of the Consolidated Financial Statement

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 was pm 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 Asian 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. With aggressive organic growth plans that will be augmented in three years, the Company 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. The Company also invested in building its brand name by participating in industry events and taking on speaker opportunities in testing events.

During the year the company has acquired 100% of shares in a US based software testing services company called Gallop Solutions Inc. based in Irving, Texas, USA and Gallop Solutions Pvt. Ltd, India. The company paid a combined acquisition price for both the entities of US \$ 5.5 Million. 100% ownership of Gallop Solutions Private Limited India was acquired by paying a consideration of ₹ 11,000,000 in cash. The company is acquired 100% stake in Gallop Solutions Inc, USA for a total consideration of US \$ 5.3 Million, of which US \$ 3.3 Million was be paid in cash and the balance i.e., US\$ 2 million aggregating to a sum of ₹ 11.16 Crores was settled by issue of 754,211 equity shares to the shareholders of Gallop Solutions Inc. USA at an issue price of ₹ 148 each (conversion price of dollars in to INR considered as on 29th May, 2013).

At Present the company is listed on Bombay Stock Exchange, Bangalore Stock Exchange and Madras Stock Exchange with the paid up Capital of ₹ 22.92 Crores. The Company's Registered Office is Suite No. 106 & 107, 6-3-456/C, MGR Estates, 1st Floor, Dwarakapuri Colony, Punjagutta, 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.

PRINCIPLE OF CONSOLIDATION

The Consolidated Financial Statements relates to Cigniti Technologies Limited and its wholly owned Indian subsidiary, Cigniti Software Services Private Limited (Shareholding 100%, incorporated in India) and Cigniti INC., USA (Shareholding 100% incorporated in USA), and Gallop Solutions Private Limited (Shareholding 100%, incorporated in India) and Gallop Solutions Inc., USA (Shareholding 100% incorporated in USA), have been prepared on the following basis;

- (i) The Financial statements of the company and its subsidiaries have been consolidated on line-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 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 amortized 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:

The 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) Realized 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.

NOTE No. 3 SHARE CAPITAL

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
a	Equity Share Capital		
	(i) Authorised		
	(No. of Shares 25,000,000 Current Year)	250,000,000	200,000,000
	(No. of Shares 20,000,000 Previous Year)		
		250,000,000	200,000,000
	(ii) Issued		
	(No. of Shares 20,815,000 Current Year)	208,150,000	188,455,000
	(No. of Shares 18,845,500 Previous Year)		
	(iii) Subscribed & Fully Paid Up		
	(No. of Shares 20,815,000 Current Year)	208,150,000	
	(No. of Shares 18,845,500 Previous Year)		188,455,000
	(iv) Subscribed & not fully paid up	-	-
	(v) Par Value per share ₹ 10/-		
	Total Equity Share capital	208,150,000	188,455,000
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	1,88,45,500	1,68,91,398
	Issued during the year - Swap Issue*	7,54,211	19,54,102
	Issued during the year - Cash Issue*	12,15,289	-
	At the end	2,08,15,000	188,45,500
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	18.11%	20.00%
	- No.Of Shares (C.Y) 3,769,000 (P.Y) 3,769,000		
	Chakkilam Venkata Subramanyam	12.38%	12.59%
	- No. Of Shares (C.Y) 2,576,736 (P.Y) 2,373,343		
	C. Srikanth	12.01%	13.27%
	- No.Of Shares (C.Y) 2,500,000 (P.Y) 2,500,000		
	Kumar Bapuji	9.75%	10.77%
	- No.Of Shares (C.Y) 2,029,000 (P.Y) 2,029,000		
Notes :			
d	During the year the company allotted 1,215,289 Equity Share on 12th December 2013 on preferentials Basis to promoters and other @ ₹ 10/- with a premium of ₹ 138/-		
e	As per FIPB approval letter dated 19th November, 2013, the company has allotted 754,211 equity shares of ₹ 10/- each with premium of ₹ 138/- per share to the shareholders of M/s. Gallop Solutions Inc., USA on swap basis towards part consideration acquisition of business.		

NOTE NO. 4 RESERVES AND SURPLUS

S.No. Particulars	₹	
	As on 31st March, 2014	As on 31st March, 2013
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	275,675,610	168,200,000
Add: Additions during the year	271,791,000	107,475,610
	547,466,610	275,675,610
(d) Surplus :		
(i) Opening Balance - Profit and Loss Account	90,708,973	40,670,148
Add: Transfer from Profit & Loss Account	255,449,662	50,038,825
Less: Transfer To General Reserve	-	-
Less: Goodwill Written Off	-	-
	346,158,635	90,708,973
(e) Foreign Currency Translation Reserve.	(22,958,058)	209,661
Total Reserves and Surplus	874,157,187	370,084,244

NOTE NO. 5 LONG TERM BORROWINGS

S. No. Particulars	₹	
	As on 31st March, 2014	As on 31st March, 2013
I Long Term Borrowings		
(i) Term Loans - Secured		
From Financial Institutions	1,900,000	4,240,000
	1,900,000	4,240,000
(1) 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 term loan is 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 Hypothication of Plant & Machinery / equipments existing and all other future acquisitions of fixed assets in nature		
COLLATERAL SECURITY: The above term loan is secured by way of Extension of equitable Mortgage of plots bearing Nos. 56 & 63 admeasuring 976 sq yds and 986 sq yds resoeectvly 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.		
The colleteral Security holders shall guarentee the Corporation's Medium Term Laon in their individual capacity as co-obligants		
Total Long Term Borrowings	1,900,000	4,240,000

NOTE NO. 6 DEFERRED TAX LIABILITY (NET)

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Opening Deferred tax Liability	7,340,281	8,047,275
	Add:	-	
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	2,886,204	(285,104)
	Gross Deferred tax Liability	10,226,485	7,762,171
	Provision for Gratuity	2,044,508	422,164
	Gross Deferred tax Asset	2,044,508	422,164
	Deferred Tax Liability/ (Asset) - Net	8,181,977	7,340,007

NOTE NO. 7 LONG TERM PROVISIONS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	(a) Provisions for Employee Benefits		
	- Provision for Gratuity	9,406,320	3,014,861
	Total Long Term Provisions	9,406,320	3,014,861

NOTE NO. 8 SHORT TERM BORROWINGS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Short term borrowings		
	(a) Cash Credits and Working Capital Demand Loan from Banks	209,153,000	157,603,452
	- Secured		
	Notes:		
	(i) Vehicle loan form Kotak Mahindra Bank	-	61,307
	(ii) Others	42,849,968	28,666,517
	Total Short Term Borrowings	252,002,968	186,331,276

NOTE NO. 9 TRADE PAYABLES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	(a) Trade Payables	129,161,662	122,165,697
	Total Trade Payables	129,161,662	122,165,697

NOTE NO. 10 OTHER CURRENT LIABILITIES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	(a) Current maturities of long term debt	2,160,000	5,365,421
	(b) Current maturities of Vehicle Hire Purchase obligation	52,308	134,110
	(c) Share Application Money Pending for Refund	666,000	-
	(d) Outstanding Expenses	532,620	15,956
	(e) Interest on Term Loans	52,051	97,791
	(f) Amount received towards Share Application Money	95,450,000	-
	(g) Other Current Liabilities	30,483,219	-
	Total Other Current Liabilities	129,396,198	5,613,278

NOTE NO. 11 SHORT TERM PROVISIONS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	(a) Provisions for employee benefits		
	PF Payable	852,123	334,790
	Salaries Payable	106,342,909	91,214,689
	Provision for Audit fee	56,180	60,000
	(b) Others		
	Statutory Liabilities	15,324,608	3,153,701
	Provision for Income Tax	72,206,033	5,880,847
	Total Short Term Provisions	194,781,853	100,644,027

NOTE NO. 12 CONSOLIDATED TANGIBLE & INTANGIBLE ASSETS

₹

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block		
		As on 01.04.2013	Additions during the year	Additions through Business acquisitions	Sale / Deletions during the year	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal	Total Depreciation	As on 31.03.2014	As on 31.03.2013
1	Building	25,526,560	-	-	-	25,526,560	4,528,755	852,587	-	5,381,342	20,145,218	20,997,805
2	Electrical Equipment	-	9,118,440	-	-	9,118,440	-	433,130	-	433,130	8,685,310	-
3	Air Conditioners	5,503,921	832,227	-	-	6,336,148	3,097,103	340,498	-	3,437,601	2,898,547	2,406,818
4	Interiors & Civil Works	16,382,811	13,070,864	-	-	29,453,675	9,698,039	1,657,899	-	11,355,938	18,097,737	6,684,772
5	Computers	126,231,787	31,583,986	587,559	-	158,403,332	78,511,320	18,873,980	-	97,385,300	61,018,032	47,720,467
6	Furniture	16,697,681	3,236,066	404,812	-	20,338,559	6,767,505	1,211,453	-	7,978,958	12,359,602	9,930,176
7	Vehicles	4,715,395	-	28,416	-	4,743,811	2,066,777	262,713	-	2,329,490	2,414,321	2,648,618
8	Misc. Fixed Assets	7,663,592	3,581,291	163,505	-	11,408,388	3,174,945	516,732	-	3,691,677	7,716,711	4,488,647
9	UPS	-	3,905,087	-	-	3,905,087	-	185,492	-	185,492	3,719,595	-
10	Intangible Fixed Assets	223,427,822	-	325,194,476	-	548,622,298	-	-	-	-	548,622,298	223,427,822
	Brands/ Trade Marks						-					-
	Goodwill						-					-
	Patents/Copy Rights						-					-
11	Capital Work In Progress	99,866,463	-	-	-	99,866,463	-	-	-	-	99,866,463	99,866,463
	TOTAL	526,016,032	65,327,961	326,378,768	-	917,722,761	107,844,444	24,334,483	-	132,178,927	785,543,834	418,171,588

NOTE NO. 13 LONG TERM LOANS AND ADVANCES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
	Security Deposit		
	Secured, Considered Good	1,741,819	366,100
	Unsecured, Considered Good	16,119,837	7,703,157
	Sub Total	17,861,656	8,069,257
	Less: Provision for Bad & doubtful Security Deposit	-	-
		17,861,656	8,069,257
	Secured, Considered Good		
	Advances Recoverable in Cash or in kind	170,122,834	37,897,217
	Sub Total	170,122,834	37,897,217
	Total Short Term Loans and Advances	187,984,490	45,966,474

NOTE NO. 14 OTHER NON CURRENT ASSETS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Preliminary Expenses to the extent not written off	2,628,928	2,368,928
	Total Other Assets	2,628,928	2,368,928

NOTE NO. 15 OTHER CURRENT ASSETS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
	Advance Tax Paid	15,600,000	3,000,000
	TDS Receivable	9,292,196	528,371
	Service Tax Input	8,348,063	2,887,024
	Total Other Current Assets	33,240,259	6,415,395

NOTE NO. 16 TRADE RECEIVABLES

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	Outstanding for a period exceeding six months from the date they are due for payment	159,638	
	Other Receivables:	638,473,855	401,252,076
	(Unsecured, Considered Good)	-	-
	Total Trade Receivables	638,633,493	401,252,076

NOTE NO. 17 CASH AND BANK BALANCES

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	Cash and cash equivalents :		
	(a) Balances with banks :		
	(1) On Current Accounts	50,883,347	19,814,378
	(b) Cash on hand	289,391	83,635
	Sub Total	51,172,738	19,898,013
	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	5,338,000	
	Sub Total	5,338,000	-
	Total Cash and Cash Equivalents	56,510,738	19,898,013

NOTE NO. 18 SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	₹	
		Current As on 31st March, 2014	Current As on 31st March, 2013
	Loans & Advances		
	Unsecured, Considered Good		
	Security Deposit	56,152,560	4,891,374
	Loans and Advances to Employees	975,300	-
	Prepaid Expense	698,973	5,919,820
	Loans Receivable	68,474,110	1,442,000
	Advances Recoverable in Cash or in kind	18,145,480	81,562,722
	Total Short Term Loans and Advances	144,446,423	93,815,916

NOTE NO. 19 REVENUE FROM OPERATIONS

		₹	
S. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I	Revenue from operations		
	Sale of Services		
	Domestic	81,262,827	4,632,731
	Exports	2,509,734,906	1,504,142,979
	Total Revenue from Operations	2,590,997,733	1,508,775,710

NOTE NO. 20 OTHER INCOME

		₹	
S. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Net Gain on Foreign Currency Transactions	2,593,550	310,938
	Other non-operating income	6,400,000	-
	Total Other Income	8,993,550	310,938

NOTE NO. 21 EMPLOYEE BENEFIT EXPENSES

		₹	
S. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I	(a) Employees Cost	1,228,305,072	656,183,978
	(b) Employee benefits & Welfare	49,532,470	7,590,945
	(c) Managerial Remuneration	19,200,000	11,250,000
	Total Employee Benefit Expenses	1,297,037,542	675,024,923

NOTE NO. 22 OTHER OPERATING EXPENSES

		₹	
S. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I	(a) Cost of goods sold	435,096,379	422,240,874
	(b) Admin & Non Delevary Salaries	185,835,863	22,759,203
	(c) Power & Fuel	8,493,128	6,054,357
	(d) Rent	35,179,972	19,561,176
	(e) Repairs to Maintenance	2,944,399	2,566,754
	(f) Insurance	20,863,994	20,166,369
	(g) Rates & Taxes (excluding Income Tax)	132,775,422	135,746,255
	(i)Miscellaneous Expenditure	-	607,368
	Total Other Expenses	821,189,157	629,702,356

NOTE NO. 23 ADMINSTRATIVE EXPENSES

		₹	
S. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I	(a) Telephone, Postage and Others	12,265,540	8,009,602
	(b) Business Promotion Expenses	12,990,735	12,741,246
	(c) Travelling & Conveyance	54,741,197	41,529,708
	(d) Office Maintenance	24,581,418	47,624,827
	(e) Printing & Stationery Expenses	11,661,369	5,248,406
	(f) General Expenses	229,262	364,943
	(j) Web Development Expenses	400,646	680,644
	(h) Miscellaneous Expenses Written Off	65,000	125,020
	(i) Auditors Remuneration		
	As Auditor	28,090	20,000
	For Taxation Matters	28,090	10,000
	Total Administrative Expenses	116,991,348	116,354,396

NOTE NO. 24 FINANCE COST

		₹	
S. No.	Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I	(a) Interest Expenses		
	- Interest on Working Capital Loan	10,394,458	3,096,470
	- Interest Other	182,588	34,479
	- Financial Expenses	1,363,315	-
	Total Finance Cost	11,940,361	3,130,949

25. 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.

26. Dues to Micro & Small Enterprises

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31st March, 2014.

27. 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	₹	
	31st March, 2014	31st March, 2013
Gratuity	6,301,459	3,014,861

28. Related Party Transaction

During the financial year 2013-14 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
7	Mr. C. Srikanth	Whole-time Director
8	Cigniti INC, USA	100% Wholly Owned Subsidiary
9	Cigniti Software Services Pvt. Ltd	100% Wholly Owned Subsidiary
10	Gallop Solutions Inc., USA	100% Wholly Owned Subsidiary
11	Gallop Solutions Pvt. Ltd	100% Wholly Owned Subsidiary

(b) Related Parties Transactions:

Particulars	Nature of Relationship	Nature of Transaction	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Mr. C.V. Subramanyam	Managing Director	Remuneration	12,000,000	11,250,000
Mr. C. Srikanth	Whole-time Director	Remuneration	7,200,000	–

29. Foreign Currency Outflow

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

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2014
Foreign Travel	20,282,298	2,746,237
Others	20,457,034	604,075

30. Foreign Currency Inflow

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

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2014
Revenue	2,509,734,906	1,504,142,979

31. Earnings Per Share

Calculation of EPS

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2014
Profit after tax during the year (₹)	2,554,499,662	50,038,825
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	2,554,499,662	50,038,825
Weighted Average Number of Shares taken for Computation of EPS	20,815,000	17,169,791
Earning per Share		
- Basic	12.27	2.66
- Diluted	12.27	2.62
Face Value of the Share	10.00	10.00

32. Confirmation of Closing Balances

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

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

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

As per our report of even date
For **P. Murali & Co.**
Firm Regn. No: 007257S
Chartered Accountants

P.Murali Mohana Rao
Partner
M.No. 023412
Place : Hyderabad
Date : 30th May, 2014

For CIGNITI TECHNOLOGIES LIMITED
C.V. Subramanyam **K. Ch. Subba Rao**
Managing Director Director

A. Naga Vasudha
Company Secretary

Independent Auditor's Report

To the Members of
M/s. CIGNITI TECHNOLOGIES LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. CIGNITI TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies Act 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- (b) In the case of the Statement of Profit and Loss, 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.
- 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.
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956

("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies Act 2013.

- e) On the basis of written representations received from the directors as on March 31 st 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, st 2014, 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
Frn:0072575

P. Murali Mohana Rao
Partner.
Membership No. 23412

Place: Hyderabad
Date : 30th May, 2014

Annexure to Auditor's Report

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed of any major fixed assets.
- II. 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 U/s.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 is 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 & other parties listed in the register U/s.301 of the Companies Act, 1956, hence overdue amount of more than rupees one lakh 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 & 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 is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and payment for expenses and sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 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) As per information & explanations given to us, apart from above there is no other 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 covered under section 58A and 58AA of the Companies Act, 1956.
- VII. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the 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 and any other statutory dues with the appropriate authorities and at the last of financial year there were no amounts outstanding which were due for more than six months from the date they became payable.
- (b) According to the information given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax and any other statutory dues as at the end of the period, for a period more than six months from the date they are disputed.
- X. The Company has been registered for a period of not less than 5 years, and the Company does not have any accumulated loss at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- XI. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution.
- XII. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

XIV. According to 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 guarantees for loan taken by others from a bank or financial institution.

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

XVII. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.

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

XX. According to the information and explanations given to us, The Company has not raised any money by public issue 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. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **P.Murali & Co.,**
Chartered Accountants
Frn:0072575

P. Murali Mohana Rao
Partner.
Membership No. 23412

Place: Hyderabad
Date : 30th May, 2014

Balance Sheet as at 31st March, 2014

Particulars	Note No	As on 31st March, 2014	As on 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	208,150,000	188,455,000
(b) Reserves and Surplus	4	675,870,577	323,683,820
(2) Share Application Money against Preferential Allotment		41,850,000	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,900,000	4,301,307
(b) Deferred Tax Liabilities (Net)	6	8,181,429	7,339,733
(c) Long Term Provisions	7	9,316,320	3,014,861
(4) Current Liabilities			
(a) Short Term Borrowings	8	14,610,204	-
(b) Trade Payables	9	28,071,357	3,721,865
(c) Other Current Liabilities	10	98,912,979	3,695,753
(d) Short-Term Provisions	11	69,015,531	19,248,846
Total		1,155,878,397	553,461,185
II. Assets			
(1) Non-Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		110,628,401	62,429,835
(ii) Capital work-in-progress		35,116,610	35,116,610
(b) Non-current investments	13	531,311,626	226,200,000
(c) Long Term Loans and advances	14	100,953,545	43,038,514
(d) Other Non-Current assets	15	260,000	-
(e) Other Current assets	16	25,294,063	6,415,395
(2) Current assets			
(a) Trade receivables	17	225,107,026	93,297,879
(b) Cash and Bank Balances	18	41,865,562	15,157,866
(c) Short-Term Loans and Advances	19	85,341,564	71,805,086
Total		1,155,878,397	553,461,185

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

As per our report of even date

For **P. Murali & Co.**

Firm Regn. No: 0072575

Chartered Accountants

P.Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 30th May, 2014

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam

Managing Director

K. Ch. Subba Rao

Director

A. Naga Vasudha

Company Secretary

Profit and Loss Statement for the year ended 31st March, 2014

Particulars	Note No	Year Ending 31st March, 2014	Year Ending 31st March, 2013
Revenue from Operations	20	555,212,080	235,674,820
Other Income	21	1,086,082	111,467
Total Revenue		556,298,162	235,786,287
Expenses			
Employee Benefit expenses	22	249,303,720	104,865,222
Other Operating Expenses	23	111,898,330	72,685,759
Administrative Expenses	24	57,768,031	25,767,585
Financial costs	25	1,425,770	1,901,724
Depreciation and amortization expense	12	16,933,522	13,606,160
Total Expenses		437,329,373	218,826,450
Profit Before Tax		118,968,789	16,959,837
Tax Expenses			
(1) Current tax		37,731,336	5,880,847
(2) Deferred tax		841,696	(672,268)
Profit After Tax		80,395,757	11,751,258
Earning per equity share:			
(1) Basic		3.86	0.62
(2) Diluted		3.86	1.12

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

As per our report of even date

For **P. Murali & Co.**

Firm Regn. No: 007257S

Chartered Accountants

P.Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 30th May, 2014

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam

Managing Director

K. Ch. Subba Rao

Director

A. Naga Vasudha

Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

₹ in Lakhs

Particulars	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary Items	1,189.69	169.60
Adjustments for:		
Depreciation	169.34	136.06
Interest expenses	7.97	17.87
Written off Expenses	0.65	1.16
Operating Profit before working capital changes	1367.65	324.69
Trade Receivables	(1,318.09)	(653.90)
Increase in Short-Term Loans and Advances	(135.36)	(181.34)
Increase in Trade payables	243.49	23.18
Increase in Other Current Liabilities	952.17	(274.28)
Increase in other current assets	(188.79)	-
Increase in other non current assets	(3.25)	-
Increase in Short Term provisions	120.35	27.37
NET CASH FLOW OPERATING ACTIVITIES	1,038.18	(734.28)
B. CASH FLOW FROM OPERATING ACTIVITIES:		
Purchase of Fixed Assets	(651.321)	(156.17)
Increase in Long term Loans & Advances	(579.150)	(219.84)
Investment in Subsidiaries	(3,051.116)	-

		₹ in Lakhs
Particulars	2014	2013
NET CASH USED IN INVESTING ACTIVITIES	(4,281.59)	(376.01)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital/Share Premium	2,914.86	1270.17
Share application money against preferential allotment	418.50	-
Increase/(Decrease) in Long Term borrowings	122.09	(104.65)
Increase/(Decrease) in Long Term provisions	63.01	13.01
Interest paid	(7.97)	(17.87)
NET CASH FLOW FROM FINANCING ACTIVITIES	3,510.49	1,160.66
NET INCREASE IN CASH AND CASH EQUIVALENTS	267.077	50.37
Cash and Cash equivalents as at (Opening Balance) 01-04-2013	151.57	101.20
Cash and Cash equivalents as at (Closing Balance) 31st March, 2014	418.65	151.57

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam
Managing Director

K. Ch. Subba Rao
Director

A. Naga Vasudha
Company Secretary

Place : Hyderabad
Date : 30th May, 2014

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, 2014. 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 31st March, 2014 to the member of the company.

Place : Hyderabad
Date : 30th May, 2014

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

P.Murali Mohana Rao
Partner
M.No. 023412

Notes forming part of the Financial Statement

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 Asian 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. With aggressive organic growth plans that will be augmented in three years, the Company 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. The Company also invested in building its brand

name by participating in industry events and taking on speaker opportunities in testing events.

During the year the company has acquired 100% of shares in a US based software testing services company called Gallop Solutions Inc. based in Irving, Texas, USA and Gallop Solutions Pvt. Ltd, India. The company paid a combined acquisition price for both the entities of US \$ 5.5 Million. 100% ownership of Gallop Solutions Private Limited India was acquired by paying a consideration of ₹ 11,000,000 in cash. The company is acquired 100% stake in Gallop Solutions Inc, USA for a total consideration of US \$ 5.3 Million, of which US \$ 3.3 Million was be paid in cash and the balance i.e., US\$ 2 million aggregating to a sum of ₹ 11.16 Crores was settled by issue of 754,211 equity shares to the shareholders of Gallop Solutions Inc. USA at an issue price of ₹ 148 each (conversion price of dollars in to INR considered as on 29th May, 2013).

At Present the company is listed on Bombay Stock Exchange, Bangalore Stock Exchange and Madras Stock Exchange with the paid up Capital of ₹ 22.92 Crores. The Company's Registered Office is Suite No. 106 & 107, 6-3-456/C, MGR Estates, 1st Floor, Dwarakapuri Colony, Punjagutta, 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.

PRINCIPLE OF CONSOLIDATION:

The Consolidated Financial Statements relates to Cigniti Technologies Limited and its wholly owned Indian subsidiary, Cigniti Software Services Private Limited (Shareholding 100%, incorporated in India) and Cigniti INC., USA (Shareholding 100% incorporated in USA), and Gallop Solutions Private Limited (Shareholding 100%, incorporated in India) and Gallop Solutions Inc., USA (Shareholding 100% incorporated in USA), have been prepared on the following basis;

- (i) The Financial statements of the company and its subsidiaries have been consolidated on line-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 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 amortized 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:

The 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) Realized 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.

NOTE No. 3 SHARE CAPITAL

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
a	Equity Share Capital		
	(i) Authorised		
	(No. of Shares 2,50,00,000 Current Year)	250,000,000	
	(No. of Shares 2,00,00,000 Previous Year)		200,000,000
		250,000,000	200,000,000
	(ii) Issued		
	(No. of Shares 2,08,15,000 Current Year)	208,150,000	
	(No. of Shares 1,88,45,500 Previous Year)		188,455,000
	(iii) Subscribed & Fully Paid Up		
	(No. of Shares 2,08,15,000 Current Year)	208,150,000	
	(No. of Shares 1,88,45,500 Previous Year)		188,455,000
	(iv) Subscribed & not fully paid up	-	-
	(v) Par Value per share ₹ 10/-	-	-
	Total Equity Share capital	208,150,000	188,455,000
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	18,845,500	16,891,398
	Issued during the year - Swap Issue*	754,211	1,954,102
	Issued during the year - Cash Issue*	1,215,289	-
	At the end	20,815,000	18,845,500
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	18.11%	20.00%
	- No.Of Shares (C.Y) 3769000 (P.Y) 3769000		
	Chakkilam Venkata Subramanyam	12.38%	12.59%
	- No. Of Shares (C.Y) 2576736 (P.Y) 2373343		
	C. Srikanth	12.01%	13.27%
	- No.Of Shares (C.Y) 2500000 (P.Y) 2500000		
	Kumar Bapuji	9.75%	10.77%
	- No.Of Shares (C.Y) 2029000 (P.Y) 2029000		
	Notes :		
d	During the year the company allotted 12,15,289 Equity Share on 12th December 2013 on preferentials Basis to promoters and other @ ₹10/- with a premium of ₹ 138/-		

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
e	As per FIPB approval letter dated 19th November, 2013, the Company has allotted 754,211 equity shares of ₹ 10/- each with premium of ₹ 138/- per share to the shareholders of M/s. Gallop Solutions Inc., USA on swap basis towards part consideration acquisition of business.		

NOTE NO. 4 RESERVES AND SURPLUS

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
	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	275,675,610	168,200,000
	Add: Additions during the year	271,791,000	107,475,610
		547,466,610	275,675,610
(d)	Surplus:		
(i)	Opening Balance - Profit and Loss Account	44,518,210	32,766,952
	Add: Transfer from Profit & Loss Account	80,395,757	11,751,258
		124,913,967	44,518,210
	Total Reserves and Surplus	675,870,577	323,683,820

NOTE NO. 5 LONG TERM BORROWINGS

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	Long Term Borrowings		
	i) Term Loans - Secured		
	From Financial Institutions	1,900,000	4,240,000
	Vehicle Loan from Kotak Mahindra bank	-	61,307
		1,900,000	4,301,307
	ii) Un Secured Loans		
	From Others	-	-
	Total	1,900,000	4,301,307

NOTES: TERM LOANS FROM FINANCIAL INSTITUTIONS

1. 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.
2. PRIMARY SECURITY: The above term loan 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, and measuring 4450 sft at MGR Estate, Dwarakapuri Colony, Panjagutta, Hyderabad together with undivided share of land and measuring 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.
3. COLLATERAL SECURITY: The above term loan is secured by way of Extension of equitable Mortgage of plots bearing Nos. 56 & 63 and measuring 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.
4. The collateral Security holders shall guarantee the Corporation's Medium Term Loan in their individual capacity as co-obligants.

NOTE NO. 6 DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	Opening Deferred Tax Liability	7,339,733	8,012,001
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	2,886,204	(250,104)
	Gross Deferred Tax Liability	10,225,937	7,761,897
	Opening Deferred Tax Asset	-	-
	Provision for Gratuity	2,044,508	422,164
	Gross Deferred tax Asset	2,044,508	422,164
	Deferred Tax Liability/ (Asset) - Net	8,181,429	7,339,733

NOTE NO. 7 LONG TERM PROVISIONS

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	a) Provisions for Employee Benefits		
	- Provision for Gratuity	9,316,320	3,014,861
	Total Long Term Provisions	9,316,320	3,014,861

NOTE NO. 8 SHORT TERM BORROWINGS

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	(a) Loans & Advances from Related Parties	9,737,874	-
	(b) Other Current Liabilities	4,872,330	-
	Total Trade Payables	14,610,204	-

NOTE NO. 9 TRADE PAYABLES

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	(a) Trade Payables	28,071,357	3,721,865
	Total Trade Payables	28,071,357	3,721,865

NOTE NO. 10 OTHER CURRENT LIABILITIES

S. No.	Particulars	₹	
		As on 31st March, 2014	As on 31st March, 2013
I	(a) Current maturities of long term debt	2,160,000	3,447,896
	(b) Current maturities of Vehicle Hire Purchase obligation	52,308	134,110
	(c) Application money pending for Refund	666,000	-
	(d) Outstanding Expenses	532,620	15,956
	(e) Interest on Term Loans	52,051	97,791
	(f) Amount Received towards Share Application Money	95,450,000	-
	Total Other Current Liabilities	98,912,979	3,695,753

NOTE NO. 11 SHORT TERM PROVISIONS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	a) Provisions for employee benefits		
	PF Payable	852,123	334,790
	Salaries Payable	23,904,284	10,303,189
	Provision for Audit fee	56,180	30,000
	b) Others		
	Statutory Liabilities	6,471,608	2,700,020
	Provision for Income Tax	37,731,336	5,880,847
	Total Short Term Provisions	69,015,531	19,248,846

NOTE NO. 12 TANGIBLE ASSETS

										₹	
Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	Sale / Deletions during the year	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal	Total Depreciation		
1	Building	25,526,560	-	-	25,526,560	4,528,755	852,587	-	5,381,342	20,145,218	20,997,805
2	Electrical Equipment		9,118,440	-	9,118,440	-	433,130	-	433,130	8,685,310	-
3	Airconditioners	5,503,921	832,227	-	6,336,148	3,097,103	340,498	-	3,437,601	2,898,547	2,406,818
4	Interiors & Civil Works	16,382,811	13,070,864	-	29,453,675	9,698,039	1,657,899	-	11,355,938	18,097,737	6,684,772
5	Computers	95,865,041	31,388,113	-	127,253,154	78,083,237	11,712,236	-	89,795,473	37,457,681	17,781,804
6	Furniture	16,661,063	3,236,066	-	19,897,129	6,765,857	1,208,361	-	7,974,218	11,922,911	9,895,206
7	Vehicles	494,880	-	-	494,880	78,063	47,014	-	125,077	369,803	416,817
8	Misc. Fixed Assets	7,416,816	3,581,291		10,998,107	3,170,203	496,305		3,666,508	7,331,599	4,246,613
9	UPS		3,905,087		3,905,087		185,492		185,492	3,719,595	-
10	Capital Work In Progress	35,116,610	-	-	35,116,610	-	-	-	-	35,116,610	35,116,610
	TOTAL	202,967,702	65,132,088	-	268,099,790	105,421,257	16,933,522	-	122,354,779	145,745,011	97,546,445
	Previous Year	187,350,913	15,616,789		202,967,702	91,815,096	13,606,160		105,421,256	97,546,446	95,535,817

NOTE NO. 13 NON-CURRENT INVESTMENTS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
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
	Gallop Solutions Inc (100% of holding)	294,111,626	-
	Gallop Solutions Private Limited (100% of holding)	11,000,000	-
	Total Non-Current Investments	531,311,626	226,200,000

NOTE NO. 14 LONG TERM LOANS AND ADVANCES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Security Deposit		
	Secured, Considered Good	366,100	366,100
	Unsecured, Considered Good	15,947,037	7,808,157
	Sub Total	16,313,137	8,174,257
	Secured, Considered Good		
	Loans & Advances to related parties	56,281,938	10,552,565
	Advances Recoverable in Cash or in kind	28,358,470	24,311,692
	Total Long term Deposits, Loans and Advances	100,953,545	43,038,514

NOTE NO. 15 OTHER NON CURRENT ASSETS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Preliminary Expenses to the extent not written off	260,000	-
	Total Other Assets	260,000	-

NOTE NO. 16 OTHER CURRENT ASSETS

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
	Advance Tax Paid	15,600,000	3,000,000
	TDS Receivable	1,346,000	528,371
	Service Tax Input	8,348,063	2,887,024
	Total Other Current Assets	25,294,063	6,415,395

NOTE NO. 17 TRADE RECEIVABLES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Outstanding for a period exceeding six months from the date they are due for payment	-	-
II	Other Receivables:		
	Unsecured, Considered Good	225,107,026	93,297,879
	Total Trade Receivables	225,107,026	93,297,879

NOTE NO. 18 CASH AND BANK BALANCES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
I	Cash and cash equivalents:		
	(a) Balances with banks:		
	On Current Accounts	41,612,464	15,080,976
	(b) Cash on hand	253,098	76,890
	Total Cash and Cash Equivalents	41,865,562	15,157,866

NOTE NO. 19 SHORT TERM LOANS AND ADVANCES

		₹	
S. No.	Particulars	As on 31st March, 2014	As on 31st March, 2013
	Loans & Advances		
	Unsecured, Considered Good		
	Advances Recoverable in Cash or in Kind	85,341,564	71,805,086
	Total Short Term Loans and Advances	85,341,564	71,805,086

NOTE NO. 20 REVENUE FROM OPERATIONS

		₹	
S. No.	Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
I	Revenue from operations		
	Sale of Services		
	Domestic	18,255,333	4,632,731
	Export	536,956,747	231,042,089
	Total Revenue from Operations	555,212,080	235,674,820

NOTE NO. 21 OTHER INCOME

		₹	
S. No.	Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
I	Net gain on Foreign Currency Transactions	1,086,082	111,467
	Total Other Income	1,086,082	111,467

NOTE NO. 22 EMPLOYEE BENEFIT EXPENSES

		₹	
S. No.	Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
I	(a) Salaries & Wages	185,909,556	87,681,121
	(b) Contribution to Provident Fund & Others	44,194,164	5,934,101
	(c) Managerial Remuneration	19,200,000	11,250,000
	Total Employee Benefit Expenses	249,303,720	104,865,222

NOTE NO. 23 OTHER OPERATING EXPENSES

		₹	
S. No.	Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
I	(a) Admin & Non-delivery Salaries	61,125,779	39,562,821
	(a) Power & Fuel	7,894,719	5,738,128
	(b) Rent	24,921,053	15,009,972
	(c) Professional & Consultancy	12,474,726	7,867,879
	(d) Rates & Taxes (excluding Income Tax)	3,299,903	2,493,055
	(e) CAD Expenses	2,182,150	2,013,904
	Total Other Expenses	111,898,330	72,685,759

NOTE NO. 24 ADMINISTRATIVE EXPENSES

		₹	
S. No.	Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
I	(a) Telephone, Postage and Others	4,083,733	2,645,001
	(b) Business Promotion Expenses	8,782,210	7,316,351
	(c) Travelling & Conveyance	25,317,030	4,751,272
	(d) Office Maintenance	16,652,968	9,093,890
	(e) Printing & Stationery Expenses	2,581,648	1,449,560
	(f) General Expenses	229,262	364,943
	(g) Miscellaneous Expenses Written Off	65,000	116,568
	(h) Payment to Auditors:		
	(i) As Auditor	28,090	20,000
	(ii) For Taxation Matters	28,090	10,000
	Total Administrative Expenses	57,768,031	25,767,585

NOTE NO. 25 FINANCE COST

		₹	
S. No.	Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
I	(a) Interest Expenses		
	(i) Interest on WCTL	779,520	1,752,549
	(ii) Interest on Car Loan	17,930	34,479
	(iii) Finance Charges	628,320	114,696
	Total Finance Cost	1,425,770	1,901,724

26. MANAGERIAL REMUNERATION

The Key Management personnel Remuneration comprises of Managing Director and Whole-time Director. Particulars of Remuneration and other benefits provided to Key Management personnel is given below:

		₹	
Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013	
Remuneration	19,200,000	11,250,000	
Perquisites & Allowances	NIL	NIL	

27. AUDITOR'S REMUNERATION

		₹	
Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013	
Statutory Audit Fees	28,090	20,000	
Tax Audit Fees	28,090	10,000	

28. 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.

29. RELATED PARTY TRANSACTION

During the financial year 2013-14 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
7	Mr. C. Srikanth	Whole-time Director
8	Cigniti INC, USA	100% Wholly Owned Subsidiary
9	Cigniti Software Services Pvt. Ltd	100% Wholly Owned Subsidiary
10	Gallop Solutions Inc., USA	100% Wholly Owned Subsidiary
11	Gallop Solutions Pvt. Ltd	100% Wholly Owned Subsidiary

(b) Related Parties Transactions:

Particulars	Nature of Relationship	Nature of Transaction	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Mr. C.V. Subramanyam	Managing Director	Remuneration	12,000,000	11,250,000
Mr. C. Srikanth	Whole-time Director	Remuneration	7,200,000	—

30. FOREIGN CURRENCY OUTFLOW

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

Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
Foreign Travel	20,282,298	2,746,237
Others	20,457,034	604,075

31. FOREIGN CURRENCY INFLOW

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

Particulars	Year Ending 31st March, 2014	Year Ending 31st March, 2013
Revenue	536,956,747	231,042,089

32. 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	₹	
	Year Ending 31st March, 2014	Year Ending 31st March, 2013
Gratuity	6,301,459	3,014,861

33. EARNINGS PER SHARE (EPS) (AS-20)

Calculation of EPS

Particulars	₹	
	Year Ending 31st March, 2014	Year Ending 31st March, 2013
Profit after tax during the year (₹)	80,395,757	11,751,258
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	80,395,757	11,751,258
Weighted Average Number of Shares taken for Computation of EPS	20,815,000	17,169,791
Earning per Share		
- Basic	3.86	0.61
- Diluted	3.86	0.61
Face Value of the Share	10.00	10.00

34. SEGMENT REPORTING

Segment Reporting is not applicable to the Company

35. INTRA BRANCH TRANSACTION

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

36. DUES TO MICRO & SMALL ENTERPRISES

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31st March, 2014

37. CONFIRMATION OF CLOSING BALANCES

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

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

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

As per our report of even date

For **P. Murali & Co.**

Firm Regn. No: 007257S

Chartered Accountants

P.Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

Date : 30th May, 2014

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam

Managing Director

K. Ch. Subba Rao

Director

A. Naga Vasudha

Company Secretary

Corporate Information

Board of Directors

Mr. C.V. Subramanyam	: Managing Director (DIN: 00071378)
Mr. Sudhakar Pennam	: Director (DIN: 05350817)
Mr. C. Sudhakar	: Director (DIN: 00071342)
Mr. C. Srikanth	: Executive Director (DIN: 06441390)
Mr. K. Ch. Subba Rao	: Director (DIN: 01685123)
Mr. Mani Subramanian	: Director (DIN: 00608214)
Mr. K. Nageswara Rao	: Director (DIN: 02754936)

Corporate Identification Number

L72200TG1998PLC030081

Registered Office

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

Global Delivery Center

6th Floor, ORION Block,
"The V" (Ascendas), Plot No# 17,
Software Units Layout,
Madhapur, Hyderabad – 500 081,
Telangana State.
Tel: (040) 40382255
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,
Telangana State.

Company Secretary & Compliance Officer

A. Naga Vasudha

Registrars & Share Transfer Agents

M/s. Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad-500 029,
Telangana State.
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.

Email & Website

info@cigniti.com & www.cigniti.com



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NOTICE

16th Annual General Meeting
Friday the 19th September 2014

CIGNITI TECHNOLOGIES LIMITED

Suit No. 106 & 107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Punjagutta, Hyderabad – 500 082. Telangana State
Tel: (040) 4038 2255, Fax: (040) 3070 2299, Website: www.cigniti.com Email: info@cigniti.com

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held on **Friday the 19th September 2014** 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 Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31 March, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Mr. C Srikanth, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. C Sudhakar, who retires by rotation.
4. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company for a term of three years up to the conclusion of 19th Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. K. Ch. Subba Rao** (DIN - **01685123**), a non-executive independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. Mani Subramanian** (DIN - **00608214**), a non-executive independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. K. Nageswara Rao** (DIN - **02754936**), a non-executive independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019."

8. Amendment of Articles of Association of the Company

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

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

- a) In definition clause of Article 2 the following definition be inserted:

2(q) 'Electronic mode' means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- i. business to business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, education and information research; and all related data communication services;
- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.

- b) A new Article 56A is being inserted after Article 56 which is as under:

“56A. Maintenance of registers and records in electronic mode

Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made thereunder.”

- c) A new Article 93A is being inserted under Article 93 which is as under:

“93A Voting by members through electronic mode

A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies Act, 2013 and rules made thereunder and shall be eligible to vote only once for a single resolution.”

- d) A new article 118A is being inserted after Article 118 which is as under:

“118A. Participation in Meeting of the Board by Directors through electronic mode

Notwithstanding anything contained herein, the Director(s) may participate in the meeting(s) of the Board or any committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by competent/statutory authority(ies).”

- e) Amendment of Article.120 (1) – Chairman

After conclusion of the existing text in Article 120(1), the following words shall be inserted

“An individual shall be appointed or re-appointed as Chairperson of the Company as well as the Managing Director or Chief Executive officer of the Company at the same time or vice versa regardless of the Company whether operates in multiple segments of business or not.”

- f) A new Clause 174(4) is being inserted under Article 174 which is as under:

“174(4). Service of documents through electronic mode

Notwithstanding anything contained in these Articles and as per Sections 20 & 134 of the Companies Act, 2013 read with rules made thereunder, a Company may serve copies of the Balance sheet, Statement of Profit and loss, Auditors’ Report, Directors’ Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules.”

- g) A new Article 188 is being inserted after Article 187 which is as under:

188. “General Clause – Overriding effect of Companies Act, 2013”

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these Articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of Companies Act,

2013 and rules made thereunder shall override the provisions of these existing Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

9. Issue of Equity Shares on Preferential Basis to the Promoters and the Others:

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

“RESOLVED THAT in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with BSE Limited, Stock Exchanges - Bangalore and Madras where the Company’s shares are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009, as may be applicable to the preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more trenches up to 43,25,000 Equity shares of Rs.10/- each to the promoters and the others (whose names shall be recorded by the company in the manner set out in Sec

42(7) of the Companies Act, 2013 read with the respective Rules) in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations 2009 (including any amendments thereto or re-enactment thereof) or other provisions of Law as may be prevailing at the time, provided that the price (inclusive of premium) of the equity shares so issued shall not be less than the minimum price to be arrived or Arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the pricing of the Equity Shares to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the 'Relevant Date.' The "relevant date" for the purpose of pricing of equity shares is 20.08.2014 i.e., thirty days prior to the date on which this General meeting is held in terms of section 42 and section 62 1(c) of the Companies Act,2013"(AGM to be held on 19.09.2014).

"RESOLVED THAT the new equity shares issued shall rank pari-passu with the existing Equity Shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares."

"RESOLVED FURTHER THAT the aforesaid equity shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment thereto from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the Issue of equity shares, if necessary, keeping in view the provisions of various Acts and Guidelines in force from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue

as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of equity shares and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Company does apply for listing of the new equity shares and does make an application to the Depositories for admission of the new equity shares."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

10 . EMPLOYEE STOCK OPTION SCHEME – 2014:

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and Listing Agreement entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration / Compensation Committee of the Board) approval of the members be and

is hereby accorded to the Board/Committee of Directors to grant, offer and issue, in one or more tranches, to such permanent employees (including joining employees) of the Company whether working in India or out of India and Directors of the company whether whole-time Directors or otherwise (hereinafter collectively referred as the "Employees") who are eligible to participate as per the Guidelines and as may be decided by the Board/Committee, under a plan titled **"CTL- ESOP Scheme 2014"** (hereinafter referred to as "the Scheme") the salient features of which are detailed in the explanatory statement, such number of options which could rise to the issue of equity shares of the Company not exceeding 5,00,000 equity shares at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the ESOP Guidelines or any other applicable provisions as may be prevailing at that time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modification(s), change(s), variation(s), alternation(s) or revision(s) in the terms and conditions of Scheme from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan."

"RESOLVED FURTHER THAT any new equity shares to be issued and allotted as aforesaid shall Rank pari-passu inter se with the then existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT in case Cigniti Technologies Limited's equity share capital or its valuation is affected due to any corporate action like issue of bonus shares/rights issue, stock split, merger, restructuring or any such event happening subsequent to the grant of option, the Board / Compensation Committee shall have the discretion to make appropriate amendments to the scheme, including changes in the number of options, the Exercise Price or floating a new Scheme / extending the applications of the existing scheme or any other fair and just mechanism including acceleration of Option, if deemed necessary, in accordance with Law, as deems fit, while striving to ensure that the rights of the employees are not adversely affected".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under the Scheme on the Stock Exchanges where the shares of the Company are listed as per the provisions of the Listing Agreement with the Stock Exchange concerned, the Guidelines and other applicable laws and regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

11. GRANT OF OPTIONS TO THE EMPLOYEES OF SUBSIDIARY AND STEP DOWN SUBSIDIARY COMPANY UNDER EMPLOYEE STOCK OPTIONS SCHEME – 2014:

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Compensation Committee of the Board)

approval of the members be and is hereby accorded to the Board/Committee of Directors to extend the benefits of the "**CTL- ESOP Scheme 2014**" referred to in the resolution under item No.10 in this Notice and duly passed at this meeting, also to such permanent employees (including joining employees) of the subsidiary companies including step down subsidiary companies whether working in India or out of India and Directors of the company whether whole-time Directors or otherwise, as may be decided by the Board and / or Committee or such other persons, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions as may be decided by the Board".

"RESOLVED FURTHER THAT in case Cigniti Technologies Limited's equity share capital or its valuation is affected due to any corporate action like issue of bonus shares/rights issue, stock split, merger, restructuring or any such event happening subsequent to the Grant of option, the Board / Compensation Committee shall have the discretion to make appropriate amendments to the scheme, including changes in the number of options, the Exercise Price or floating a new Scheme / extending the applications of the existing scheme or any other fair and just mechanism including acceleration of Option, if deemed necessary, in accordance with Law, as deems fit, while striving to ensure that the rights of the employees are not adversely affected".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

12. ALLOTMENT OF EQUITY SHARES EXCEEDING 1% OF THE PAID UP CAPITAL OF THE COMPANY UNDER ESOP SCHEME – 2014:

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Compensation Committee of the Board) approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue of options or equity shares equal to or exceeding 1% of the paid up capital including outstanding warrants and conversions) of the Company, in one or more tranches, the benefits of the Employees Stock Option Scheme-2014 referred to in the Resolutions under item nos. 10 and 11 in this notice and duly passed at this meeting, to such key permanent employees (including joining employees) of the Company as may be identified by the Compensation Committee for their outstanding performance / contribution at the time of grant of options whether working in India or out of India and Directors of the company whether whole-time Directors or otherwise (hereinafter collectively as the "Employees") who are eligible to participate as per SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, Options exercisable by the Employees under a plan titled "**CTL- ESOP Scheme 2014**", as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions as may be decided by the Board (hereinafter referred to as "the scheme") the salient features of which are detailed in the explanatory statement.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient

or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

13. Remuneration of Shri. C.V.Subramanyam (DIN NO. 00071378) and redesignating him as Chairman & Managing Director of the company:

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

"RESOLVED THAT, in modification of the Resolution No.6 passed by the shareholders at the Annual general meeting held on July 12, 2012 and pursuant to the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under, the consent of the shareholders of the Company be and is hereby accorded to the Board to redesignate Shri. C.V.Subramanyam (DIN No. 00071378) as Chairman & Managing Director and to fix, alter or vary from time to time the remuneration payable to Shri. C.V.Subramanyam (DIN No. 00071378) in such manner as it may deem fit including doubling the limits (without the approval of the Central Government) as prescribed under Schedule V of the Companies Act, 2013 including any Statutory modifications(s) in force or that may hereinafter be made thereto by the Central Government as may be agreed by the Board of Directors and Shri. C.V.Subramanyam (DIN No. 00071378)."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. C.V.Subramanyam (DIN No. 00071378) as Chairman & Managing Director, the remuneration, perquisites and other allowances, if any fixed by the Board of Directors shall be governed by the limits prescribed in Schedule V to the Act."

14. Remuneration of Shri. C.Srikanth (DIN NO. 06441390), Whole-time Director of the company:

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

"RESOLVED THAT, in modification of the Resolution No.5 & 6 passed by the shareholders at the Annual general meeting held on September 16, 2013 for appointment & payment of remuneration to Shri. C.Srikanth (DIN No. 06441390) and pursuant to the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under, the consent of the shareholders of the Company be and is hereby accorded to the Board to fix, alter or vary from time to time the remuneration payable to Shri. C.Srikanth (DIN No. 06441390) Whole-time Director in such manner as it may deem fit including doubling the limits (without the approval of the Central Government) as prescribed under Schedule V of the Companies Act, 2013 including any Statutory modifications(s) in force or that may hereinafter be made thereto by the Central Government as may be agreed by the Board of Directors and Shri. C. Srikanth (DIN No. 06441390)."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. C.Srikanth (DIN No. 06441390) as Whole-time Director, the remuneration, perquisites and other allowances, if any fixed by the Board of Directors shall be governed by the limits prescribed in Schedule V to the Act."

On behalf of the Board

Cigniti Technologies Limited

C.V. Subramanyam
Managing Director

Place : Hyderabad
Date : 14.08.2014

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2014 to 19th September, 2014 (both days inclusive).
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of up to five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 5 to 7.
5. The relevant details of Directors seeking appointment / re-appointment under item no. 5, 6 and 7 of this Notice are provided in the Annual Report.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members

who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form' available on the website of the Company www.cigniti.com to M/s. Aarthi Consultants Private Limited / Investor Service Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 16.09.2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may vote physically in the Annual General Meeting and approach the Company for copy of Annual Report. The e-voting period will commence at 9.00 a.m. on 13.09.2014 and will end at 6.00 p.m. on 15.09.2014. The Company has appointed Mr. Vivek Surana, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting

for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- ii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- iii) The voting period begins on 13.09.2014 at 9.00 A.M. and ends on 15.09.2014 at 6.00.P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- v). The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of

the Company as on the cut-off date (record date) of 22.08.2014 for e voting purpose.

- vi). Mr. Vivek Surana, Practicing Company Secretary, C.P. No. 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vii). The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- viii). The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.cigniti.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- ix). Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22.08.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- 9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and the Certificate from the Auditors of the Company certifying that the, 'CIGNITI Stock Option Plan 2011' and 'Stock Option Plan 2013' are being implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, will be available for inspection at the AGM.
- 10. Members holding shares in demat form are hereby informed that bank particulars registered with their

respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

11. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Aarthi Consultants Private Limited / Investor Service Department of the Company immediately.
12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Aarthi Consultants Private Limited / Investor Service Department of the Company.
13. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

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. 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 and a certificate program in M&A from Wharton.
Experience	:	He has 6 years of experience in running the marketing department of Cigniti and played a key role in repositioning the company after he took over the Marketing function. He also runs the Rest of the World business unit that consists of operations in UK, APAC and Australia for Cigniti. The three key reasons the Board has appointed Mr. C. Srikanth as Executive Director are his relevant qualifications, experience and his performance over the last six years in repositioning the company and playing a key role in making Cigniti the 3 rd largest Independent Testing Services company in the world.
Other Directorships	:	Aasaanpay Solutions India Private Limited Tvarita Captial Private Limited
Number of Shares held in the Company	:	25,00,000 Shares

2.	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	:	50,000

3.	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

4.	Name	:	Sri. Mani Subramanian
	Age	:	46Yrs
	Qualifications	:	Bachelors in Electronics and Telecom Engineering, from IETE and Masters in Information Systems from BITS, Pilani.
	Experience	:	25 Yrs
	Other Directorships	:	Nil
	Number of Shares held in the Company	:	Nil

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item Nos: 5-7:

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. K. Ch. Subba Rao, Mr. Mani Subramanian and Mr. K Nageswara Rao, Independent Directors were appointed as independent Directors by the Members of the Company. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint them, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 01.04.2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.cigniti.com

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors, Mr. K. Ch. Subba Rao, Mr. Mani Subramanian and Mr. K Nageswara Rao for their respective appointments, are

concerned or interested, financially or otherwise, in these Resolutions. The Board commends the Ordinary Resolutions as set out at item no. 5 to 7 for approval of the Members.

Item No.8

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new Articles/ clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the Articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

Item No.9:

The special resolution as mentioned under item 9 proposes to authorize the Board of Directors to issue and allot up to 43,25,000 equity shares to promoters and others in such manner and on such terms of conditions as prescribed under SEBI (ICDR) Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014.

The Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to is as stated below:

(I) Object of the Issue through preferential Allotment:

To mobilize funds for current/future expansion plans/ activities directly of the Company, working capital and general

corporate purposes including acquisition of companies both in India and Abroad to achieve inorganic growth and to position the company in a global map at high level.

(II) Pricing of the Issue and Relevant Date:

The equity shares will be issued at such a price (including premium) not lower than the minimum price as stipulated in Chapter VII of SEBI (ICDR) Regulations (Regulation 76) i.e., the higher of the following:

- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during the 6 months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during the 2 weeks preceding the relevant date.

"Relevant Date" in relation to the issue of equity shares in accordance with the SEBI (ICDR) Regulations, would be 20.08.2014 being the date 30 days prior to the date of annual general meeting where the proposed preferential issue is being considered for approval of the members.

A Certificate will be obtained from the Statutory Auditors / Practicing Company Secretary confirming the minimum price for the preferential issue as per Preferential Issue Guidelines in Chapter VII of SEBI (ICDR) Regulations, 2009 along with the calculation thereof and the same will be made available for inspection at the Registered Office of the Company.

(III) The proposal of the promoters, or their associates and relatives, Directors/key managerial persons of the issuer to subscribe to the offer:

The proposed allottees would fall under Promoter and Public categories as mentioned under point No.(IV). The said allottees propose to subscribe for the above said equity shares. Out of the total issue of 43,25,000 equity shares, the promoters or their associates and relatives, Directors/ key managerial persons of the company are subscribing to the extent of 18,00,000 Equity shares and the balance will be given to the public category. The requirement of issue of securities on preferential basis is necessitated to fulfill the objects as mentioned in point No.1.

(IV). Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control; the proposed allottees and percentage or pre and post preferential issue capital that may be held by them:

List of proposed allottees: All the proposed allottees as furnished in the table are the ultimate beneficial owners of the shares.

Sl. No	Name of the proposed allottee and ultimate beneficial owner	Pre issue holding		Equity shares proposed to be allotted	Post issue holding	
		Shares	% of shares		Shares	% of shares
	PROMOTER CATEGORY (A)					
1	C.V.Subramanyam	28,18,036	12.29%	12,00,000	40,18,036	14.75%
2	P.Sudhakar	2,47,557	1.08%	6,00,000	8,47,557	3.11%
	SUB TOTAL (A)			18,00,000		
	NON-PROMOTER CATEGORY (B)					
3	C.Padmaja	-	-	5,00,000	5,00,000	1.84%
4	Vikas Kumar Bangad	-	-	2,50,000	2,50,000	0.92%
5	Anuradha Bangad	8,641	0.04%	2,50,000	2,58,641	0.95%
6	Usha Devi Bangad	6,171	0.03%	2,50,000	2,56,171	0.94%
7	Vijay Kumar Bangad	5,245	0.02%	2,50,000	2,55,245	0.94%
8	Manju Devi Sharma	31,442	0.14%	1,50,000	1,81,442	0.67%
9	A. Naga Deepthi	50,000	0.22%	1,25,000	1,75,000	0.64%
10	Sheetal Sharma	24,500	0.11%	1,00,000	1,24,500	0.46%
11	Sweatha Sharma			1,00,000	1,00,000	0.37%
12	Sarika Sharma	25,270	0.11%	1,00,000	1,25,270	0.46%
13	Abhishek Sharma	20,000	0.09%	1,00,000	1,20,000	0.44%
14	S.Sarveswar Reddy	37,345	0.16%	60,000	97,345	0.36%
15	Gyan Kumar Gupta (HUF)	-	-	50,000	50,000	0.18%
16	Venkata Subbarao Pallemati	3,000	0.01%	50,000	50,000	0.18%
17	Naveen Pallemati	-	-	60,000	60,000	0.22%
18	Nagendramma Pallemati	-	-	50,000	50,000	0.18%
19	Nagabhushanam Pallematti	-	-	50,000	50,000	0.18%
20	Shaik Omar Amodi	-	-	10,000	10,000	0.04%
21	Kumar Chiranjeevi Vankata Kalya Vasireddy	-	-	10,000	10,000	0.04%
22	Ravi Krishna Gadiraju	-	-	10,000	10,000	0.04%
	SUB TOTAL (B)			25,25,000		
	GRAND TOTAL (A+B)			43,25,000		

* Note: Ultimate Beneficial Owners for proposed allottee no.15 Gyan Kumar Gupta (HUF)

1. Gyan Kumar Gupta (Karta)
2. Prema Bai (Wife - Member)
3. Jitesh Kumar Agarwal (Son - Member)
4. Divesh Kumar Agarwal (Son - Member)
5. Manish Kumar Agarwal (Son - Member)

(V) Shareholding pattern before and after preferential issue of the capital would be as follows:

Sl. No.	CATEGORY	Pre issue holding details		Post issue holding details	
		No. of shares	% of shares	No. of shares	% of Shares
A	Promoter Share Holding				
1	Indian Promoters	64,45,339	28.12	76,45,339	28.06
2	Foreign Promoters	60,45,557	26.38	66,45,557	24.39
	Sub-Total (A)	1,24,90,896	54.50	1,42,90,896	52.45
B	Public Share holding				
1	Institutions	-	-	-	-
2	Non-Institutions				
(i)	Bodies Corporate	6,58,795	2.87	6,58,795	2.42
(ii)	Individuals	96,63,927	42.16	1,21,88,927	44.74
(iii)	NRIs	56,364	0.25	56,364	0.21
(iv)	Clearing Members	51,263	0.22	51,263	0.19
C	Any Others:	-	-	-	-
	Sub-Total (B)	1,04,30,349	45.50	1,29,55,349	47.55
	Grand Total (A+B)	2,29,21,245	100.00	2,72,46,245	100.00

(VI) Proposed time within which the allotment shall be completed:

The allotment of equity shares shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

(VII) Approvals:

The Company will take necessary steps to obtain the required approvals from the Stock Exchanges, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares.

(VIII) SEBI Takeover code:

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchanges.

(IX) Holding of shares in demat form, non disposal of shares by the proposed allottees and lock-in period of shares:

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

(X) Lock -in Period:

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchanges where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

(XI) Auditor Certificate:

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of equity shares is being made in accordance with the SEBI (ICDR) Regulations, 2009 will be/is obtained and the same will be made available for inspection at the Registered Office of the Company on any working day.

(XII) Control:

As a result of the proposed preferential allotment of equity shares, there will be no change in the composition of the Board of Directors and control of the Company.

(XIII) Undertakings:

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

(XIV) Compliances:

The company has complied with the requirement of listing agreement including clause 40A i.e., maintaining a minimum of 25% of the paid up capital in the hands of the public.

(XV) Approval under the Companies Act:

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting / Postal Ballot by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the Listing Agreement with the Stock Exchanges for authorizing the Board to offer, issue and allot equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

Except the Directors, Mr. C.V.Subramanyam, Mr. C. Srikanth, Mr. C. Sudhakar and Mr. P. Sudhakar, none of the other Directors, key managerial personnel and their relatives are concerned or interested in the above said resolution.

Item Nos. 10, 11 & 12:

ESOP scheme and grant of options to the employees of subsidiary and step down subsidiary company under Employee Stock Options Scheme – 2014

The main objectives of this scheme is to give employees who are performing well, a certain minimum opportunity to gain from the Company's performance, thereby acting as a retention tool and to attract best talent available in the market. The Employees Stock Option Scheme 2014 (the Scheme) will be administered by the Nomination & Remuneration Committee/ Compensation Committee of the Board or the Board in terms of the Employee Stock Option Guidelines.

A Special Resolution are also proposed for issuing/granting of options to the employees of the subsidiary and step down subsidiary to Cigniti Technologies Limited and also exceed 1% of the paid up capital of the company. The Board / Compensation Committee will formulate inter alia the detailed terms and conditions of the Scheme including:

The tranches within which the options are to be granted in accordance with the Eligibility Criteria.

The terms and conditions subject to which the options granted would vest in the respective employees.

The terms and conditions subject to which the options vested would be exercised by the employees. The right of the employees to Exercise all the options vested in him at one time or at various points of time within the Exercise Period; Conditions under which the options vested in the employees may lapse.

The procedure for making fair and reasonable adjustment to the number and options and exercise price in case of any corporate actions, such as rights issues, bonus issues, merger, sale of division and others.

In this regard following shall be taken into consideration by the Board / compensation committee:

1. The number and the price of options shall be adjusted in a manner such that total value of the options remains the same after the corporate action. For this purpose global best practice in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
2. The Vesting Period and the life of the options shall be left unaltered as far as possible to protect the rights of the Option holders.
3. The procedure for cashless exercise of options, if any.
4. Framing appropriate procedure for granting, vesting and exercising of options.
5. Obtaining permission from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all rules and SEBI ESOP Guidelines applicable to the "CTL- ESOP-2014"; framing suitable policies and systems to ensure that there is no

violation by any person of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any statutory modifications and re-enactments thereof.

SALIENT FEATURES OF CIGNITI TECHNOLOGIES LIMITED EMPLOYEES STOCK OPTION SCHEME – 2014:

(a). The total number of options to be granted:-

The total number of options that may in the aggregate, be granted shall be up to 5,00,000 options that shall be converted into 5,00,000 fully paid up equity shares of the face value Rs.10/- each of the Company. Any vested option(s) that lapse due to non-exercise or unvested option(s) that do not vest due to any reasons whatsoever would be available for re-grant at a future date.

(b). Identification of classes of employees entitled to participate in CTL- ESOP Scheme 2014

Persons who are "permanent employees" of the Company, subsidiary company and step down subsidiary company including joining employees, as defined in the ESOP Guidelines (including any statutory modification(s) or enactment of the Act or the Guidelines for the time being in force), and as may be decided by the ESOP Compensation Committee, from time to time will be entitled to participate in the Scheme based on annual appraisal process.

An employee who is a promoter or belongs to the promoter group and a Director who either by himself or through his relative or through anybody corporate, directly or indirectly holds more than 10 % of the outstanding equity shares of the company shall not be eligible to participate in the ESOP scheme.

The options granted under the scheme shall not be renounced, transferred, pledged, hypothecated, mortgaged or otherwise alienated, other than the manner specified in the Scheme.

(c). Requirement of vesting, period of vesting including maximum period within which options shall be vested:

- i). Continuation of employment is the requirement for vesting of Options.
- ii). There shall be a minimum period of one year between the grant of options and vesting of options.
- iii). Vesting of options will commence after a period of 1 year from the date of grant, and may extend up to 5 years from the date of grant.
- iv). The vesting may occur in tranches, subject to the terms and conditions of vesting, as may be stipulated by the ESOP Compensation Committee, in its discretion, and which will include performance appraisal of the employee and achievement of other performance milestones.

(d) Exercise price or pricing formula:

The exercise price for the purpose of grant of options shall be the price as defined in the SEBI Guidelines/Regulations on the date of grant of options or the price equal to the closing price of the equity shares a day prior to the date of the meeting of the Board of Directors or Nomination & Remuneration Committee / Compensation Committee, in which the options are granted, on the Stock Exchanges where the equity shares of the company are listed and traded with highest trading volume on the said date or such other price as decided by the ESOP Nomination & Remuneration Committee / compensation committee which shall not be less than the face value of the equity share of the company.

(e) Exercise Period and the process of Exercise:

The Exercise Period has been defined in the **CTL- ESOP Scheme 2014** as the period of 4 years from the date of vesting of the options, within which period the Option Grantee should exercise the options vested in him. The options will be exercisable by the option grantee(s) by a written application to the Company to exercise the options in such manner and on execution of such documents, as may be prescribed by the compensation committee from time to time.

(f) Appraisal process of determining the eligibility of employees to the ESOP, 2014:

The Company has a formal performance appraisal system

established wherein the performance of the employee is assessed each year on the basis of various parameters. The appraisal process is reviewed at regular intervals. In determining the number of options to be granted, the Nomination and Remuneration Committee / Compensation Committee consider the following:

1. Performance of the employee
2. Position, seniority and responsibilities of the employee
3. Nature & value of the eligible employee's services & accomplishments, whether direct or indirect, to the company.
4. The employee's present and potential contribution to the success of the company or its Subsidiary or Holding Company.
5. Gap in compensation package as per market, if any.
6. Such other factors as the compensation committee may deem relevant

(g) Maximum number of options to be issued per employees and in the aggregate:

- i) The maximum number of options granted to Eligible Employees will depend upon the Rank / designation of the employee as on the date of grant of options.
- ii) The ESOP Committee shall decide on the number of options to be granted to each Employee within the limit.

(h) Accounting Policies:

The company will conform to the accounting policies specified in Clause 13.1 of the ESOP Guidelines and/or such other guidelines as may be applicable from time to time.

(i) Method of Valuation:

The Company shall use the intrinsic value method prescribed under the ESOP Guidelines to value its options. In case the company calculates the employees compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Director's Report and also the impact of this difference on profits and on EPS of the company shall be

disclosed in the Director's Report. The Company shall disclose in its Directors' Report, the difference between the employee compensation cost computed using the intrinsic method of valuation of options and the employee compensation cost that shall have been recognized if it had used the fair value of the options and also the impact of this difference on profits and the EPS (Earning Per Share) of the Company.

Resolution in terms of Clause 6.3(b) of the ESOS Guidelines

Clause 6.3(b) of the ESOS Guidelines require the approval of the shareholders by way of a separate resolution for the grant of equity shares to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of allotment of equity shares and also for allotment of shares to the employees of subsidiary and step down subsidiary company.

Approval of shareholders by way of separate resolution is being sought as the Company proposes to allot to the key/top level employees more than 1% of the outstanding issued capital in any year. The rationale for grant of more than 1% to the employees will be decided by the Board or Nomination & Remuneration Committee / Compensation Committee.

The **CTL- ESOP Scheme 2014** seeks to reward the employees who do not currently propose to take or have adequate remuneration as per the industry standards from the Company and has expressed their willingness to be compensated for their efforts by the issue of equity shares.

Your Directors recommend the resolutions as set out in Item Nos. 10, 11 and 12 for the approval of the members as Special Resolutions.

None of the Directors, key managerial personnel and their relatives are concerned or interested in the above said resolution.

Item No.13:

At the Annual General Meeting of the Company held on 12th July, 2012, the shareholders of the Company approved the increase in remuneration to Shri. C.V.Subramanyam (DIN No. 00071378) Managing Director to Rs.10,00,000/- per month including perquisites and other entitlements.

Having regard to the knowledge, experience of Shri. C.V.Subramanyam (DIN No. 00071378) and the responsibilities shouldered on him, considering the recommendations of Nomination & Remuneration committee, the Board accorded its approval at the meeting held on 14th August, 2014 subject to the approval of shareholders of the Company by way of special resolution, to redesignate him as Chairman & Managing Director and to revise the salary payable to Shri C.V.Subramanyam (DIN No. 00071378) with in the maximum limit of managerial remuneration (without the approval of the Central Government) including doubling the limits as prescribed under Section 197 read with Schedule V to the Companies Act, 2013 till the expiry of his respective tenure. The Nomination & Remuneration committee had approved the remuneration payable to Shri C.V.Subramanyam (DIN No. 00071378) by passing the necessary resolution in its meeting held on 14th August, 2014 in terms of Schedule V to the Companies Act, 2013.

It is therefore, proposed that the remuneration to Shri C.V.Subramanyam (DIN No. 00071378) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013, be approved by the shareholders of the company at the forthcoming Annual General Meeting, in modification to the earlier resolutions passed by the shareholders of the Company in this regard.

The Board of Directors recommends the passing of the above resolution as a Special Resolution.

Except the Directors, Mr. C.V.Subramanyam, Mr. C. Srikanth, and Mr. C. Sudhakar, none of the other Directors, key managerial personnel and their relatives are concerned or interested in the above said resolution.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1	Nature of Industry : Software Development (IT and IT enabled services)																		
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1999-2000.																		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable																		
4	Financial performance based on given indications (A). Net Profit or loss under section 198 of the Companies Act, 2013 on consolidated basis <table> <tr> <th>Particulars</th><th>01.04.2013 to 31.03.2014 (Amt in Rs)</th><th>01.04.2012 to 31.03.2013 (Amt in Rs)</th><th>01.04.2011 to 31.03.2012 (Amt in Rs)</th></tr> <tr> <td>Turnover</td><td>259,09,97,733</td><td>150,90,86,648</td><td>33,83,97,947</td></tr> <tr> <td>Net profit as computed under Section 198</td><td>32,84,97,391</td><td>6,91,64,136</td><td>1,78,46,329</td></tr> <tr> <td>Net profit / loss as per profit and loss account</td><td>25,54,49,002</td><td>5,00,38,825</td><td>11805,432</td></tr> </table>			Particulars	01.04.2013 to 31.03.2014 (Amt in Rs)	01.04.2012 to 31.03.2013 (Amt in Rs)	01.04.2011 to 31.03.2012 (Amt in Rs)	Turnover	259,09,97,733	150,90,86,648	33,83,97,947	Net profit as computed under Section 198	32,84,97,391	6,91,64,136	1,78,46,329	Net profit / loss as per profit and loss account	25,54,49,002	5,00,38,825	11805,432
Particulars	01.04.2013 to 31.03.2014 (Amt in Rs)	01.04.2012 to 31.03.2013 (Amt in Rs)	01.04.2011 to 31.03.2012 (Amt in Rs)																
Turnover	259,09,97,733	150,90,86,648	33,83,97,947																
Net profit as computed under Section 198	32,84,97,391	6,91,64,136	1,78,46,329																
Net profit / loss as per profit and loss account	25,54,49,002	5,00,38,825	11805,432																
	(B). Net Profit or loss under section 198 of the Companies Act, 2013 on Standalone basis <table> <tr> <th>Particulars</th><th>01.04.2013 to 31.03.2014 (Amt in Rs)</th><th>01.04.2012 to 31.03.2013 (Amt in Rs)</th><th>01.04.2011 to 31.03.2012 (Amt in Rs)</th></tr> <tr> <td>Turnover</td><td>55,62,98,162</td><td>23,56,74,820</td><td>10,23,88,645</td></tr> <tr> <td>Net profit as computed under Section 198</td><td>11,89,68,789</td><td>1,69,59,837</td><td>56,47,233</td></tr> <tr> <td>Net profit / loss as per profit and loss account</td><td>8,03,95,757</td><td>1,17,51,258</td><td>39,02,236</td></tr> </table>			Particulars	01.04.2013 to 31.03.2014 (Amt in Rs)	01.04.2012 to 31.03.2013 (Amt in Rs)	01.04.2011 to 31.03.2012 (Amt in Rs)	Turnover	55,62,98,162	23,56,74,820	10,23,88,645	Net profit as computed under Section 198	11,89,68,789	1,69,59,837	56,47,233	Net profit / loss as per profit and loss account	8,03,95,757	1,17,51,258	39,02,236
Particulars	01.04.2013 to 31.03.2014 (Amt in Rs)	01.04.2012 to 31.03.2013 (Amt in Rs)	01.04.2011 to 31.03.2012 (Amt in Rs)																
Turnover	55,62,98,162	23,56,74,820	10,23,88,645																
Net profit as computed under Section 198	11,89,68,789	1,69,59,837	56,47,233																
Net profit / loss as per profit and loss account	8,03,95,757	1,17,51,258	39,02,236																
5	Export performance and net foreign exchange collaborations: Cigniti Technologies Limited has expanded its US operations by expanding its sales team in the US and continues to expand its sales, business development, solution engineering and marketing teams. The acquisition of Cigniti Inc., has also provided access to large enterprises served by Cigniti Inc. and created opportunities for the company to up sell and cross-sell different services across existing clients.																		

II. INFORMATION ABOUT THE APPOINTEE:

1.	Background Details: Sri. C.V. Subramanyam holds a Bachelor in Commerce and Law and Post Graduate Diploma in Business Management. In 1998, he founded Cigniti Technologies Limited as an IT services company providing IT solutions. He successfully took the company public in 2004. Under his strategic direction, the company repositioned itself as an Independent Testing Services company in 2008 and since then grown multifold to emerge as India's largest Independent Testing Services company.
2.	Past Remuneration: The remuneration drawn by Shri.C.V.Subramanyam, Managing Director is Rs.10,40,000/- per month and Rs.1,20,00,000/- per annum in the year 2012-13 and 2013-14.
3.	Recognition or awards : Not Applicable
4.	<p>Job Profile and his suitability: Shri. C.V. Subramanyam – Chairman & Managing Director of the Company heads the supervisory board of Cigniti Technologies Limited and focuses on strategic direction, corporate planning, corporate governance and regulatory aspects of running a publicly listed company. His primary focus is creating shareholder value by ensuring various parts of the organization are adding value to stakeholders like clients, employees, partners, industry and society.</p> <p>In 2008, Sri. C.V. Subramanyam was instrumental in putting together a world class executive management team and successfully repositioning the company as an Independent Software Testing services company. Cigniti has grown to become one of the world's premier Independent Software Testing services company and aims to become the world's largest and most respected independent testing services company by 2015.</p>
5.	<p>Remuneration proposed</p> <p>As set out in the resolution for the item No.13 i.e. with in the limits prescribed under schedule V of the Companies Act, 2013.</p>
6.	<p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</p> <p>Taking into consideration of the size of the Company, the profile of Sri.C.V.Subramanyam and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p>
7.	<p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any</p> <p>Beside, the remuneration proposed, he is holding 28,18,036 Equity Shares of the Company.</p>

III. OTHER INFORMATION:

1.	Reasons for inadequate profits or negative effective capital: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2.	Steps taken or proposed to be taken for improvement: Relevant efforts are being made to increase the clientele both in India and abroad who in turn contribute for the growth of the business as well as the profitability.
3.	Expected increase in productivity and profit in measurable terms: The company achieved a Consolidated turnover of Rs. 259.359 Crores - Net profits of Rs. 25.545 Crores and Standalone Turnover of Rs.55.63 Crores - Net profits of Rs.8.040 Crores for the year 2013-14.

Item No.14:

At the Annual General Meeting of the Company held on 16th September, 2013, the shareholders of the Company approved the remuneration to Shri. C.Srikanth (DIN No. **06441390**) Wholtime Director at Rs.10,00,000/- per month including perquisites and other entitlements.

Having regard to the knowledge, experience of Shri. C. Srikanth (DIN No. **06441390**) and the responsibilities shouldered on him, considering the recommendations of Nomination & Remuneration committee, the Board accorded its approval at the meeting held on 14th August, 2014 subject to the approval of shareholders of the Company by way of special resolution, to revise the salary payable to Shri. C.Srikanth (DIN No. **06441390**) with in the maximum limit of managerial remuneration (without the approval of the Central Government) including for doubling the limits as prescribed under Section 197 read with Schedule V to the Companies Act, 2013 till the expiry of his respective tenure. The Nomination & Remuneration committee had approved the remuneration payable to Shri. C.Srikanth (DIN No. **06441390**) by passing the necessary resolution in its meeting held on 14th August, 2014 in terms of Schedule V to the Companies Act, 2013.

It is therefore, proposed that the remuneration to Shri. C. Srikanth (DIN No. **06441390**) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013, be approved by the shareholders of the company at the forthcoming Annual General Meeting, in modification to the earlier resolutions passed by the shareholders of the Company in this regard.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1	Nature of Industry : Software Development (IT and IT enabled services)			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1999-2000.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	(A). Net Profit or loss under section 198 of the Companies Act, 2013 on consolidated basis			
	Particulars	01.04.2013 to 31.03.2014 (Amt in Rs)	01.04.2012 to 31.03.2013 (Amt in Rs)	01.04.2011 to 31.03.2012 (Amt in Rs)
	Turnover	259,09,97,733	150,90,86,648	33,83,97,947
	Net profit as computed under Section 198	32,84,97,391	6,91,64,136	1,78,46,329
	Net profit / loss as per profit and loss account	25,54,49,002	5,00,38,825	11805,432
	Amount of dividend paid (including dividend tax)	-	-	-
	(B). Net Profit or loss under section 198 of the Companies Act, 2013 on Standalone basis			
	Particulars	01.04.2013 to 31.03.2014 (Amt in Rs)	01.04.2012 to 31.03.2013 (Amt in Rs)	01.04.2011 to 31.03.2012 (Amt in Rs)
	Turnover	55,62,98,162	23,56,74,820	10,23,88,645
	Net profit as computed under Section 198	11,89,68,789	1,69,59,837	56,47,233
	Net profit / loss as per profit and loss account	8,03,95,757	1,17,51,258	39,02,236
	Amount of dividend paid (including dividend tax)	-	-	-

- Export performance and net foreign exchange collaborations : Cigniti Technologies Limited has expanded its US operations by expanding its sales team in the US and continues to expand its sales, business development, solution engineering and marketing teams. The acquisition of Cigniti Inc., has also provided access to large enterprises served by Cigniti Inc. and created opportunities for the company to up sell and cross-sell different services across existing clients.

II. INFORMATION ABOUT THE APPOINTEE:

- Background Details:** 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. 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.
- Past Remuneration:** The remuneration drawn by Shri. C. Srikanth, Whole-time Director is Rs.80,00,000/- per annum in the year 2013-14.
- Recognition or awards : **Not Applicable**
- Job Profile and his suitability:** He has 6 years of experience in running the marketing department of Cigniti and played a key role in repositioning the company after he took over the Marketing function. He also runs the Rest of the World business unit that consists of operations in UK, APAC and Australia for Cigniti.
- Remuneration proposed**
As set out in the resolution for the item No.14 i.e. with in the limits prescribed under Schedule V of the Companies Act, 2013.
- Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Taking into consideration of the size of the Company, the profile of Sri. C. Srikanth and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
- Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Beside, the remuneration proposed, he is holding 25,00,000 Equity Shares of the Company.

III. OTHER INFORMATION:

1.	Reasons for inadequate profits or negative effective capital: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2.	Steps taken or proposed to be taken for improvement: Relevant efforts are being made to increase the clientele both in India and abroad who in turn contribute for the growth of the business as well as the profitability.
3.	Expected increase in productivity and profit in measurable terms: The company achieved a Consolidated turnover of Rs. 259.359 Crores - Net profits of Rs. 25.545 Crores and Standalone Turnover of Rs.55.63 Crores - Net profits of Rs.8.040 Crores for the year 2013-14.

The Board of Directors recommends the passing of the above resolution as a Special Resolution.

Except the Directors, Mr. C. Srikanth, Mr. C.V.Subramanyam and Mr. C. Sudhakar, none of the other Directors, key managerial personnel and their relatives are concerned or interested in the above said resolution.

For and on behalf of the Board
For Cigniti Technologies Limited

Place : Hyderabad
Date : 14.08.2014

C.V. Subramanyam
Managing Director

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L72200TG1998PLC030081
Name of the company : Cigniti Technologies Limited
Registered office : Suit No.106&107,6-3-456/C,
MGR Estates, Dwarakapuri Colony
Panjagutta, Hyderabad,
Telangana – 500082

Name of the member(s) :

Registered Address :

E-mail Id :

Folio No./Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature:, or failing him

2. Name :

Address :

E-mail Id :

Signature:, or failing him

3. Name :

Address :

E-mail Id :

Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the company, to be held on Friday 19th day of September, 2014 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 in respect of such resolutions as are indicated below:

Resolution Nos.

1. Approval of financial statements and the reports thereon for the year ended 31.03.2014.
2. Appointment of Mr. C Srikanth as Director.
3. Retirement of Mr. C Sudhakar as Director
4. Appointment of statutory auditors and fixation of their remuneration.
5. Appointment of Mr. K. Ch. Subba Rao as Independent Director.
6. Appointment of Mr. Mani Subramanian as Independent Director.
7. Appointment of Mr. K. Nageswara Rao as Independent Director.
8. Alteration of Articles of Association.

9. Issue of Equity Shares on Preferential Basis to the Promoters and the Others.

10. Employee Stock Option Scheme – 2014

11. Grant of options to the employees of subsidiary and step down subsidiary company under employee stock options scheme – 2014

12. Allotment of equity shares exceeding 1% of the paid up capital of the company under ESOP Scheme – 2014

13. Remuneration and change of designation of Shri. C.V.Subramanyam (DIN NO. 00071378), Managing Director of the company

14. Remuneration of Shri. C. Srikanth (DIN NO. 06441390), Whole-time Director of the company

Signed this day of..... 2014

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CIGNITI TECHNOLOGIES LIMITED

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

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 16th Annual General Meeting of the Company to be held on Friday 19th September, 2014 at 11.00 a.m. "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081.



Shareholders/Proxy's Signature _____ Shareholders/Proxy's full name _____ Folio No. / Client ID _____ No. of shares held _____
(In block letters)

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

Note: Please read the instructions printed under the Note no. 8 to the Notice dated 14.08.2014 of the 16th Annual General Meeting.

