


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Cigniti Technologies Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation Whether appeared first time...../ repetitive...../ since how long period.....	N.A
5.	To be signed by	
	• CEO/Managing Director	<p>For Cigniti Technologies Limited</p> <p><i>C.V. Subbarao</i> Managing Director</p>
	• CFO	<p>(As on 31.03.2015, no CFO has been appointed. However appointed w.e.f June 8th, 2015</p>
	• Auditor of the company	<p>For P. Murali & Co., Chartered Accountants</p> <p><i>P. Murali</i> Partner</p>
	• Audit Committee Chairman	<p><i>Keshava Subbarao</i></p> 

Cigniti Technologies Ltd

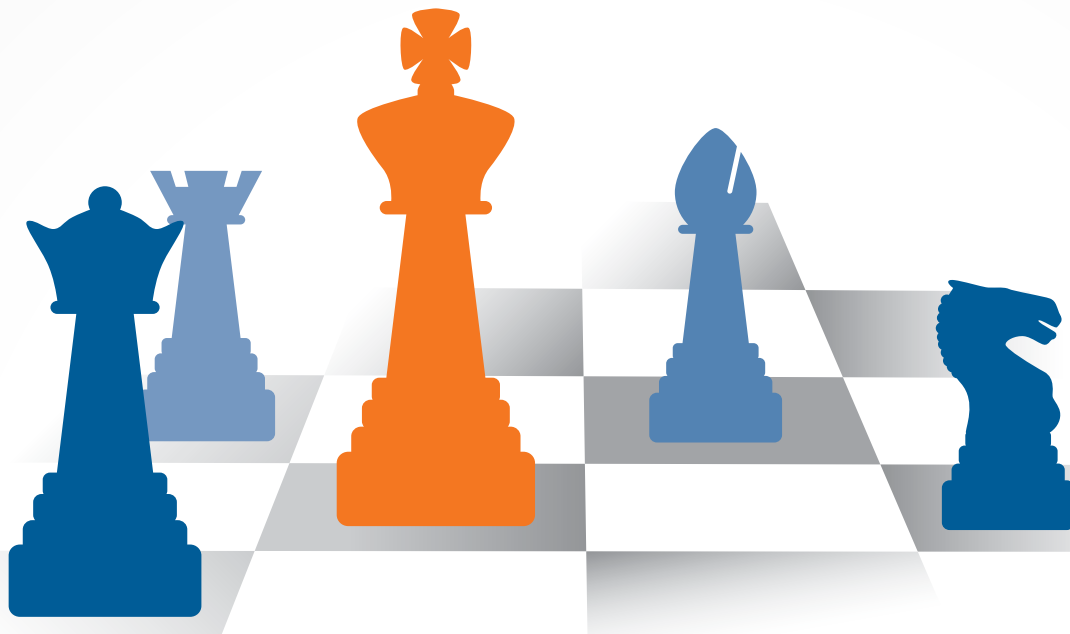
Suite 106, 107, MGR Estates
Dwarakapuri Colony
Punjagutta, Hyderabad 500 081
Andhra Pradesh, India
CIN: L72200TG1998PLC30081

P +91 (40) 3070 2255
F +91 (40) 3070 2299

USA

433 E Las Colinas Blvd, #13
Irving, TX 75039

P 972.756.0622
F 972.767.0948/0644



LEADERSHIP DEMANDS MORE...

RECOGNITION. CAPABILITY. KNOWLEDGE. ARMORY. TERRITORY.

GLOBAL LEADERS IN INDEPENDENT SOFTWARE TESTING SERVICES

US | INDIA | CANADA | UK | AUSTRALIA

AIM HIGH. ACT FAST. ACHIEVE BIG.

CONTENTS

CORPORATE OVERVIEW

Business Highlights.....	02
Corporate Information.....	05
Chairman's Message.....	06
Business Overview.....	08

MANAGEMENT REPORTS

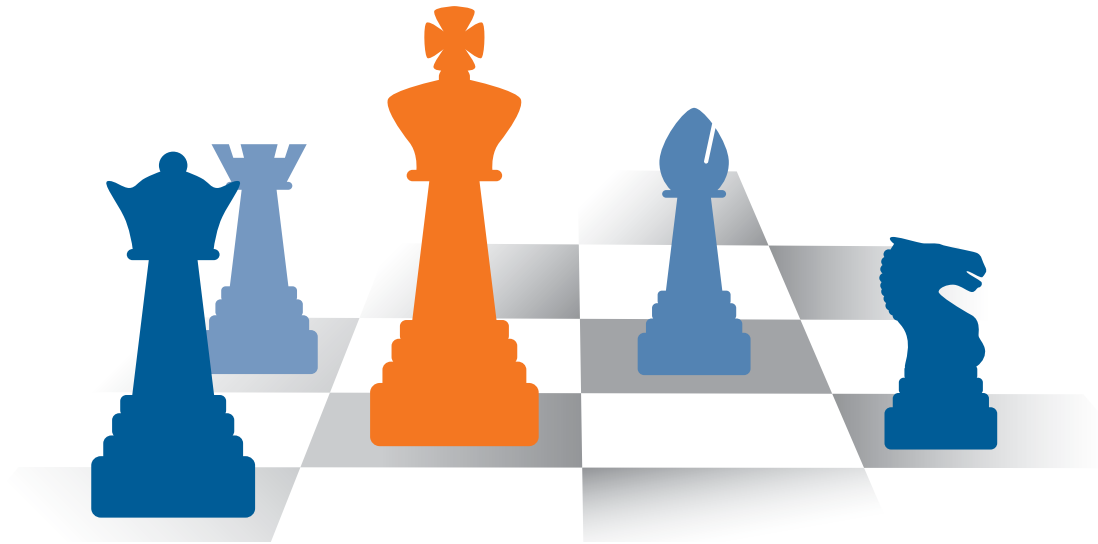
Management Discussion and Analysis.....	28
Notice	36
Board's Report.....	46
Corporate Governance Report.....	52

FINANCIAL STATEMENTS

Consolidated.....	79
Standalone	99

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.



LEADERSHIP DEMANDS MORE...

Leadership is often the sum total of sound vision, unending energy and passion to raise capabilities, and sustained efforts towards realizing that vision. Unlike being in a business, attaining a leadership position in one's chosen business domain demands much more.

Leaders aim high, act fast and achieve big! Welcome to the world of Cigniti - Global Leaders in Independent Software Testing Services.

At Cigniti Technologies, we have been driven by our vision of attaining a leadership position in the global independent software testing market for the last four-five years. Consequently, we have raised our stake to emerge as the Global Leaders in Independent Software Testing Services with an annual revenue of USD 63.15 million, active clientele of 130+ clients, and a global workforce of 1800+ professionals. Having emerged as a leading global force, we have been further intensifying our capability-raising program with a clear belief that **leadership demands more.**

BUSINESS HIGHLIGHTS

OPERATIONAL HIGHLIGHTS



Recognition

- ✓ We have been recognized as the 'Fastest Growing Company in Asia' in Forbes Asia Best under a Billion Forum 2014.
- ✓ NelsonHall has ranked us as a Leader in Software Testing NEAT Charts in all the three market segments - Overall, Efficiency Clients and Transformation-Focused Clients that it analyzed.
- ✓ Forrester cited us among the 9 service providers and system integrators working to enable quality at speed.
- ✓ We have been acknowledged as a Major Contender in Everest Group's PEAK Matrix™ for Independent Testing Services. **PEAK Matrix™ Assessment and Profile Compendium 2015** assessed 23 leading independent testing service providers. It has placed us as a Major Contender in the field, and awarded us the Best in Class Service Provider for Buyer Satisfaction.
- ✓ In the year under review, we became the world's First Independent Software Testing Services Company to be appraised at CMMI-SVC Maturity Level 5.



Global Offices & Infrastructure

- ✓ In the year under review, we have commenced our second world class global delivery center of 50,000 sq ft in Hyderabad.
- ✓ In the year under review, we have opened offices in Philadelphia, California in the US, Melbourne and Canberra in Australia, and Delhi and Chennai in India.
- ✓ In the year under review, we have also successfully launched into South East Asian markets. With a growing number of active clients in Singapore and Malaysia, our Asia portfolio is continuing to increase.
- ✓ In the year under review, Cigniti's UK and Europe operations completed one successful year and we are growing very fast with more than 25 clients in this region.



New Launches & Initiatives

- ✓ We have launched Cigniti 3.0, a Software Testing and Quality Engineering Services initiative for the Agile and the Digital world that offers Quality Engineering and next generation testing services.
- ✓ Our subsidiary, Gallop, along with our strategic partner HP, has developed and launched 'IP-QuickLean', the world's first automated solution for migrating HP UFT test assets into HP LeanFT.

World's First Automated Migration Solution for HP UFT to LeanFT



Full Throttle Your Agile Journey



Global Partnership & Alliance

- ✓ We have partnered with ZAPTEST, a leader in cross-client/cross-platform test automation. With this partnership, we are further equipped to offer the most innovative and cost-effective mobile and cross-environment test automation services to our valued customers.
- ✓ We have partnered with Turnkey Solutions to offer superior enterprise test automation services.
- ✓ We have partnered with Tricentis to deliver best in class enterprise software testing solutions.
- ✓ We have partnered with Enov8 to offer test data, test environment management solutions and DevOps testing services to enterprises and ISVs.

FINANCIAL HIGHLIGHT

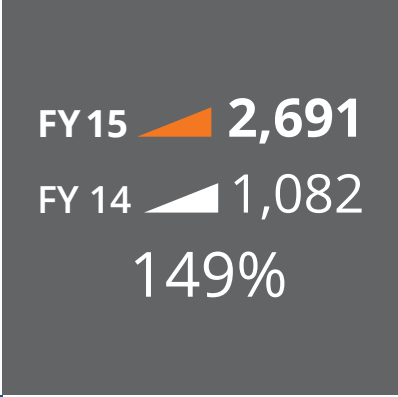
REVENUE (₹ Million)



EBITDA (₹ Million)



NET WORTH (₹ Million)



PAT (₹ Million)



EPS (₹)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. C. V. Subramanyam

Chairman & Managing Director
(DIN: 00071378)

Mr. Sudhakar Pennam

Director (DIN: 05350817)

Mr. C. Srikanth

Executive Director (DIN: 06441390)

Mr. K. Ch. Subba Rao

Independent Director (DIN: 01685123)

Mr. Mani Subramani

Independent Director (DIN: 00608214)

Mr. K. Nageswara Rao

Independent Director (DIN: 02754936)

Ms. M. Amala

Independent Director (DIN: 06950172)

CHIEF FINANCIAL OFFICER

Mr. V. Krishnan

COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. A. N. Vasudha

REGISTERED OFFICE:

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

GLOBAL DELIVERY CENTER:

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

CORPORATE IDENTITY NUMBER:

L72200TG1998PLC030081

STATUTORY AUDITORS

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

BANKERS

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

Citi Bank

Begumpet, Hyderabad.

Axis Bank Ltd

Madhapur, Hyderabad.

ICICI bank Limited,
Khairatabad, Hyderabad.

AUDIT COMMITTEE

Mr. K. Ch. Subba Rao

Chairman

Mr. K. Nageswara Rao

Member

Mr. Mani Subramani

Member

NOMINATION & REMUNERATION COMMITTEE

Mr. K. Ch. Subba Rao

Chairman

Mr. K. Nageswara Rao

Member

Mr. Mani Subramani

Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Mani Subramani

Chairman

Mr. K. Ch. Subba Rao

Member

Ms. M. Amala

Member

INDEPENDENT DIRECTORS COMMITTEE

Mr. K. Nageswara Rao

Chairman

Mr. K. Ch. Subba Rao

Member

Mr. Mani Subramani

Member

Ms. M. Amala

Member

RISK MANAGEMENT COMMITTEE

Mr. Mani Subramani

Chairman

Mr. C. Srikanth

Member

Mr. C. V. Subramanyam

Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. K. Ch. Subba Rao

Chairman

Mr. P. Sudhakar

Member

Mr. C. V. Subramanyam

Member

REGISTRAR & SHARE TRANSFER AGENTS

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

LISTED AT

BSE Limited.
National Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL & CDSL

INE675C01017

WEBSITE

www.cigniti.com

INVESTOR E-MAIL ID

company.secretary@cigniti.com

CHAIRMAN'S MESSAGE



We have furthered our technical prowess across major verticals with dedicated Test Centers of Excellence. With our thought leadership and superior IP led testing services we are adding great value to our customers across various verticals.

Dear Shareholders,

This has been yet another exciting year full of activities for your Company as it steadily moved along its growth trajectory. The rapid change in the information technology universe has brought in a sea of change the way businesses operate, throwing a world of opportunities as well as challenges for the software testing industry. Backed by our technological expertise we have been moving steadily ahead by converting the challenges to opportunities. Reducing the time to market is imperative now and Specialized Testing Services (STS) are one of the key enablers for the same.

Globally, STS is a high growth industry valued at ~USD 15.7 billion in 2014 that grew at approximately 10% over 2013. As per NelsonHall, the STS industry is expected to grow steadily over the coming years at ~+10% over 2014-2019 period. North America is expected to be the fastest growing market with an expected growth of 12%. New offerings in demand for the software testing industry are Mobile app testing, Security testing, ERP & BI testing, SOA testing, and Agile testing.

In the year under review, with a gradual revival in global economies supported by a steady recovery in the US, our performance has also shown a stable, upward trend. The total revenue for the year stood at ₹3,788.9 million, up by 46% from ₹2,591.0 million in FY14. Our earnings before interest, taxes, depreciation and amortization (EBITDA) during the year has increased to ₹396.12 million from ₹364.8 million recorded in FY14. The EBITDA margin during the year stood at 10.5% as against 13.8% in FY14. The profit after tax for the year stood at ₹257.0 million, up from 255.3 million in FY14.

In the year under review, we have further expanded our capabilities both qualitatively and quantitatively to strengthen our leadership in the independent software testing domain. Your Company today is a team of 1800+ Cignitians spread across the world serving global companies across US, UK, Europe, Australia, India, New Zealand, Middle East, South East Asia, and South Africa.

Further strengthening our global delivery centre in India, we have setup an advanced facility of 50,000 sq ft in Hyderabad. This new facility constitutes a future ready, cutting edge IoT testing lab with a seating capacity of 600+, which is operating at near full capacity. We have also added offices in Philadelphia and California (US), and Melbourne and Canberra in Australia, and have invested in various other offices across the world adding technologically advanced labs and workforce.

We have furthered our technical prowess across major verticals with dedicated Test Centers of Excellence (TCoEs). With our thought leadership and superior IP-led testing services, we are adding great value to our customers across various verticals. This has enabled us to bag multimillion dollar deals such as Alfa Insurance etc. We remain highly confident that our strong focus towards IP led testing would further augment our leadership in the software testing universe.

For making your Company future ready we have taken two major steps during the year. The first relates to improvement of process, and the second relates to people. Having worked assiduously towards process maturity, Cigniti is now the world's first Independent Software Testing Services Company to be appraised at CMMI-SVC v1.3 with a Maturity Level 5. We have been working towards ensuring process maturity across all the functions, offering best in class software testing services to our clients across the world. Apart from this we are also developing a team of 100 future leaders across various functions of the Company and are investing in developing their technical as well as soft skills.

Also in the year under review, we were recognized on various global platforms as leaders in independent software testing services. We were ranked as a 'Leader' in Software Testing NEAT charts in the Overall Market Segment as well as in the Efficiency Clients Market Segment. We were also recognized as the 'Fastest Growing Company in Asia' in Forbes Asia Best under a Billion Forum 2014.

Cigniti is now the world's first Independent Software Testing Services Company to be appraised at CMMI-SVC v1.3 with a Maturity Level 5. This milestone will further strengthen Cigniti's ability to offer best in class testing services for Global 2000 companies. This appraisal is in line with our strategy to provide cutting-edge and superior software testing services with maximum efficiency.

Along with charting our future growth, we have also been focused on our social responsibility where we predominantly work towards enabling the education sector. We have converted the complete syllabus of Class X into various videos that will help the students. These initiatives have been well appreciated by the teachers as well as students. Our CSR program has received wide acclaim and support in the Socio Technical Conference on Inclusive & Sustainable Social Development held at Hyderabad on the 12th and 13th December 2014.

I take this opportunity to thank all our stakeholders for rendering their support for making Cigniti one of the global leaders in Independent Software Testing Services. I would also like to assure you that though being a global leader demands more and more, we are ready and excited to put the required efforts to take us to the top.

Best Regards,

C. V. Subramanyam

Chairman & Managing Director

LEADERSHIP DEMANDS MORE

GLOBAL ACKNOWLEDGEMENT AND RECOGNITION

To grow in scale is natural for any business. Leadership demands growth in stature, additionally. At Cigniti, our structured ascend on the global testing platform has increasingly been recognized by the global consulting, research and advisory authorities such as Forrester, Gartner, NelsonHall, Everest Group, Frost & Sullivan, Forbes, etc.



The recognition drivers include thought leadership, IP-led testing services, superior testing and delivery capabilities, and relentless focus in delivering client delight ensuring highest standards of client satisfaction.

During the year under review, our global testing prowess got acknowledged in many updates and reports of industry-leading analysts and advisory firms. These awards and appreciations have a very special place in lifting our self-belief and motivating us to further raise our leadership benchmarks in the global testing arena.

1	3
2	

- 1 Nanda Padmaraju receives the Customer Value Leadership Award in “Automated Software Testing Services” by Frost & Sullivan
- 2 The European Software Testing Awards 2014 – Best overall Testing Project, Retail Sector
- 3 Srikanth Chakkilam receives Forbes Asia “Best Under a Billion” Award from PM of Thailand



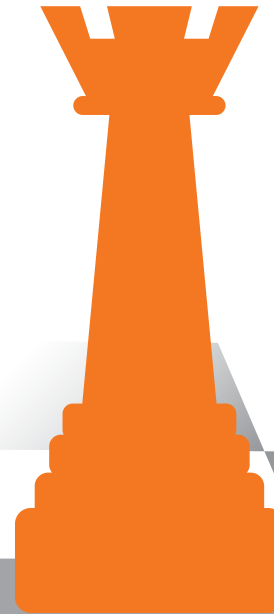
KEY AWARDS AND RECOGNITIONS: FY15

- ✓ Recognized as the 'Fastest Growing Company' among the best under billion dollar companies in 2014 by Forbes Asia
- ✓ Ranked as a Leader in all the three market segments namely Overall, Efficiency Clients, and Transformation-Focused Clients in NelsonHall's Evaluation & Assessment Tool (NEAT)
- ✓ Cited by Forrester to be among the coveted '9 global service providers and system integrators working to enable quality at speed', with an additional mention of augmentation of automation capabilities
- ✓ Adjudged 'Best in Class Service Provider for Buyer Satisfaction' in PEAK Matrix™ Assessment and Profile Compendium 2015 of the Everest Group
- ✓ Received 'Customer Value Leadership Award 2015' under Automated Software Testing Services category by Frost & Sullivan, with an additional mention of our strong resource pool and world-class infrastructural facilities
- ✓ Commended in the 'Best overall testing project (Retail Sector) award' category at TESTA 2014

LEADERSHIP DEMANDS MORE

CONTINUED ADDITION TO **CAPABILITIES**

To deploy established capabilities to great results is business as usual. Leadership demands continued addition to capabilities. At Cigniti, we have made sustained additions to our capabilities across infrastructure, partnerships, processes and people.



WORLD CLASS TESTING INFRASTRUCTURE

In the year under review, we made giant strides in the all-round bolstering of our capabilities. With more than 1800+ career testers, including 200 Devtesters, 30+ strategic test advisors and transformation consultants, we have grown our talent pool by leaps and bounds. Our steady focus on acquiring newer skills and competencies have resulted in dedicated subject-matter expert teams across emerging areas like Agile and DevOps Testing, Service Virtualization and Test Data Management, and Digital and Customer Experience Testing.

Increased focus in acquiring capabilities to serve future needs like IOT testing, and Smart Meter and Energy Utilities testing have resulted in trained and certified testing experts in these areas. Our relentless focus to build deeper capabilities in focused verticals like BFSI, Retail, and Travel and Transportation with a special focus on airlines have resulted in establishing structured and large Testing Centers of Excellence (TCoE) with capable testing experts, domain experts, and process consultants.

1

1 MD, Mr CV Subramanyam inaugurates the new facility



STRATEGIC PARTNERSHIPS AND ALLIANCES

Forging strategic partnerships and alliances with global leaders in software tools and test automation solutions has always been a Cigniti hallmark. We have revitalized it by strengthening our existing partnerships and fortified it by adding 20 new partners. These partnerships enable us to jointly approach the market, offer innovative solutions, serve new clients and offer highest ROIs for clients' QA and testing initiatives. Newer initiatives such as 3*3 partner model have led to a much welcomed increase in our client universe.

A number of co-marketing initiatives such as co-webinars, co-workshops, and co-authoring of whitepapers were undertaken during the year. We leveraged target audience specific webinars towards achieving dual benefits of speaker opportunities for our leaders and enhanced the visibility of our corporate brand.

We added our second world-class global delivery center at Hyderabad during the year. Spread over 50,000 sq ft of built up space, the state-of-the-art facility constitutes a cutting edge Internet of Things (IoT) testing lab, a unique initiative that we pride ourselves in spearheading. This 600+ seater section is already functioning at near full capacity, serving some of the large Global 2000 clients.

We have also invested in a dedicated lab for enterprise mobility and digital testing at our Dallas office in the US. We have added local nationals at our Philadelphia and California centers with a view to serve growing clientele across the Eastern and Western coast of the United States.





PROCESS EXCELLENCE

Our quest of Cigniti becoming the world's first Independent Software Testing Services Company to be appraised at CMMI-SVC v1.3 with a Maturity Level 5 has finally been fulfilled. That said, the endeavor of our growing organization continues to be to ensure process maturity across functions, in order to offer seamless, consistent and superior services assuring certainty for the clients across geographies. Being appraised at CMMI Maturity Level 5 only fuels our need to gear ourselves up for larger transformational deals with Global 2000 enterprises.

This reinforces our commitment to deliver world class testing services with our Integrated Process Management System (IPMS).



WORLD'S FIRST INDEPENDENT SOFTWARE TESTING SERVICES COMPANY TO BE APPRAISED AT CMMI-SVC V1.3, MATURITY LEVEL 5



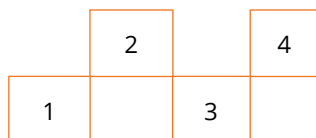
CMMISVC / 5SM
Exp. 2018-07-28 / Appraisal #24895



TEAM CIGNITI

As the untiring pursuers of excellence, we have developed a potent mix of thought leaders and energetic young achievers – the key pillar of our rapid growth. To fuel and sustain leadership, a program of homegrown future leaders is underway. Having spotted key talent across business segments and functions, we are investing in grooming a hundred future leaders. Investments are being made in focused training programs across Sales, Account Management, Project Management and Pre-sales that also address soft skills and cross-cultural sensitization.





- 1 Media coverage of new facility opening
- 2 World's first independent software testing services company to be appraised at CMMI-SVC V1.3, Maturity Level 5
- 3 Celebrating Women's Day in the office
- 4 Employees at an event



Our work culture of 'Work=Play' shapes an organization that is young at heart and stays energetic, agile and relevant to the GenNext work force. Focused efforts are being made towards ensuring that diversity is seeded, nurtured, and respected. Robust HR policies dispel biases of all kind and make Cigniti an equal opportunity employer.

LEADERSHIP DEMANDS MORE

CONTINUOUS EXPANSION OF **KNOWLEDGE** QUOTIENT

To master business knowledge is imperative for any business. Leadership, more so in today's ever changing and evolving world, demands continued addition of the knowledge quotient.

Continuously seeking knowledge through research & development is in our DNA. We have been continuously developing test automation tools that help our customers save time and money, significantly reducing their time to market.

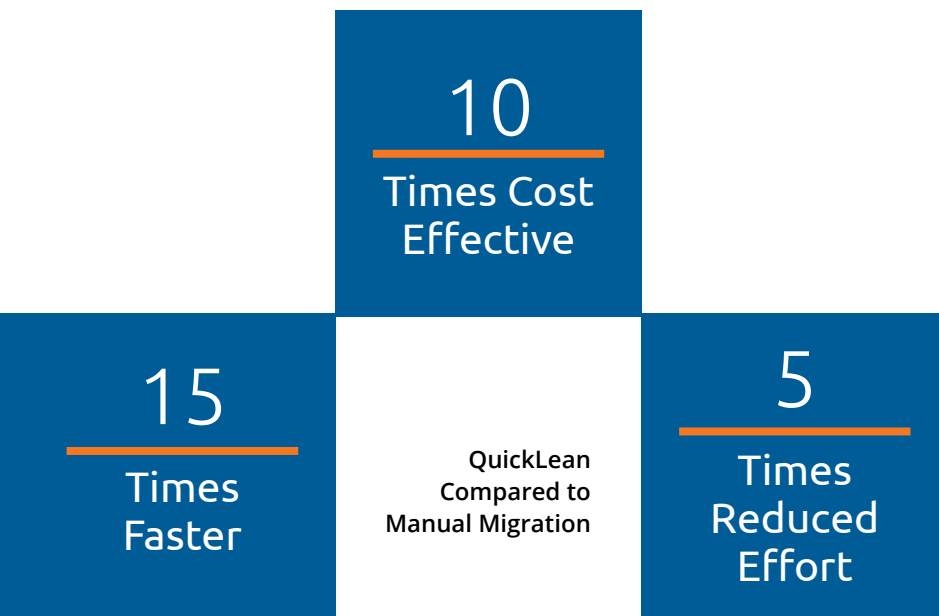


Clients like the flexibility of Cigniti and their investments into IPs & Tools.

*Ref Dominique Raviart,
Principal Analyst at NelsonHall

Our subsidiary, Gallop, along with our strategic partner HP, has developed and launched 'IP-QuickLean', the world's first automated solution for migrating HP UFT test assets into HP's LeanFT. A significant innovation from future business standpoint, QuickLean reflects our pursuit of bettering the world of software testing and the spirit of co-creation with our strategic partners. The

worldwide launch of QuickLean happened at 'HP Discover' at Las Vegas and the innovation has since become the talk of the town. We take pride in introducing this truly innovative test asset migration tool that reduces the migration effort by 90%, speeds up migration by 5x and reduces the cost of migration by 10x.



Gallop software (an HP partner) has created a UFT to LeanFT conversion tool that looks pretty slick.

~Joe Colantonio

1

1 Theresa Lanowitz, Founder & Principal Analyst. voke inc. speaks at Cigniti's LiQE event



As the leaders in software testing, we proactively share knowledge at various intellectual forums by way of participating, sponsoring, speaking, blogging, writing and sharing innovation and experiences around emerging areas of software testing. During the year, our leaders made appearances at such forums in North America, UK, Switzerland, Australia, and India. Our leaders have been globally recognized for their prowess and knowledge in the areas around Agile, DevOps, Performance Engineering, Mobility Testing, Customer Experience Testing, Digital Testing and also expertise around the future of software testing in the areas of Digital Banking and Financial services, Manufacturing, Retail, and Energy and Utilities segments.

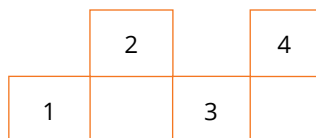


“Being the thought leaders in the QA space, Cigniti has implemented several engineering practices in QA and assured to make LiQE not just a semi-annual event, but a true forum and platform to share quality engineering ideas.”



We organized the first edition of the ‘Leadership in Quality Engineering (LiQE)’ seminar in Texas in February 2015. The thought leadership event delved upon challenges and best practices in software testing, giving insights to the audience. The event brought together eminent analysts as speakers, seasoned software experts from Fortune 500 companies, and test engineering specialists and practitioners.

Theresa Lanowitz, Founder & Principal Analyst, voke, Inc., delivered the event keynote and moderated the panel discussion. Pradeep Govindasamy, CTO, Cigniti, presented and spoke about the emerging trends in software testing for 2015 and beyond. LiQE’15 attracted CXOs and decision makers in Quality Assurance (QA)/testing space from about 100 companies to discuss, share and address issues that affect software quality, reliability and business, and also provided an excellent opportunity to network with industry peers.



- 1 AT&T Stadium in Dallas where Cigniti hosted the LiQE event
- 2 Cigniti's CTO & President North America Pradeep G speaks at LiQE
- 3 LiQE event attendees
- 4 LiQE event attendees



CIGNITI @ KEY GLOBAL EVENTS: FY15

- ✓ QUEST, a premiere test engineering event at Atlanta, US
- ✓ HP Discover – HP's flagship conference at Las Vegas, US and Barcelona, Spain
- ✓ National Software Testing Conference in UK
- ✓ TestWest, Australia
- ✓ Iqnite, Australia
- ✓ Swiss Testing Day, Zurich, Switzerland
- ✓ Manufacturing IT Summit at Mumbai, India
- ✓ BFSI Conclave at Mumbai, India
- ✓ Software testing conference, Bangalore, India





TOP 10 BEST PRACTICES TO MAKE
A SUCCESSFUL QA ORGANISATION

Speakers at Quest 2015



Pradeep G
CTO - Cigniti



Alice Dungey
CMO - Southwest Airlines

1
Clarity of Requirements

2
Control the Cost

3
Metrics, Predictive Analytics

4
Shift Left & Shift Right

5
Infrastructure & Production Readiness

6
Continuous Process Improvement

7
Improve through Automation

8
Business Process Quality Assurance

9
Innovation and Tools

10
Environment & Data Management

© 2015 Cigniti Inc. 4333 Lee Collins Blvd, Suite 1300, Irving, TX 75039

<http://www.cigniti.com/>

SAVE THE DATE AND JOIN US !

QAI QUEST 2015 Conference

QUEST 2015
CONFERENCE & EXPO

Proud Sponsor
Atlanta, GA
April 20-24, 2015

Silver Partner
at Swiss Testing Day

Platinum Sponsor
at TestWest

2015

March 18 | Zurich, Switzerland

March 25 | Perth, Australia

Booth No 31

Booth No 3

TRANSFORMING
YOUR PERFORMANCE TESTING ORGANIZATION
THROUGH QUALITY ENGINEERING

Wednesday, July 22, 2015 5:00 PM to 7:00 PM
www.cigniti.com/events

SPEAKER
Pradeep Govindaswamy
CTO Cigniti

Cigniti Technologies
4333 Lee Collins Blvd Ste 1300, Irving, TX

Philadelphia Software Testing Group

invites you to Meet, Greet & Learn Meetup at

With June (Thursday - 8 PM)

@Tredyffrin Public Library
900 Green Lane, Tredyffrin PA 19086

Topic:
Five Exploratory Test Attacks for
Breaking Mobile Software

Speaker: Jan Hager

Gallop Software Testing Services

STC 2014
14th Annual International Software Testing Conference
December 04 - 05, 2014 | Bangalore, India

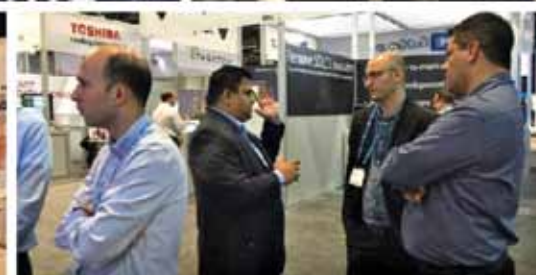
Platinum & Entertainment

Cigniti

Cigniti is a proud sponsor at
BFSI India Conclave 2015
May 14-15, 2015
Holiday Inn Resort, Goa, India

BFSI CONCLAVE

18 | AIM HIGH. ACT FAST. ACHIEVE BIG.



LEADERSHIP DEMANDS MORE

CONTINUED ADDITION TO THE **ARMORY**

To effectively use one's armory is obvious for a successful business. Leadership demands continued additions of new weaponry in one's armory.



At Cigniti, we keep replenishing newness and precision to our otherwise strong armory. Amid rapid rise of the digital economy globally, delivering quality@speed is increasingly becoming critical for software testing companies. Adding to our armory of world's leading testing solutions and services, we launched Cigniti 3.0, our range of software testing and quality engineering services. These include Agile and DevOps QA, Service Virtualization and Test Data Management, Mobile testing, Digital QA, Big Data and Analytics Testing, Medical Device Testing, and Game Testing.

We also bring in our vast experience of providing advisory and transformation services that help address key challenges and risks faced during transformation. Our transformational services are designed to manage end-to-end ownership of a business outcome such as high maturity testing, reduced cost of testing, improved agility using continuous testing, and a faster time to market. These transformational services provide long-term business benefits by deploying the best of reusable process components and tools to meet the business objectives.



STRATEGIC SOLUTIONS

Agile Testing & Devops

- » Model-based infra testing
- » Continuous Testing – functional/performance



Customer Experience Testing

- » Digital Testing
- » Mobile Testing
- » Content Testing



Testing Cloud Apps

- » Testing apps transformations



Enterprise Mobility Testing

- » Mobile ERP apps testing
- » Security testing
- » Mobile DevOps



Service Virtualization

- » SOA Testing
- » Virtualization



Internet of Things (IoT) Testing/Systems of Engagement

- » Privacy testing
- » Embedded systems testing



Test Data Management & Test Environment Management

- » Test environment testing
- » Infrastructure QA readiness



Big Data Testing

- » Functional and performance
- » Non functional testing



QA Intelligence & Analytics

- » Big data for QA
- » Predictive quality assurance
- » Apps lifecycle intelligence



Medical Device Testing & Network Testing



TO GAIN THE FULL BENEFITS OF AGILE, FIRST-CLASS AGILE ORGANIZATIONS EXECUTE ALL TESTING (FUNCTIONAL AND NON-FUNCTIONAL ALIKE) WITHIN EACH SPRINT.

FORRESTER



Test Transformation Service (TTS) programs endeavor to help enterprise clients move higher in their maturity roadmap by deploying:

- ✓ A Practice Centre of Excellence (PCoE) that delivers transformational outcomes using Cigniti's proprietary framework SCOPE® [Standardize, Centralize, Optimize, Prioritize, and Evolve]
- ✓ A Test Transformation Office (TTO) that provides advisory services to setup a Quality Management Office (QMO)
- ✓ Agile Transformation that provides Test Automation Feasibility analysis, and Test Automation Framework & Strategies using Cigniti's proprietary framework ADEPT®
- ✓ Outcome-based engagement models
- ✓ More than 200 reusable process components that can be customized for accelerated delivery
- ✓ Process & Tool alliances to enable optimized testing solutions



CIGNITI CoE



Services CoE



Test Automation CoE



Mobile TCoE



Performance TCoE



Security TCoE



Service Virtualization CoE



Test Environment Management CoE



Infrastructure TCoE



ERP TCoE



Industry CoE



Financial
Services TCoE



Core Banking
TCoE



Insurance
TCoE



Healthcare and
Life Sciences CoE



Pharmaceuticals
TCoE



LIMS
TCoE



e-Commerce
TCoE



Enterprise
Management CoE



Airline TCoE



Telecom TCoE



Utilities
TCoE



Gaming TCoE



Media TCoE

LEADERSHIP DEMANDS MORE CONTINUOUS ADDITION TO TERRITORIES

To do well on familiar turfs is expected of any business. Leadership demands expanding familiarity and performance on newer turfs.



At Cigniti, our global testing leadership rests on well-established markets in the US and a delivery center each in US and India. We have been reinforcing our leadership capabilities by expanding and entrenching into relatively newer territories of Europe and Asia Pacific with our recently opened offices in UK and Australia. During the year, we added an office each at Philadelphia and California in the US, Melbourne and Canberra in Australia and Delhi and Chennai in India, while significantly adding new accounts across US, UK, Europe, Australia, New Zealand, Middle East, South East Asia, India, and South Africa.

Not limited just to market geographies, our territorial expansion strategy also includes breaking into more industry verticals and test domains. During the year, we made significant strides in strengthening ourselves in the advisory and large account spaces. A combination of a dedicated set of TCoEs with deep subject matter expertise has helped us add significant client value. In a major breakthrough in the BFSI space, we won a mega transformation project for Alfa Insurance, which partnered with us to establish a dedicated TCoE in a multi-year, multi-million-dollar contract.

1

2

1 North America Sales Team at Quest 2015

2 UK Sales Team



In another major accomplishment, our specialized testing services helped us win a place on the latest G-Cloud 6 framework for providing Lot 4: Specialist Cloud Services to Crown Commercial Service (CCS). Becoming a supplier to this Digital Marketplace of UK government would help us expand our business across UK. We aim to provide mobile testing, big data testing, cloud testing, test automation, functional and non-functional testing and test advisory services. Our QA and testing practice will help public sector organizations in the UK achieve critical IT goals with greater quality, better reliability, and enhanced robustness.

Our expansion in new geographies and service verticals has been reinforced with deployment of a strong sales and marketing force. Along with the sales team, our marketing team is effecting a high-intensity 360° global marketing campaign.

1

1 UK Sales & Leadership Team



FINANCIAL SERVICES, TELECOM & MEDIA, RETAIL CPG ARE THE LARGEST VERTICALS ON STS SPENDING WHILE ENERGY & UTILITIES AND RETAIL & LOGISTICS ARE THE FASTEST GROWING VERTICALS . REGULATORY COMPLIANCE IN BANKING AND LIFE SCIENCES, INCREASED M&A ACTIVITY, & NEW COMMUNICATIONS MEDIA OMNI-CHANNEL AND MOBILE TELEPHONY APPLICATIONS ARE THE DRIVERS FOR INDEPENDENT SOFTWARE TESTING SERVICES”.



MAJOR HIGHLIGHTS

- ✓ Serving more than 35 of the Global 2000 Clients
- ✓ Helping industry majors in North America move ahead with their Agile, DevOps, Digital QA and Service Virtualization QA and testing transformation projects
- ✓ Working with some of the best airline companies of the US, UK, Europe and India
- ✓ Serving some of the leaders in BFSI sector across US, UK and India
- ✓ Serving leaders in e-commerce in India
- ✓ UK operations completed a successful first year of operations, bagging 25 clients in the UK and EU region
- ✓ Bagged a multimillion dollar contract with a leading retailer in South Africa
- ✓ Won and serving a significant performance testing assignment for a Government project in UAE
- ✓ Successfully forayed into South East Asia with active clients in Singapore and Malaysia
- ✓ Made significant inroads into the Australian and New Zealand territory

MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMIC OVERVIEW

Global Economy

As per IMF's World Economic Outlook Update July 2015, the global economy in the year 2014 continued to revive at a moderate rate. The global economy is expected to have grown at 3.4% in 2014 but the growth has been unbalanced across the advanced and emerging & developing economies. While the advanced economies have witnessed a Y-o-Y growth of 1.8% in 2014 up from 1.4% in 2013, the emerging & developing economies have grown at 4.6% which is slower than the 5.0% GDP growth reported in 2013.

The growth in the advanced economies has been supported by the US which has been witnessing a steady growth momentum, as well as by the Euro region which is gradually stabilizing, along with the positive growth in many countries. The emerging and developing economies however have been witnessing a marginal slowdown, largely due to three major economies – Russia, China, and Brazil – that are witnessing a slump in growth.

Going forward, IMF has projected that with stabilization of wages and increasing consumption, the economic growth in US would inch higher. Also with supportive monetary policy, Euro region is expected to revive

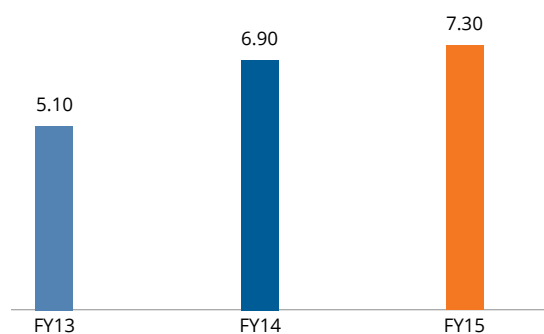
further. The significantly low crude prices would also act as a support to economic growth of Europe. Hence, the advanced economies are expected to grow at 2.1% in 2015 and growth is expected to further revive to 2.4% in 2016. With Russia & Brazil expected to post a negative growth in 2015 and China to witness further slowdown in growth, the emerging and developing economies are expected to grow at 4.2% in 2015, marginally down from 2014. However, the growth is expected to revive in 2016 and is projected to be at 4.7%. The growth in Global economies would be marginally down to 3.3% in 2015 from 3.4% in 2014, however, would revive to 3.8% in 2016.

Indian Economy

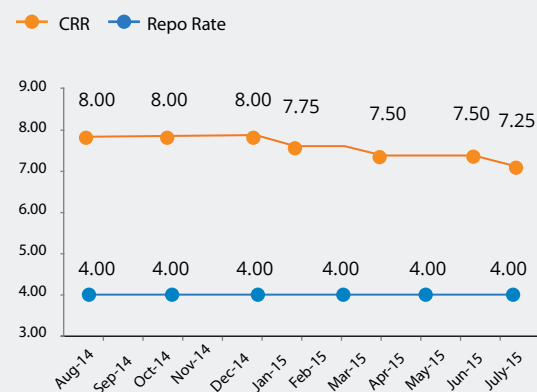
Moving against the trend in the major emerging and developing economies growth, the Indian economy has been continuously reviving. The key reasons for the revival in the economic scenario in the Country has been prioritization of unblocking infrastructure projects by the Central Government and increased limits of Foreign Direct Investment in sectors such as insurance, e-commerce and railways. The benign global commodity prices and the significant fall in crude prices has also been a support to the steady revival. As per CSO's estimates, the GDP growth in India has been 7.3% in FY15 (at base 2011-12).

The Reserve Bank of India's stern actions supported by a significant fall in crude prices has also led to rapid cooling off of inflation in India (Exhibit 3). This has given room for RBI to ease the policy rates (Exhibit 2) which would further act as a support to growth. In FY15 India also witnessed huge foreign inflow of USD 40.8 billion as Net Portfolio Investment as against around USD 25 billion averaged over the past 5 years. This led to a stable INR despite continuous strengthening of the Dollar Index. Global credit rating agency Moody's in April 2015 has upgraded India's sovereign credit rating outlook from Stable to Positive which would further add strength to flow of investments into India.

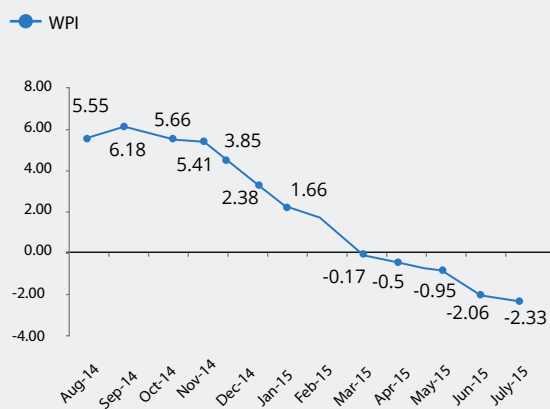
Going forward, as per IMF's World Economic Outlook Update July 2015, the GDP growth in India is expected to further gain momentum in 2015 and would be 7.5%. With this growth, India is expected to be one of the fastest growing countries in the emerging and developing economies, surpassing the growth of China.

Exhibit 1: India's GDP Growth in %

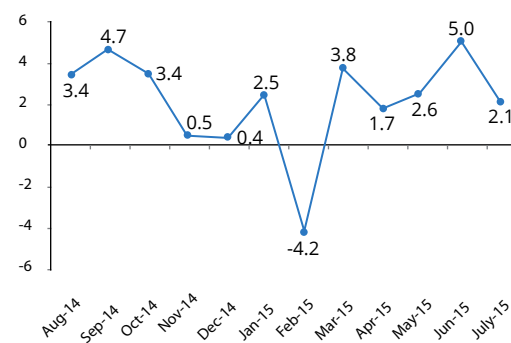
Source: Central Statistics Office

Exhibit 2: Repo Rate and Cash Reserve Ratio (CRR) in %

Source: Ministry of Commerce & Industry

Exhibit 3: Wholesale Price Index (WPI) in %

Source: Central Statistics Office

Exhibit 4: Index of Industrial Production (IIP) in %

Source: Central Statistics Office

Global Software Testing Industry

Rapid digitalization across the globe has introduced a number of disruptive technologies. The need to reduce time to market with great accuracy is the need of the hour. As software testing consumes close to 20% to 30% of the time in software development, there is an incremental demand for specialized third party software testing services. The term third party testing is testing of software by an independent company that is not directly involved in the development of a particular software. The benefit of associating with a third party specialized in software testing is that they provide unbiased, technically superior, end-to-end software testing services.

Globally, software testing industry is expected to grow at 11% CAGR over 2013-2018. Independent Software Testing companies leveraging IP-led testing services accelerate the software test life cycle in addition to the horizontal test offerings that are offered by conventional IT services companies. For an independent testing services company, it is very easy to adapt to different cycles and models of software development which could be distributed across global networks of development partners and integration partners.

The challenge for pure-play testing companies is to understand the requirements, independently work with multiple teams including client's development teams, business leaders and constantly stay tuned to the evolving culture of different organizations that are part of the ecosystem.

Globally, the market for Specialized Testing Services (STS), i.e. testing work provided by career testers, is valued at ~USD 15.7 billion in 2014. This represents 39% of total testing spending, whereas the balance 61% of spending is towards Traditional Testing Services (TTS), which is done by non-career testers, either business analysts or developers. TTS activity is declining as more and more companies have started going for STS.

The STS spending is expected to have grown at 12% in the year 2014 over 2013 and NelsonHall has projected the STS spending to grow at a CAGR of 13% over 2014 to 2018. Approximately 58% of STS spending is through short-term contracts. However, Multi-year contracts are gaining importance and now represent ~42% of spending, up from ~30% three years ago. By 2018, NelsonHall has estimated that approximately 53% of STS spending will be through multi-year contracts, including T&M framework agreement contracts and productivity-based SLAs.

STS Spending & Delivery by Region

North America, with 46% share in the total global STS spending is the largest STS geography by virtue of spending. Also as per NelsonHall it is one of the fastest growing markets with CAGR of 14% over 2014 to 2018. The share of the North America market is expected to grow to 49% by 2018.

EMEA is the second largest geography in terms of STS spending, contributing 41%. UK, Germany and Middle East are the leading markets with regards to growth. Both UK and Middle East as per NelsonHall are expected to grow at CAGR of 13% plus over 2014 to 2018. Growth in UK is expected to be supported by the financial services, retail and the telecom sector.

India currently is the largest Specialized Software Testing Services delivery centre with close to 54% share in the total global STS delivery. NelsonHall has predicted that India-based STS delivery will witness a rapid growth of 17% plus CAGR growth over 2014 to 2018 and India's share would be around 67% of the total STS delivery.

The key reasons for the growth in India-based STS delivery would be adoption of MTS contracts that are highly India-centric, low-adoption of onshore factories, and a relatively low-adoption of near shore factories.

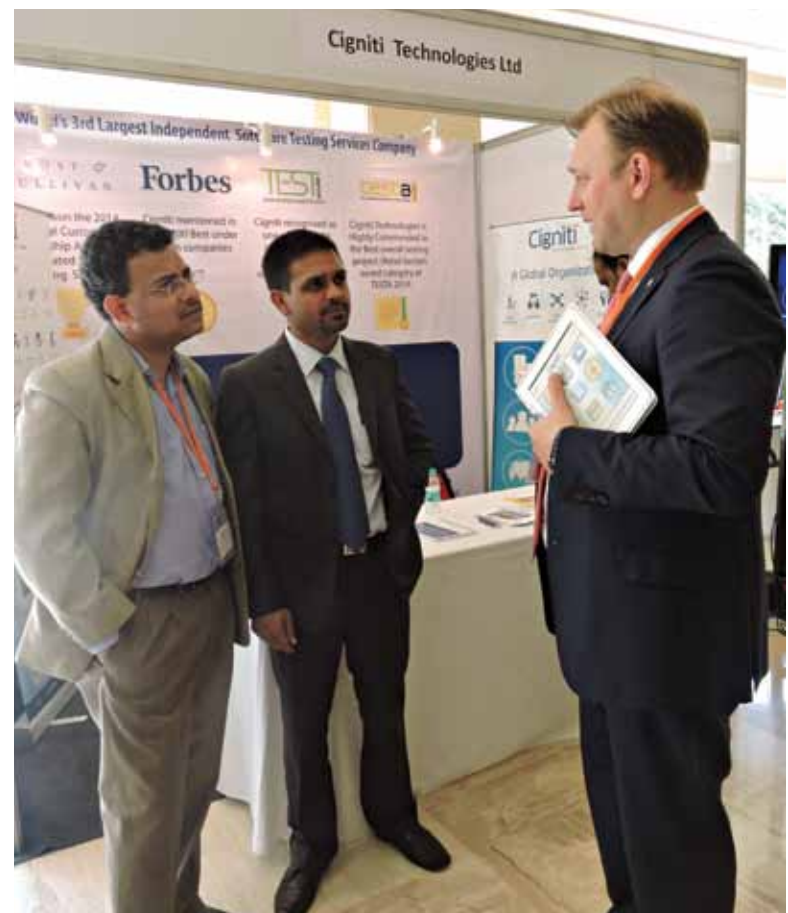
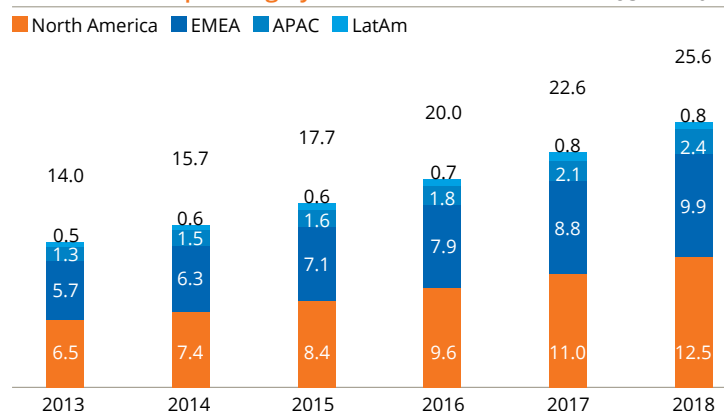


Exhibit 5: STS Spending by location

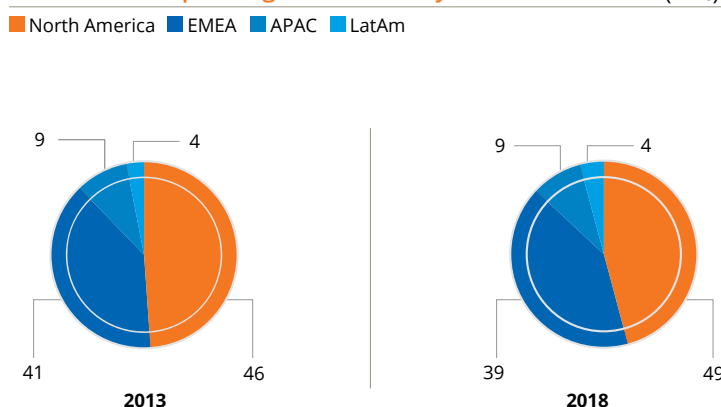
USD Billion



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

Exhibit 6: STS Spending Breakdown by location

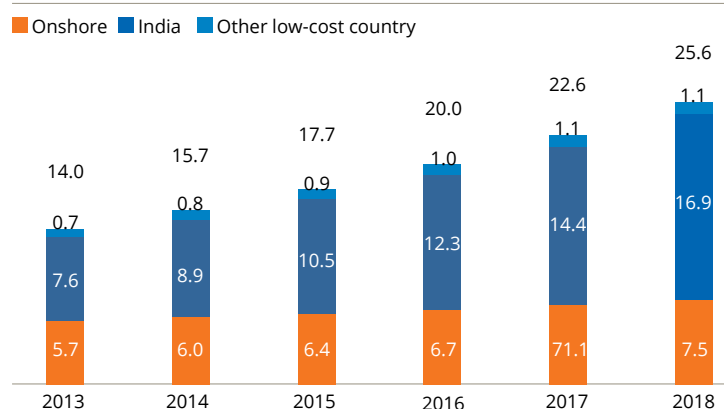
(in %)



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

Exhibit 7: STS delivery by location

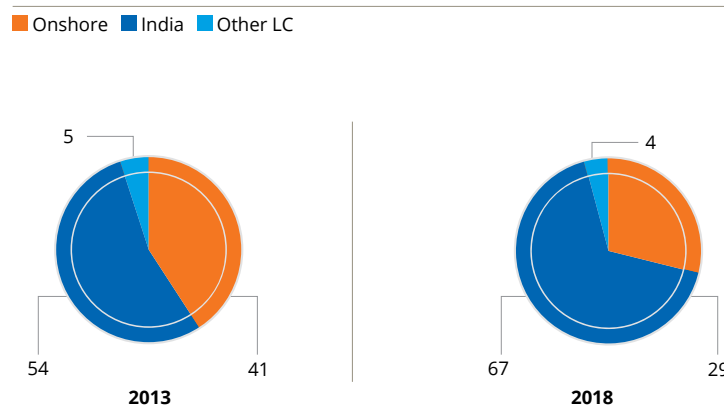
USD Billion



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

Exhibit 8: STS Spending Breakdown by delivery location

(in %)



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

Transformation-focused clients want to ensure the success of a major internal application rollout initiative by allocating the right level of testing resources

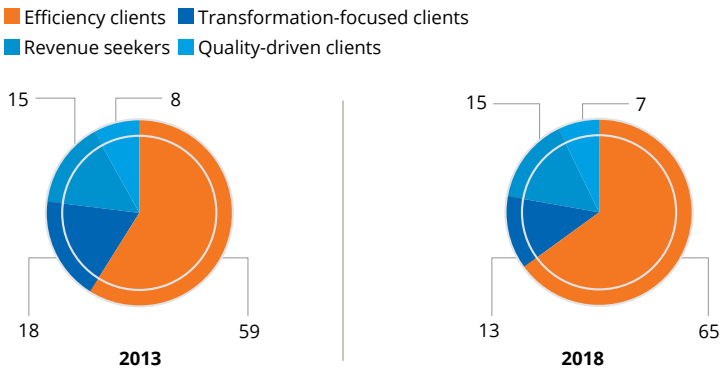
Efficiency clients aim to centralize testing, lower spending, standardize testing tools and processes, and increase their testing effectiveness overall

STS Clients

Revenue seekers are launching new services that require new applications to enterprise clients or their customers. They favor go-to-market speed through effective and fast testing

Quality-driven clients are technology vendors that need to both market their technology products and proceed to exhaustive testing of products that will be used and implemented by thousands or millions of end-users

Exhibit 9: STS Spending Breakdown by Client Segment (in %)



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

STS Clientele

The clients for STS can be broadly classified into four categories. Of the four segments, Efficiency Client holds the largest share and also is one of the fastest growing segments. The key drivers of growth for the segment are:

- Centralization of testing
- Set up of TCoEs
- Implementation of best practices
- Cost savings

The second fastest-growing segment is “revenue seekers”. The key focus of this segment is successful development and testing of a mobile app or a website that supports a service or product offering. Though costs, best practices and centralization are secondary for this segment, they are very important criteria while making purchase decisions.

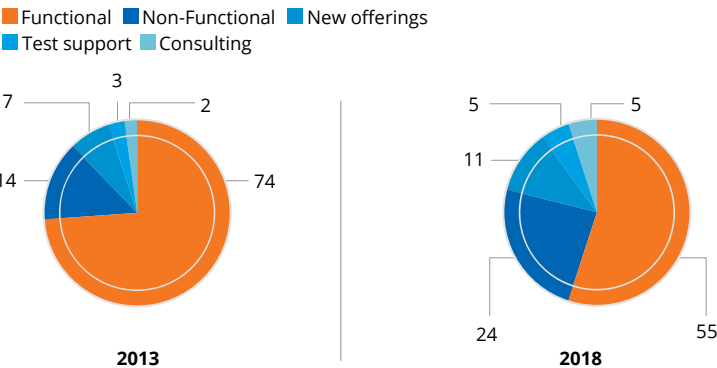
STS Market by Service

In terms of services the STS market can be broadly classified into five main streams: Functional testing, Non-functional testing, New offerings, Test support and Consulting.

Currently with close to 74% share, functional testing constitutes the largest part of spending towards STS. The growth in this stream is largely due to multi-year contracts and from “efficiency-focused clients”. The spending towards non-functional testing is largely driven by performance testing based on COTS tools, and security testing, driven by mobile applications, web applications and websites.

The second biggest stream, New offerings, include ERP, Data warehouses/BI, SOA testing, Agile testing, Mobile app testing, Usability testing, Crowd sourcing, as well as software localization for ISVs. With regard to Support offerings around testing services, Data

Exhibit 10: STS Spending Breakdown by Service Type (in %)



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

Management (e.g. data masking), Test Environment management, Service Virtualization, and Application Release Automation are some common offerings.

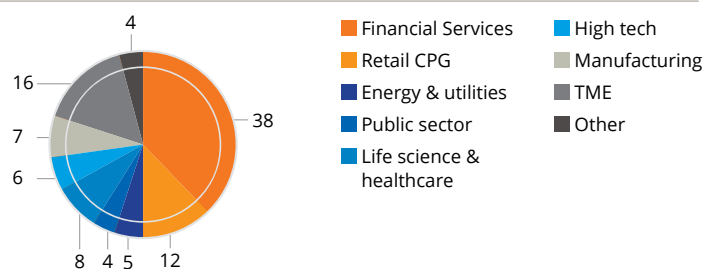
Going forward, NelsonHall has projected that the new offering segment is expected to grow at a faster rate over other services growing at a CAGR of 29% plus and would hold 24% market share in the overall spending towards STS. The share of functional testing is expected to come down to 55% but still remain the largest part of the total spending towards STS followed by ERP and Performance testing.

STS Spending by Verticals

Financial services account for the largest share in STS spending followed by Telecoms & Media (TME) sector. The financial services sector is the fastest growing vertical for STS and as per NelsonHall, it is expected to grow at a CAGR of 19% over 2014 to 2018. The key reasons for the growth in the financial services sector for STS spending are cost savings as well as by mobility, payment, omni-channel, and regulatory compliance.

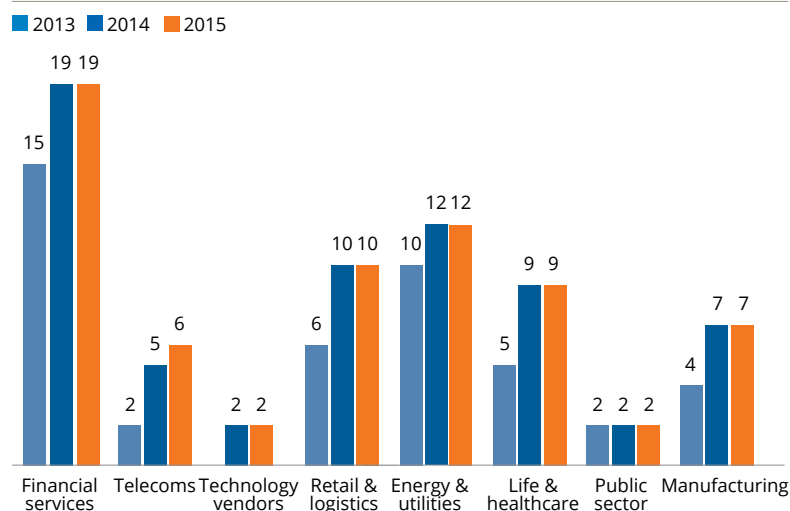
The Retail and Logistics vertical is expected to be the second fastest growing vertical largely driven by omni-channel initiatives. The growth in the TME vertical is however expected to be moderate.

Exhibit 11: STS Spending Breakdown by Verticals in 2013 (in %)



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

Exhibit 12: Specialist Testing Services growth by Verticals in %



Source: NelsonHall Software Testing Services Assessment and Forecast, Sept 2014

OPERATIONAL REVIEW

Cigniti during the year under review has further enhanced its portfolio of esteemed clients across various verticals and geographies. Being a global organization, Cigniti has served global companies across America, Europe, Australia, New Zealand, Middle East, South East Asia, India, and South Africa. The clients rank us high on satisfaction level and the Company plans to expand its operations to various new geographies.

In the year under review, our subsidiary, Gallop Inc. developed and launched the world's first automated solution for migrating HP UFT test assets into HP's LeanFT, called QuickLean. We have applied for the patent and this would be a very strong tool added to our portfolio.

In the year under review, we invested and opened a world class (second) global delivery center of 50,000 sq ft in Hyderabad. This best in class facility also constitutes the future ready, cutting edge Internet of Things (IOT) testing lab that is one of the unique initiatives that we are spearheading. This 600+ seater is already close to its full capacity serving some of the large Global 2000 clients.

In the year under review, we have signed 10 new partnerships with Enov8, Kubisys, Micro Focus, ODIN, Soasta, Smartbear, Saucelabs, Tricentis, Turnkey Solutions, Veracode, QASymphony, Xamarin, ZapTest, and Zephyr.

In the year under review, Cigniti has been awarded a place upon the Crown Commercial Service (CCS) latest G-Cloud 6 framework for providing Lot 4: Specialist Cloud Services. The G-Cloud initiative makes

it easier for the suppliers to sell their services off-the-shelf to public sector organizations in the UK. It offers cost-effective, innovative solutions to the buyers while safeguarding them from getting into expensive contracts with unknown suppliers.

In the year under review we have raised ₹6.4 million through preference allotment of equity shares to promoters and others.

Major Awards & Recognitions

- Cigniti Technologies won the 2014 Global Leadership Award for Automated Software Testing Services from Frost & Sullivan
- Cigniti Technologies is highly commended in the Best overall testing project (Retail Sector) award category at TESTA 2014 on 18th November, 2014 at London
- Cigniti Technologies has been recognized as the 'Fastest Growing Company in Asia' in Forbes Asia Best under a Billion Forum 2014
- Cigniti Technologies is recognized as one of the top 20 leading software testing services companies in Europe as per Test Magazine

FINANCIAL REVIEW

Revenue

Revenue during the year increased to ₹3,788.8 million as against ₹2,591.0 million, up by 46%.

EBITDA

The EBITDA during the year stood at ₹396.12 million up from ₹364.8 million in FY14. The EBITDA margin during the year stood at 10.5% in FY15 from 13.8% in FY14.

Profit After Tax

The profit after tax during the year FY15 was ₹ 257.0 million as against ₹ 255.5 million in FY14. The margins where the net profit margin for the year FY15 was lower at 6.8% as against 9.8% in FY14 was mainly due to ESOP expense of ₹ 29.73 million.

Interest and Borrowings

During the year under review, we have incurred an interest cost of ₹29.4 million up from ₹11.9 million in FY14. The cash and bank balance has enhanced to ₹338.9 million from ₹56.5 million in FY14. The total borrowing has increased to ₹418.8 million from ₹253.9 million FY14.

Net Worth

The Net Worth during the year has more than doubled to ₹2,690.8 million from ₹1,082.3 million in FY14 witnessing a growth of 148.6%.

Trade Receivables

Our trade receivables increased to ₹1,347 million from ₹638.6 million.

OUTLOOK

With the growing importance of reducing test expenditure and cost there is a rising demand for specialized testing services. Cigniti with its deep domain knowledge has envisaged that IP-led testing is the future and is steadily investing in it. We have developed various tools that enable automation in testing. This is one of our key strengths which we would leverage to maintain our steady performance.

We are currently serving various regions and further expanding our reach by adding newer regions to our portfolio and by entering into multimillion dollar deals with leading global companies. The US, which is one of the largest market for STS continuous to be the key market for us and we would further enhance our initiatives to strengthen our market share in the region.

HUMAN RESOURCE

We have a very robust Human Resource framework built over the concept of gender equality and equal opportunities for growth to all. We have very transparent operations and employees are motivated to learn and share their knowledge across various platforms. We also invest heavily in training and development of its employees in various fields.

We are currently running an HR initiative of grooming 100 future leaders and are investing in these highly talented teams to develop their technical as well as soft skills. These would be our future leaders enabling us to further move higher in the Independent Software Testing services domain.

ORGANIZATIONAL VALUES

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

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

The company has a total headcount of 1,800.

CSR INITIATIVES

Along with our pursuit for growth, we have always been socially responsible and have been proactively participating in a number of ways for the upliftment of the society. Being a knowledge seeking organization, we truly believe knowledge has the power to uplift every aspect of the society and hence education is at the core of our Corporate Social Activities.

Our Corporate social responsibility Project Cignificance has moved to Pilot implementation and has received excellent response. In the year under review, the Company has so far completed 600+ Videos, which include 165 fresh videos that are being currently used by 200+ students in 5 different schools in Hyderabad.

Cigniti has completely mapped the Class X syllabus under these 165 videos that have been compiled in a set of four DVDs. These videos have also been sent to a few schools in Vishakhapatnam, Andhra Pradesh. These initiatives have received excellent feedback from



teachers in the schools where the videos are being used. Also in the year under review, Cigniti has developed and completed an Android app for students. This app allows students to easily use and navigate the pre-loaded videos on the tablet.

Our CSR program has received wide acclaim and support in the Socio Technical Conference on Inclusive & Sustainable Social Development held at Hyderabad on the 12th and 13th December 2014. More than 150 NGOs and 15 other corporates were part of the conference apart from scientists and academics. NASSCOM Foundation, TiE etc., supported the conference. Our CSR program is receiving wider possibilities of growth and support. Also, various opportunities of collaboration between Cigniti, teachers, schools, NGOs and student communities are also being explored.

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 US contributes to a major chunk of our revenue, we have been gradually expanding into other geographies like Europe & Asia Pacific, and are also focusing on strategies to enhance revenues from existing geographies like Europe During the year, we have opened new offices in UK & Sydney to add new logos and deepen our 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"> Cigniti through a mix of organic and inorganic routes has been developing capabilities that help it remain competitive We are the world's third largest Independent Software Testing Services Company and have secured a technical positioning of our brand in the global arena. Through a smart mix of marketing initiatives, analyst relations and other brand building initiatives, we have been consistently strengthening our brand
Technology Risk	Increased competition among organizations for a limited employable talent pool might lead to higher attrition rates	<ul style="list-style-type: none"> We make considerable investments in new technologies to constantly and consistently upgrade our skills. To stay relevant and ahead of the curve, we have 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"> We understand the importance of attracting, nurturing and retaining good talent and take several initiatives for the same. We provide 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. We over the years have 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 our services are a high-end offering that can only be provided 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's specialized infrastructure like Mobile Labs, Anti-Collision Labs, Robotics Labs, etc. are a result of many years of expertise and cannot be easily replicated

Notice

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of M/s. Cigniti Technologies Limited will be held on Wednesday, 30th day of September, 2015 at 10.00 A.M. at "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31' 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Sudhakar Pennam (DIN: 05350817) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. P. Murali & Co., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

"RESOLVED THAT pursuant to the provisions of Section 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendation of Audit Committee, and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on 19th September, 2014 for the appointment of M/s. P.Murali & Co (Firm Registration No. 007257S) as Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the year 2017, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be determined by the Audit Committee in consultation with the Auditor from time to time."

Special Business:

4. **AUTHORITY TO THE BOARD OF DIRECTORS FOR RAISING OF FUNDS THROUGH QUALIFIED INSTITUTIONS PLACEMENT (QIP) AS PER SECTION 62(1)(C) OF THE COMPANIES ACT, 2013 AND SEBI (ICDR) REGULATIONS.**

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

RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act") and rules made there under, to the extent notified and in effect, the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, Securities and Exchange Board of India Act, as amended and other applicable policies, schemes, rules, regulations, guidelines, notifications, press notes and circulars, if any, issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India including in particular, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as

amended (the "SEBI (ICDR) Regulations"), Stock exchanges, or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including applicable and relevant provisions of the listing agreements entered into with the stock exchanges on which the Company's equity shares are listed (the "Listing Agreements"), the Memorandum of Association and Articles of Association of Cigniti Technologies Limited (the "Company") and subject to approvals, consents, permissions and sanctions as might be required of relevant statutory, regulatory, governmental authorities, (including any court, tribunal or any other judicial and/or quasi-judicial authority), ("Concerned Authorities") in this regard, as may be required and applicable and further subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized on behalf of the Company, to create, offer, issue and allot (including with permitted provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of Investors with green shoe option as may be permitted, in one or more tranches, in the course of domestic and/or international offering(s) in one or more foreign markets and/or domestic market, by way of qualified institutions placement in accordance with the provisions of Chapter VIII of the SEBI (ICDR) Regulations, ("Qualified Institutions Placement"), such number of equity shares of the Company (the "Equity Shares") or the global depository receipts ("GDR"), the American depository receipts ("ADR"), the foreign currency convertible bonds ("FCCBS"), fully convertible debentures/partly convertible debentures, preference shares convertible in to equity shares, non-convertible debentures with warrants and / or any other financial instruments or securities convertible in to equity shares with or without detachable warrants with a right exercisable by the warrants holders to convert or subscribe to the equity shares or otherwise, in registered or bearer form, and / or any security convertible into equity shares with or without voting/ special rights and / or securities linked to equity shares, whether rupee denominated or denominated in foreign currency (here in after collectively referred to as the "securities") or any combination of securities to all eligible investors, including residents and/or non-residents and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or any other category of investors, and whether or not such investors are members of the Company (collectively the "Investors"), through letter of offer or placement document or offering circular or offer document or through any permitted mode, at such time or times, at such price or prices, at market price(s) or at a discount or premium to market price(s) as may be permitted by the applicable regulations for an amount of ₹ 150 crores (including premium) with green shoe option as permitted by the applicable regulations and on such terms and conditions in one or more tranches, considering the prevailing market conditions and other relevant factors wherever necessary,



at the Board's discretion including the discretion to determine the category of Investors to whom the offer, issue and allotment of Securities shall be made, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, permitted by the applicable Regulations and exercised by the Company, and where necessary in consultation with the book running lead managers and/ or underwriters and/ or stabilizing agent and/ or financial advisors or legal advisors or other advisors or Merchant Bankers or otherwise on such terms and conditions as may be finalised by the Board and that the Board be and is hereby authorised to finalise all such terms and conditions and the matters incidental thereto as it may in its absolute discretion thinks fit in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "Issue").

RESOLVED FURTHER THAT pursuant to Chapter VIII of the SEBI (ICDR) Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of passing of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI (ICDR) Regulations and other applicable rules and regulations with permissible discounts and adjustments if applicable and necessary as provided under Chapter VIII referred above.

RESOLVED FURTHER THAT for the issue of Equity Shares to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the Relevant Date for determination of the price of the Equity Shares shall be the date of the meeting in which the Board of Directors of the Company or the Committee of Directors duly authorized by the Board of Directors of the Company decide to open the Issue.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted in terms of this Resolution, shall rank pari-passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT these Equity Shares shall be listed with the stock exchanges, where the existing Equity Shares of the Company are listed subject to compliance with the listing agreement requirements and other applicable statutes as well as permissions and consents as may be required for such listing.

RESOLVED FURTHER THAT without prejudice to the generality of the above but always subject to applicable laws and subject to approval, consents, permissions, restrictions, prohibitions if any of the applicable statutes, any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with equity shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/ or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/ or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions but subject to necessary approvals and consents, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto including without limitation entering into of arrangements in consultation with the Advisor including arrangements for underwriting, marketing, listing, trading, appointment of lead manager(s)/merchant banker(s), underwriter(s), guarantor(s), depository/ depositories, custodian(s), stabilizing agent(s), banker(s), advisor(s), registrar(s), paying and conversion agent(s), trustee(s), and other agents as may be required in order to facilitate or consummate the Issue, and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and allotment of the aforesaid Securities/Equity Shares/GDR'S/ADR'S/FCCB'S/combination thereof etc. and listing thereof with the Stock Exchanges and to approve and execute all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions and difficulties that may arise in the issue, offer and allotment of any of the Securities/Equity Shares/GDR'S/ADR'S/FCCB'S/combination thereof etc. whether in India or abroad, for the issue including finalization of the timing of the Issue/offering(s), identification of the Investors to whom Equity Shares are to be offered, utilization of the Issue proceeds and to do all requisite filings with SEBI, the Stock Exchanges, FIPB, the Government of India, the Reserve Bank of India, if required and

any other concerned authority in India or outside, and to agree to such conditions or modifications that may be imposed by SEBI, RBI, Stock Exchanges, FIPB or other authorities while granting the requisite approvals or that may otherwise be deemed fit or proper by the Board and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the issue, and to give such directions that may be necessary or may arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee or a person or persons, as it may deem fit in its absolute discretion, in order to give effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India as may be required in connection with the aforesaid issue, subject to requisite approvals from Reserve Bank of India, if any, and the Director or Directors of the Company or other officer or officers of the Company authorized by the Board be and is or are hereby authorized to sign and execute the application form and other documents required for opening the account, to operate the said account, and to give such instructions including closure thereof as may be required and deemed appropriate by these signatories, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the Company.

RESOLVED FURTHER THAT the common seal of the Company, if and when required on any agreement, undertaking, deed or other document in India, be affixed as per the provisions of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the Securities.

5. CIGNITI EMPLOYEE STOCK OPTION SCHEME- 2015

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 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from

time to time (hereinafter referred to as "SEBI (SBEB Regulations)") and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, 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 Committee of the Board herein after referred to as "the Committee") 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 excluding Independent Directors (hereinafter collectively referred as the "Employees") who are eligible to participate as per the Regulations and as may be decided by the Board/Committee, under a plan titled **"CTL- ESOP Scheme 2015"** (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 and/ Committee 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 / Nomination & Remuneration 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 Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB regulations) and any other applicable laws and regulations to the extent relevant and applicable to the **"CTL- ESOP Scheme 2015"**.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under **"CTL- ESOP Scheme 2015"** 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 including to appoint Merchant Bankers, Solicitors, Registrars and other advisors, Consultants or Representatives, being incidental to the effective implementation and administration of "CTL-ESOP Scheme 2015" 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."

"RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution."

6. CIGNITI EMPLOYEE STOCK OPTION SCHEME - 2015 TO THE EMPLOYEES OF SUBSIDIARY AND STEP DOWN SUBSIDIARY COMPANY

To consider and if thought fit, to pass, the following resolution as a Special resolution:

"RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI (SBEB Regulations)") and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, 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 Committee of the Board herein after referred to as "the Committee") approval of the members be and is hereby accorded to the Board/Committee of Directors to extend the benefits of the "CTL- ESOP Scheme 2015" referred to in the resolution under item No.5 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 excluding Independent Directors, 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 at such price as may be decided by the Board and/or Committee".

"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."

7. 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 provisions of sections 5, 6 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the new draft Articles as contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

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

Place: Hyderabad
Date: 24.08.2015

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2015 to 30.09.2015 (Both days inclusive).
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Aarthi Consultants Pvt. Ltd.,** Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the Registrar and Share Transfer Agent of the Company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2014-2015 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.
17. Members may also note that the Notice of the 17th Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website www.cigniti.com for their download. The

physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: company.secretary@cigniti.com.

18. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 17th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

(I) In case of members receiving e-mail:

- i) The voting period begins on 27.09.2015 at 9.00 A.M. and ends on 29.09.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (25.09.2015) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 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> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
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> <ul style="list-style-type: none"> 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 as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) 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.

(II) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- (A) Please follow all steps from sl. no. (ii) to sl. no. (xvii) above, to cast vote.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (B) The voting period begins on 27.09.2015 at 9.00 A.M. and ends on 29.09.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 25.09.2015 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.
- (C) 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.
- xix) Mr. Vivek Surana, Practicing Company Secretary, bearing C.P. Number 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process.
- xx) 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.
- xxi) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cigniti.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India.
- xxii) The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board
Cigniti Technologies Limited

C.V. Subramanyam

Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 24.08.2015

Explanatory Statement

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

ITEM NO. 4:

The proposed Special Resolution is to enable the Company to meet the capital expenditure requirements for the ongoing and future projects of the Company and its subsidiaries, working capital requirements, investment in Subsidiary Companies, general corporate purposes including but not limited to pursuing new business opportunities and meeting the issue expenses.

The members may please note that the appended resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, enabling resolutions are being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer.

In terms of Section 62 and other provisions of the Companies Act, 2013, and SEBI (ICDR) Regulations and rules and regulations made there under, relevant clauses of the Listing Agreement with the stock exchanges where the equity shares of the Company are listed, approval of the members is being sought to empower the Board to issue, offer and allot Securities/ Equity Shares for an amount upto ₹ 150 Crores (including premium) with green shoe option as permitted by the applicable regulations and at such price calculated for the Qualified Institutions Placement or at such other discount as may be permitted under Chapter VIII of the SEBI (ICDR) Regulations in such a manner and on such terms and conditions to such person(s) including institutions and Investors by way of Qualified institutional placement as the Board may at its absolute discretion deem fit.

The Members approval to the resolutions would allow the Board to offer and allot the proposed Securities otherwise than on pro-rata basis to the non existing shareholders. Thus, as the Issue may result in the issue of Equity Shares of the Company to investors who may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are

listed. The Board accordingly recommends the above Special resolution for your approval.

The Special Resolution also seeks to empower the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board has constituted to exercise its powers including the power conferred by this resolution) to undertake a Qualified Institutional Placement as defined by SEBI (ICDR) Regulations. The Board may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI (ICDR) Regulations. The pricing of the Equity Shares to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI (ICDR) Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI (ICDR) Regulations.

The Equity Shares so allotted would be listed on the stock exchanges where the shares of the company are listed. The issue / allotment would be subject to the availability of regulatory approvals, if any.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges under the provisions of the Listing Agreement.

The Resolution at Item No. 4 of the Notice is set out as Special Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the aforesaid Resolution.

ITEM NO. 5 & 6:

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

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. Cigniti Employees Stock Option Scheme 2015 ('ESOP 2015' or 'the Scheme') will be administered by the Board and/ or Nomination & Remuneration Committee of the Board in terms of "SEBI (SBEB Regulations)"

The Board of Directors ('the Board') has identified the need to reward the Employees and the Directors (including the whole-time and Non-Executive Directors but excluding Independent Directors) of your Company and its

subsidiaries so as to enable them to participate in the future growth and financial success of your Company and has proposed to offer the eligible Employees an option to acquire the equity shares of your Company under Cigniti Employees Stock Option Scheme 2015. Further fresh Equity Shares are proposed to be issued under ESOP 2015 by the Company and the Scheme will be managed directly by the Nomination and Remuneration Committee.

The complete disclosures for the same are given in this explanatory statement. The Board has accordingly decided to seek the approval of the Members for the same.

The salient features of CIGNITI ESOP SCHEME 2015 are as under:

Total number of options to be granted	Not exceeding 5,00,000 (Five Lakhs) options would be available for grant to the eligible employees of the Company and eligible employees of the subsidiary company(ies) in aggregate under CTL-ESOP Scheme 2015, in one or more tranches exercisable in to 5,00,000 equity shares.
Identification of Classes of Employees entitled to participate in ESOP	<p>Eligibility for grant of options:</p> <p>(i) Permanent Employees of the Company / its subsidiaries</p> <p>(ii) Directors of the Company / its subsidiaries</p> <p>Employees not eligible for grant of options:</p> <p>(i) An employee who is a promoter or belongs to the promoter group</p> <p>(ii) A director who either by himself or through his relative or through anybody corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option</p> <p>(iii) Independent Directors</p>
Transferability of Employees Stock Options	The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees with in the period as may be prescribed under CTL ESOP Scheme 2015.

Requirement of Vesting and Period of Vesting	<p>The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. There shall be a minimum period of one year between the date of grant of options and vesting of options. The maximum vesting period shall not exceed five years. The vesting shall happen in one or more tranches as may be decided by the Board.</p> <p>Vested options lapse due to non-exercise and/or unvested options that get cancelled due to resignation/termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to regrant such lapsed/cancelled options as per the provisions of CTL- ESOP Scheme 2015.</p> <p>In the event of death of an employee or if he suffers permanent incapacity while in employment, all the options granted to him till the date of death or permanent incapacity, as the case may be, shall vest with his legal heirs / in him on that date.</p>
Maximum period within which the options shall be vested	The maximum period within which the options shall be vested would be five years from the date of grant.
Exercise Price or Pricing Formula	<p>“Exercise Price” means the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options.</p> <p>The Exercise price per Option shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Committee.</p> <p>The Committee can give cashless exercise of Options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such Options subject to applicable laws, rules and regulations.</p>
Appraisal Process for determining the eligibility of employees for the Scheme	<p>The appraisal process for determining the eligibility of the employee will be specified by the Board and will be based on any or all of the following criteria:</p> <ul style="list-style-type: none"> • Performance of the employee • Position and responsibility of the employee • Present grade and compensation structure of the employee

	<ul style="list-style-type: none"> • Exceptional contribution made by the employee • Integrity and behavior of the employee • Such other parameters as may be decided by the Board • The committee may at its discretion extend the benefits of the ESOP to a new entrant or any existing employee on such other basis as it may deem fit.
Maximum number of Options / Quantum of benefits to be issued per employee and in aggregate	The number of options that may be granted to any specific employee/director of the Company or of its Subsidiary Company under the Plan, in any financial year and in aggregate under the CTL- ESOP Scheme 2015 shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.
Confirmation with the Accounting Policies	The Company shall confirm to the Accounting Policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the 'Guidance Note on Accounting for employee share based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard as may be prescribed by the ICAI from time to time.
The method the Company shall use to value the options	The company shall follow the intrinsic value method to value the options. The difference between the employee compensation cost computed based on intrinsic value 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 profit and on EPS of the Company shall also be disclosed in the Director's Report.

The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf.

As per Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'), any Employees Stock Option Scheme must be approved by way of a Special Resolution. Further as the Scheme will entail further shares to be offered to persons other than existing Members of your Company, consent of the

Members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013.

Regulation 6(3)(c) of the Regulations requires that a separate resolution is required to be passed if the benefits of the Scheme are to be extended to eligible employees of the subsidiary companies. Accordingly the resolutions set out at Item Nos. 5 and 6 of the Notice convening the Meeting are being placed for approval of the Members. The options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of their shareholding in the Company and to the extent of the options / shares that may be offered to them, if any, under the Scheme.

ITEM NO. 7:

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the Companies Act, 2013. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules thereunder.

Salient aspects of the proposed amended Articles:

Under the proposed amended Articles, salient aspects of sections of Table-F of Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares have been adopted. As mentioned in the previous para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules thereunder coming into force have been duly carried out.

The resolution as set out in item no. 6 has been recommended by the Board of Directors for approval of the Members by special resolution.

The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday from the date here upto September 18, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 7 of the Notice.

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

C.V. Subramanyam

Chairman & Managing Director

DIN: 00071378

Place: Hyderabad

Date: 24.08.2015

Board's Report

To the Members,

The Directors have pleasure in presenting before you the 17th Annual Report of the Company together with the Audited Statements of Accounts on standalone & consolidated basis for the year ended 31st March, 2015.

Financial Summary/Highlights, Operations, State of Affaris:

The performance during the period ended 31st March, 2015 has been as under:

Particulars	2014-2015		2013-2014	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	38,043.32	11,582.44	25,909.98	5,552.12
Total Expenditure	34,918.76	11,013.94	22,714.94	4,373.29
Profit Before Tax	3,124.56	568.50	3,284.97	1,189.69
Provision for Tax	554.43	174.52	730.47	385.73
Profit after Tax	2,570.13	393.98	2,554.50	803.96
Transfer to General Reserves	-	-	-	-
Profit available for appropriation	2,570.13	393.98	2,554.50	803.96
Provision for Proposed Dividend	-	-	-	-
Provision for Corporate Tax	-	-	-	-
Balance Carried to Balance Sheet	2,535.08	358.92	2,554.50	803.96

Review of Operations:

The total revenue of the Company for the financial year under review on consolidated basis was ₹ 38,043.32 Lakhs as against ₹ 25,909.98 lakhs. The net profit was ₹ 2,570.13 for the financial year as against the net profit of ₹ 2,254.50 lakhs for the previous year.

Dividend

The Board of Directors are striving hard to maximise the shareholders returns in the long run by proposing inorganic acquisitions globally and placing the Company at No.1 position in the world. Hence the Directors express their inability to declare the dividend.

Qualified Institutional Placement

For global expansion of the Company, the Board of Directors are looking forward for huge investments in the Company. Hence recommended for approval of members, issue of such number of equity shares or the global depositary receipts ("GDR"), the American depositary receipts ("ADR"), the foreign currency convertible bonds ("FCCBS"), fully convertible debentures/partly convertible debentures, preference shares convertible in to equity shares, non-convertible debentures with warrants and / or any other financial instruments or securities convertible in to equity shares by way of Qualified Institutional placement for an amount of ₹ 150 crores (including premium).

Share Capital

During the year, your Company has allotted 21,06,245 equity shares of ₹ 10/- each at a premium of ₹ 208.40/- each and 18,17,974 equity shares of ₹ 10/- each at a premium of ₹ 346/- per share by way of preferential allotment to promoters and others. Consequently the paid up share capital of the Company has increased to ₹ 24,73,92,190/- divided into 2,47,39,219 equity shares of ₹ 10/- each.

Utilization of Proceeds

During the year Company has allotted 39,24,219 equity shares of ₹ 10/- for cash to the promoters and the others. The Company raised about ₹ 110.72 crores from the above issue and spent the same towards purposes as mentioned in the respective explanatory statements. i.e. Capital expenditure, working Capital requirements etc.

Information about the Financial Performance / Financial Position of the Subsidiaries / Associates/ Joint Ventures

Your Company has two Indian wholly owned subsidiary companies (WOS) and six wholly owned foreign subsidiary company (WOS) in USA. The performance of the subsidiaries have been included in the consolidated financials and published in the report.

The names of the subsidiaries are furnished below:

Gallop Solutions Private Limited (Indian WOS)

Cigniti Software Solutions Private Limited (Indian WOS)

Cigniti Inc, USA (Foreign WOS)

Gallop Solution Inc., USA (Foreign WOS)

Cigniti Technologies Inc, USA (Foreign WOS)

Cigniti Technologies Canada Inc, Canada (Foreign WOS)

Cigniti Technologies UK Limited, UK (Foreign WOS)

Cigniti Technologies Australia PTY Limited, Australia (Foreign WOS)

Management Discussion and Analysis Report

The Management Discussion and Analysis as required under clause 49 (VIII) (D) of the Listing Agreement forms a part of this Report.

Corporate Governance

A Separate section titled “Report on Corporate Governance” along with the Auditors’ Certificate on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms a part of this report.

Extract of Annual Return

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

Directors And Key Manangerial Personnel

During the year, Ms. M. Amala was appointed as Additional Director in the category of Independent Director. However she resigned from office of directorship w.e.f. to 29.08.2015 and the Board accordingly relieved her while placing on the records its sincere appreciation for the valuable services rendered by her tenure as a director.

Mr. P. 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 being eligible offers himself for re-appointment. The Company has appointed Mr. V. Krishanan as Chief Financial Officer w.e.f. 08th June, 2015.

Details of re-appointment /appointment of the director:

Name of the Director	Mr. P. Sudhakar
Date of Appointment	12.02.2015
Qualifications	B. Tech in Electrical Engineering
No. of Shares held in the Company	7,70,027
Directorships held in other companies (excluding foreign companies)	1. Tvarita Capital Private Limited 2. Eaama Estates Private Limited
Positions held in mandatory committees of other companies	Nil

Declaration from Independent Directors on Annual Basis

The Company has received a declaration from Mr. K. Ch. Subba Rao, Mr. Mani Subramani and Mr.K. Nageswer Rao Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and are annexed herewith.

Vigil Mechanism

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

Director’s Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and Auditors Report

In the previous Annual General Meeting (16th AGM), the Company appointed M/s. P. Murali & Co, Chartered accountants as statutory Auditors to hold office until the conclusion of the 17th annual General Meeting. The Company has already received letter from them to the effect that their ratification, if made by the shareholders, would be within the prescribed limits and that they are not disqualified for re-appointment within the meaning of the Companies act 2013. The Board of Directors recommend their re-appointment ratification for the financial year 2015-16.

Internal Audit

The company has adequate Internal audit system and internal control process in place commensurate with the size of the business.

However keeping in with the global expansion and aggressive volume the company is on the look out for appointing an independent practicing chartered accountant firm as internal auditors of the company.

The Board has took note of the same and has approved the same for completing the task this financial year.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial personnel) Rules 2014, Mr. Vivek Surana, Practicing Company Secretary has conducted Secretarial Audit of the Company for the FY 2014-15. The Secretarial Audit Report for the FY 2014-15 is annexed hereto and forms part of this Annual report. The Company has shortlisted two firms and will appoint one of them as Internal Auditor shortly. It is further stated that the delay in appointment of CFO was occurred for identifying a right candidate with appropriate exposure to meet both domestic & global business practices.

Disclosure of Particulars with Respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

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

B. Technology Absorption:

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

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: ₹ 1,11,65,11,350/-

Foreign Exchange Outgo: ₹ 23,33,18,068/-

Public Deposits

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

Details of Adequacy of Internal Financial Controls

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

Insurance

The properties and assets of your Company are adequately insured.

Particulars of Loans, Guarantees or Investments

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

Risk Management Policy

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

Corporate Social Responsibility

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

The Company has adopted the CSR policy and budgeted outlay of ₹ 20 lacs has been approved by the Board of Directors. As per the programme, the Company has started implementation of CSR activity. However, during the year it was practical to spend only ₹ 18,44,890. The residual amount shall be spent as per the CSR policy. The details on CSR corpus and amount spent, projects for which funds are utilized have been disclosed as part of Corporate Governance Report.

Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under clause 49(V)(D) of the listing agreement, the Company has formulated a policy for determining 'material' subsidiaries, the said policy is disclosed at Company's website at www.cigniti.com.

As required under clause 49(VIII)(A)(2) of the listing agreement, the Company has disclosed the policy on dealing with related party transactions at Company's website at www.cigniti.com.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures.

Disclosure About Cost Audit

Cost Audit is not applicable to your Company.

Ratio of Remuneration to each Director

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, ratio of

remuneration to maiden employees for Mr. C.V. Subramanyam is 1:10 times in rupees and for Mr. C. Srikanth is 1:5 times in rupees.

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE Limited and National Stock Exchange Limited where the Company's Shares are listed.

Corporate Governance and Shareholders Information:

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.

Industry Based Disclosures as Mandated by the Respective Laws Governing the Company

The Company is not an NBFC, Housing Companies etc., and hence Industry based disclosures are not required.

Secretarial Standards

Event Based Disclosures

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: Yes

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

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

Acknowledgements

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company like SEBI, BSE, NSE, MCX, NSDL, CDSL, Axis Bank, HDFC Bank etc. for their continued support for the growth of the Company.

For and on behalf of the Board
Cigniti Technologies Limited
C.V. Subramanyam

Place: Hyderabad
Date: 24.08.2015

Chairman & Managing Director
DIN: 00071378

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, 2015 under company's Employee Stock Option Schemes are as under:

Sr. No.	Description	Esop Scheme 2011	Esop Scheme 2013	Esop Scheme 2014
a	Options granted	15,00,000	10,00,000	2,97,000
b	Pricing formula	N.A	N.A	N.A
c	Options vested during the year	Nil	Nil	Nil
d	Options exercised during the year	N.A	N.A	N.A
e	Total number of shares arising as a result of exercise of options	N.A	N.A	N.A
f	Options lapsed during the year	N.A	N.A	N.A
g	Variation in terms of options	N.A	N.A	N.A
h	Money realized by exercise of options during the year	N.A	N.A	N.A
i	Total number of options in force	N.A	N.A	N.A
j	Options granted during the year to Employees:	15,00,000	10,00,000	2,97,000
(i)	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	N.A
(ii)	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	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	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	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.A
n	Description of the method and significant assumptions used during the year to estimate the fair values of options.	N.A	N.A	N.A



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 the Code of Governance

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

Date of Report

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2015. The Report is updated as on the date of the report wherever applicable.

1. Board of Directors

A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman & Managing Director. As on 31st March 2015, the Board of Directors of the Company has 7 members (including four independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2015 and details of number of Directorships/committee chairmanships/ memberships attendance particulars is as under:

S. No	Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies		Attendance Particulars		
				Member	Chairman	Last AGM 19.09.2014	Board meetings '14-15' held	attended
1.	Mr. C. V. Subramanyam	Promoter Chairman & Managing Director	3	-	-	Yes	12	12
2.	Mr. C. Srikanth	Promoter & Executive Director	3	-	-	Yes	12	12
3.	Mr. P. Sudhakar	Promoter & Non-Executive Director	2	-	-	Yes	12	8
4.	Mr. K. Ch. Subba Rao	Independent & Non-executive Director	2	-	-	Yes	-	-
5.	Mr. Mani Subramani	Independent & Non-executive Director	5	-	-	Yes	-	-
6.	Mr. K.Nageswara Rao	Independent & Non-executive Director	-	-	-	Yes	-	-
7.	Ms. M Amala*	Independent & Non-executive Director	1	1	-	NA	1	1

* Resigned w.e.f 29.08.2015

B. Meetings During the Year

The Board of Directors duly met 12 (Twelve) times on 07.05.2014, 08.05.2014, 30.05.2014, 18.07.2014, 06.08.2014, 14.08.2014, 19.09.2014, 14.11.2014, 09.12.2014, 10.12.2014, 14.02.2015, and 30.03.2015 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

C. Independent Directors' Meeting

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 30.03.2015, to discuss:

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

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

As required under clause 49(II)(B)(7) of the listing agreement, the company regularly familiarises Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarisation program is given at company's website (www.cigniti.com/Investor_Relations).

2. Audit Committee

A. Brief Description of Terms of Reference:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors,

fixation of audit fee and also approval for payment for any other services.

- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - a. Any changes in accounting policies and practices;
 - b. Qualification in draft audit report;
 - c. Significant adjustments arising out of audit;
 - d. The going concern concept;
 - e. Compliance with accounting standards;
 - f. Compliance with stock exchange and legal requirements concerning financial statements and
 - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- Reviewing compliances as regards the Company's Whistle Blower Policy.

B. Composition, Meetings & Attendance

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr.K.Ch.Subba Rao (Chairman)	Independent		
	Non-Executive	4	30.05.2014
Mr. K. Nageswara Rao (member)	Independent	4	14.08.2014
	Non-Executive		14.11.2014
Mr. Mani Subramani (member)	Independent	4	14.02.2015
	Non-Executive		

- C** Previous Annual General Meeting of the Company was held on 19th September 2014 and Mr. K. Ch. Subba Rao, Chairman of the Audit Committee, attended previous AGM.

3. Nomination And Remuneration Committee

The Committee comprises of three non-executive independent Directors as on 31st March, 2015

A. Brief Description of Terms of Reference

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
 - To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
 - To carry out evaluation of every Director's performance.
 - To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. Composition of the Committee

S. No.	Name of the Member	Category
1.	Mr.K.Ch.Subba Rao (Chairman)	Independent
		Non-Executive
2.	Mr. K. Nageswara Rao (member)	Independent
		Non-Executive
3.	Mr. Mani Subramani (member)	Independent
		Non-Executive

C. Remuneration Policy:

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

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

Policy for Selection of Directors and Determining Directors' Independence

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee" means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.
- 2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

3. Policy:

3.1 Qualifications and criteria

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
- General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 3.1.3 The proposed appointee shall also fulfil the following requirements:
- Shall possess a Director Identification Number;
 - Shall not be disqualified under the companies Act, 2013;
 - Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meeting;
 - Shall abide by the code of Conduct established by the Company for Directors and Senior Management Personnel;
 - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.
- 3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 Criteria of independence

- 3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- 3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 3.2.3 The independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

3.3 Other directorships/ committee memberships

- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a Directors' service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

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

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

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the

remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

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

- 2.1 “Director” means a director appointed to the Board of the company.
- 2.2 “Key Managerial Personnel” means
 - (i) The Chief Executive Office or the managing director or the manager;
 - (ii) The company secretary;
 - (iii) The whole-time director;
 - (iv) The Chief Finance Officer; and
 - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 “Nomination and Remuneration committee” means the committee constituted by the Board in accordance with the provisions of section 178 of the Companies Act,2013 and clause 49 of the Equity Listing Agreement.

3. Policy:

- 3.1 Remuneration to Executive Director and key managerial personnel
 - 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
 - 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
 - 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
 - (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options

- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

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

3.2 Remuneration to Non – Executive Directors

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

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

3.3. Remuneration to other employees

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

D. Remuneration to Directors Paid during the Financial Year 2014-15 and other Disclosures

Name of the Director	Salary(Rs) p.a.	Sitting fees (Rs)	Number of shares held
Mr.C.V. Subramanyam	1.20 Crores	Nil	29,58,485
Mr.C. Srikanth	1.04 Crores	Nil	25,00,000
Mr.P. Sudhakar	1.11 Crores	Nil	7,70,027
Mr. K.Ch. Subba Rao	Nil	Nil	25,000
Mr. Mani Subramani	Nil	Nil	Nil
Mr. K.Nageswara Rao	Nil	Nil	Nil
Ms. M. Amala*	Nil	Nil	1,000

* Resigned w.e.f. 29.08.2015

E. Formal Annual Evaluation:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 30.03.2015 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 3 (three) non-independent directors namely:

- i.) Shri C.V. Subramanyam – Chairman & Managing Director
- ii.) Shri P. Sudhakar – Director & CEO.
- iii.) Shri C. Srikanth – Whole-time Director

The meeting recognized the significant contribution made by Shri C.V. Subramanyam in directing the Company towards the success path and placing the Company globally in No.2 position in Software testing.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.

- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

4. Stakeholder's Relationship Committee

A. COMPOSITION

Name of the Member	Position	Category
Mr. Mani Subramani	Chairman	Independent Non-Executive
Mr. K. Ch. Subba Rao	Member	Independent Non-Executive
Mr. C. Srikanth	Member	Non-Independent Executive

B. Name and Designation of Compliance Officer

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

C. Details of Complaints/Requests Received, Resolved and Pending During the Year 2014-15

During the financial year 2014-15, no complaints were received from the shareholders.

5. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee, formed under Section 135 of the Companies Act, 2013, comprises 3 members with one Independent Director and two executive Directors.

COMPOSITION

Name of the Member	Position	Category
Mr. K. Ch. Subba Rao	Chairman	Independent Non-Executive
Mr. P. Sudhakar	Member	Executive
Mr. C. V. Subramanyam	Member	Executive

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

Brief description of Terms of Reference

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR policy.
- To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or appropriate for performance of its duties.
- Cigniti is supporting Project 511 – Science lab project. This program is designed for the schools where children sit on the floor due to lack of furniture. Schools are provided dual desk cum benches for children depending on the size of the classroom and strength of the class in Government owned school buildings. Project 511 has launched Operation seating for the children studying in Government schools in Hyderabad, Ranga Reddy and Medak district. Cigniti’s Corporate Social Responsibility program focuses on Education.

S. No.	CSR	Location	Amount	Amount	Cumulative	Amount
	Project or Activity Identified		Outlay (Budget)	Spent on the programs	Expenditure up to the Reporting Period	Spent: Direct or through implementing Agency
1	Project 511	Hyderabad	₹ 20 Lakhs	₹ 18.45 Lakhs	₹ 18.45 Lakhs	Direct

6) Risk Management Committee

A) Composition:

The Details of composition of the Committee are given below:

Name of the Member	Position	Category
Mr. Mani Subramani	Chairman	Independent Non-Executive
Mr. C Srikanth	Member	Executive
Mr. C.V. Subramanyam	Member	Executive

B) Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy

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

7. General Body Meetings

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

NO. OF AGM AND FY	DATE OF MEETING	VENUE	TIME	SPECIAL RESOLUTION PASSED
16 th AGM 2013-14	19.09.2014	The V (Ascendas) Auditorium, Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	11.00 A.M.	yes
15 th AGM 2012-13	16.09.2013	The V (Ascendas) Auditorium, Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	11.00 A.M.	yes
14 th AGM	12.07.2012	The V (Ascendas) Auditorium, Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	11.00 A.M.	yes

B. Passing of Resolutions by Postal Ballot

The Company had accorded the approval of members through postal ballot dated 07.05.2014 for increase in authorized share capital and granting of employee stock Options. Further through postal ballot dated 18.07.2014 disclosing the ultimate beneficial ownership for proposed allottees.

The results of Postal Ballot were declared on 09.07.2014 and 21.08.2014 respectively.

8. Disclosures

A. Materially Significant Related Party Transactions

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

B. Compliances:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

C. Whistle Blower Policy

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

D. Compliance with the Mandatory Requirements and Adoption of the Non-Mandatory Requirements of Clause 49 of the Listing Agreement

All mandatory requirements of Clause 49 of the Listing Agreement have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.

9. MEANS OF COMMUNICATION

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

10. General Shareholder Information

The following information would be useful to the shareholders:

A) Seventeenth Annual General Meeting

Date and Time: 30th September 2015, at 10:00 A.M

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

B) Financial Year and Financial Year Calendar 2015-16 (Tentative Schedule)

Financial year to which the Annual General Meeting relates: 2014-15

Financial calendar: 2015-16

Adoption of Quarterly results for the Quarter ending

- 30th June, 2015: 14th August, 2015
- 30th September, 2015: 1st/2nd Week of November, 2015
- 31st December, 2015: 1st/2nd Week of February, 2016
- 31st March, 2016: on or before 30th May 2016

Annual General Meeting (Next year) : August / September, 2016

C) Book Closure Date

26th September 2015 to 29th September 2015 (both days inclusive)

D) Listing On Stock Exchanges:

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The Company has paid the listing fees for the year 2014-15 to both the Stock Exchanges.

E) Stock Code

EXCHANGE	CODE
National Stock Exchange of India	CIGNITITEC
BSE Limited	534758

F) Electronic Connectivity

Demat ISIN number: INE675C01017

NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel

Mumbai – 400 013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

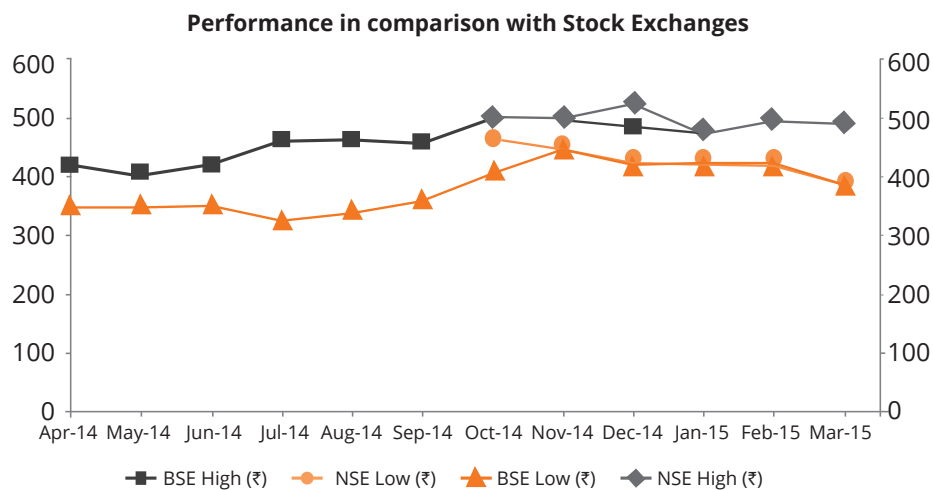
Phiroze Jeejeebhoy Towers, 28th Floor

Dalal Street, Mumbai – 400 023

G) Market Price Data

The monthly high / low prices of shares of the Company from April, 2014 to March, 2015 at BSE and from October, 2014 to March, 2015 at NSE:

MONTH	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	416.70	347.20	--	--
May 2014	407.50	347.00	--	--
June 2014	416.65	350.00	--	--
July 2014	462.00	325.00	--	--
August 2014	459.50	340.00	--	--
September 2014	460.00	357.65	--	--
October 2014	500.05	410.00	505.00	465.00
November 2014	496.50	449.95	498.45	445.00
December 2014	484.00	420.50	524.40	425.25
January 2015	476.00	423.00	475.00	422.00
February 2015	496.00	425.00	494.00	423.25
March 2015	487.50	391.00	490.00	387.00

**H) Registrars and Transfer Agents**

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

I) Share Transfer System

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

J) Shareholding pattern as on 31.03.2015

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	71,08,258	28.73	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)	71,08,258	28.73	0	0
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	60,45,557	24.44		
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)	60,45,557	24.44	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,31,53,815	53.17	0	0
(B)	Public Shareholding				
(1)	Institutions				
a.	Mutual Funds/UTI	3,65,000	1.48	0	0
b.	Financial Institutions/Banks	1,509	0.01	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)	3,66,509	1.48	0	0
(2)	Non-Institutions				
a.	Bodies Corporate	8,01,899	3.24	0	0
b.	Individuals				
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	26,28,015	10.62	0	0
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	74,25,322	30.01	0	0

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
c.	Any Others :-				
	i) Non Resident Individuals	2,00,482	0.81	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	1,63,177	0.66	0	0
	vi) Foreign Nationals	0	0	0	0
	Sub Total (B)(2)	1,12,18,895	45.35	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,15,85,404	46.83		
	Total (A)+(B)	2,47,39,219	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)	2,47,39,219	100.00	0	0

K) Distribution of Shareholding as on 31.03.2015

Range (₹)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	2,120	64.53	3,07,147	1.24
5001 - 10000	337	10.25	2,72,202	1.10
10001 - 20000	224	6.81	3,47,338	1.40
20001 - 30000	141	4.29	3,62,490	1.47
30001 - 40000	66	2.01	2,34,322	0.95
40001 - 50000	70	2.13	3,27,589	1.32
50001 - 100000	141	4.29	10,22,655	4.14
100001 & Above	187	5.69	2,18,65,476	88.38
TOTAL	3,286	100.00	2,47,39,219	100.00

L) Dematerialisation & Liquidity of Shares

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

Particulars	No. of Shares	% Share Capital
NSDL	1,81,02,911	73.17
CDSL	60,86,268	24.60
PHYSICAL	5,50,040	2.22
Total	2,47,39,219	100.00

M) Address for Correspondence

Ms. A. Naga Vasudha
Company Secretary & Compliance Officer
Suit No. 106 & 107,
6-3-456/C, MGR Estates, Dwarakapuri Colony,
Punjagutta, Hyderabad – 500 082.

N) 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 2014-15

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 2014-15.

Place: Hyderabad

Date: 24.08.2015

C.V. Subramanyam

Chairman & 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)129 of the Companies Act, 2013.

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 Managing Director and CEO/CFO certification of the financial statements for the year 2014-15 is provided elsewhere in this Annual Report.

On behalf of the Board
Cigniti Technologies Limited

Place: Hyderabad

Date: 24.08.2014

C.V. Subramanyam

Managing Director

K. Ch. Subba Rao

Director

Certificate by the Managing Director and/CEO of the Company

To
The Board of Directors
Cigniti Technologies Limited

Dear Sir,

As required under clause 49(IX) of the Listing agreement, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 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. 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 those that violate the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

Yours Sincerely,

Place: Hyderabad
Date: 24.08.2015

C.V. Subramanyam
Chairman & Managing Director

Compliance Certificate on Corporate Governance

To
The Members of
Cigniti Technologies Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Cigniti Technologies Limited ("the company") for the year ended 31st March, 2015 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:007257S

Place: Hyderabad
Date: 24.08. 2015

P. Murali Mohana Rao
Partner
Membership No: 023142



MGT 9

Extract of Annual Return

as on the Financial Year 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG1998PLC030081
ii.	Registration Date	03.09.1988
iii.	Name of the Company	CIGNITI TECHNOLOGIES LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company
v.	Address of the Registered office and contact details	Suit No.106&107,6-3-456/C,Mgr Estates Dwarakapuri Colony Panjagutta, Hyderabad, Telangana -500082
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Aarthi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad-29. Tel: (040) 27642217 / 27638111 Fax: (040) 27632184 Email: info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil
A. Promoters									
(1) Indian									
Individual/ HUF	54,97,942	4,06,097	59,04,039	28.36	71,08,258	--	71,08,258	28.73	0.37
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	54,97,942	4,06,097	59,04,039	28.36	71,08,258	--	71,08,258	28.73	0.37)
(2) Foreign									
a) NRIs - Individuals	57,98,000	2,47,557	60,45,557	29.04	60,45,557	--	60,45,557	24.44	(4.60)
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	57,98,000	2,47,557	60,45,557	29.04	60,45,557	--	60,45,557	24.44	(4.60)
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	1,12,95,942	6,53,654	1,19,49,596	57.40	1,31,53,815	--	1,31,53,815	53.17	(4.23)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	3,65,000	--	3,65,000	1.48	1.48
b) Banks / FI	0	0	0	0	1,509	--	1509	0.01	0.01
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SubTotal	--	--	--	--	3,66,509	--	3,66,509	1.49	1.49
2. Non Institutions									
a) Bodies Corp.									
i) Indian	5,36,435	1,00,000	6,36,435	3.06	8,01,899	--	8,01,899	3.24	0.18
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	15,70,020	3,09,060	18,79,080	9.03	25,07,355	1,20,660	26,28,015	10.62	1.59
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	44,45,784	17,68,025	62,13,809	29.85	69,95,942	4,29,380	74,25,322	30.01	0.16

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil	
c) Others (specify)										
Clearing Members	76,311	--	76,311	0.37	1,63,177	--	1,63,177	0.66		0.29
Non Resident Indians	59,769	--	59,769	0.29	2,00,482	--	2,00,482	0.81		0.52
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	66,88,319	21,77,085	88,65,404	42.59	1,10,35,364	5,50,040	1,15,85,404	46.83		4.24
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0		0
Grand Total (A+B+C)	1,79,84,261	28,30,739	2,08,15,000	100	2,41,89,179	5,50,040	2,47,39,219	100%		0

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil	
1.	Pennam Sapna	37,69,000	0	37,69,000	18.11	37,69,000	0	37,69,000	15.23		(1.21)
2.	Chakkilam Venkata Subramanyam	23,73,342	203394	25,76,736	12.38	29,58,485	0	29,58,485	11.96		(0.33)
3.	Chakkilam Srikanth	25,00,000	0	25,00,000	12.01	25,00,000	0	25,00,000	10.11		(1.9)
4.	Kukunuru Kumar Bapuji	20,29,000	0	20,29,000	9.75	20,29,000	0	20,29,000	8.20		(1.55)
5.	C Rajeswari	6,24,600	202703	8,27,303	3.97	11,27,303	0	11,27,303	4.56		0.59
6.	Pennam Sudhakar	0	247557	2,47,557	1.19	7,70,027	0	7,70,027	3.11		2.03

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Pennam Sapna				
	At the beginning of the year	37,69,000	18.11	37,69,000	15.23
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment /transfer/bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2014 to 31-03-2015			
	At the End of the year	37,69,000	15.23	37,69,000	15.23
2.	C V Subramanyam				
	At the beginning of the year	25,76,736	12.38	29,58,485	11.96
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment /transfer/bonus/sweat equity etc):	Preferential Allotment 3,81,749			
	At the End of the year	29,58,485	11.96	29,58,485	11.96



Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Chakkilam Srikanth				
	At the beginning of the year	25,00,000	12.01	25,00,000	10.11
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/transfer/bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2014 to 31-03-2015			
	At the End of the year	25,00,000	10.11	25,00,000	10.11
4.	K Kumar Bapuji				
	At the beginning of the year	20,29,000	9.75	20,29,000	8.20
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/transfer/bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2014 to 31-03-2015			
	At the End of the year	20,29,000	8.20	20,29,000	8.20
5.	C Rajeswari				
	At the beginning of the year	8,27,303	3.97	11,27,303	4.56
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/transfer/bonus/sweat equity etc):	Preferential Allotment 3,00,000			
	At the End of the year	11,27,303	4.56	11,27,303	4.56
6.	Pennam Sudhakar				
	At the beginning of the year	2,47,557	1.19	7,70,027	3.11
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/transfer/bonus/sweat equity etc):	Preferential Allotment 5,22,470			
	At the End of the year	7,70,027	3.11	7,70,027	3.11

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1.	VENKATA RAO PENNAM	7,54,600	3.63	1,67,993	0.68
2.	M RAMA MANOHARA REDDY	3,46,937	1.67	-	-
3.	ALLADI KING MAHENDRA	3,46,937	1.67	-	-
4	S.LAKSHMI	2,12,200	1.02	2,05,200	0.83
5	S L N PRASAD	2,08,800	1.00	2,08,800	0.84
6	KAIROS TECHNOLOGIES PRIVATE LIMITED	2,54,000	1.22	-	-
7	BEHATA SUNDARA RAO	1,53,300	0.74	-	-
8	GOPAL YADAV POTAIL	1,28,295	0.62	-	-
9	MADHAVI GRANDHI	1,00,000	0.48	-	-
10	SRIVALLI KONAKALLA	1,00,000	0.48	-	-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment /transfer/ bonus/sweat equity etc): NIL				
	At the End of the year				
1.	IDFC Equity Opportunity- Series 1	-	-	3,52,710	1.43
2.	RELIGARE SECURITIES LTD	-	-	2,46,740	1.00
3.	PRABHUDAS LILLADHER PVT. LTD.	-	-	2,31,823	0.94
4.	ANJANA BANGAD	-	-	2,50,000	1.01
5.	VAMSHEEDHAR CHENNAMANENI	-	-	2,18,338	0.88
6.	ATLURI NAGA DEEPTHI	-	-	1,75,000	0.71
7.	SHEELA BANGAD	-	-	1,50,000	0.61
8.	VAIBHAV BANGAD	-	-	1,50,000	0.61

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	C. V. Subramanyam				
	At the beginning of the year	25,76,736	12.38	29,58,485	11.96
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/transfer/bonus/sweat equity etc):	Preferential allotment of 381749 equity shares			
	At the End of the year	29,58,485	11.96		
2.	C Srikanth	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	25,00,000	12.01	25,00,000	10.11
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment /transfer/bonus/sweat equity etc):	No change			
	At the End of the year	25,00,000	10.11		
3.	P. Sudhakar	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,47,557	1.19	7,70,027	3.11
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment /transfer/bonus/sweat equity etc):	Preferential allotment of 522470 equity shares			
	At the End of the year	7,70,027	3.11		
4	K. CH. Subba Rao	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	--	--	25,000	0.01
	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment /transfer/bonus/sweat equity etc):	Preferential allotment of 25,000 equity shares			
	At the End of the year	25,000	0.01		

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	-	-	-	-
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year	-	-	-	
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager:		Total Amount
		C.V. Subramanyam MD	C.Srikanth WTD	
1.	Gross salary	₹ 10,00,000*12	₹ 8,00,000*8 + ₹ 10,00,000*4	= ₹ 2,24,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	= 1,20,00,000	= 1,04,00,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- Others, specify			
5.	Others, please specify	-	-	
6.	Total (A)	1,20,00,000	1,04,00,000	2,24,00,000
7.	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Director			Total Amount	
		Mr. K.Ch.Subba Rao	Mr. Mani Subramani	Mr. K.Nageswara Rao		
1.	Independent Directors	--	--	--	--	--
	• Fee for attending board / committee meetings	--	--	--	--	--
	• Commission					
	• Others, please specify					
	Total (1)	--	--	--	--	--

Sl. No	Particulars of Remuneration	Name of Director			Total Amount
		Mr. K.Ch.Subba Rao	Mr. Mani Subramani	Mr. K.Nageswara Rao	
2.	Other Non-Executive Directors	-	-	-	- -
	• Fee for attending board / committee meetings				
	• commission				
	• Others, please specify				
	Total (2)	--	--	--	-- --
	Total (B)=(1+2)	--	--	--	-- --
	Total Managerial Remuneration	--	--	--	-- --
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (A. Naga Vasudha)	CFO	Total
1.	Gross salary	-	20,000*12 months=	-	2,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2,40,000		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit				
	- others, specify...				
5.	Others, please specify				
	Total		2,40,000		2,40,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Declaration from Independent Directors on Annual Basis

The Board of Directors
M/s Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 07.05.2015
Place: Hyderabad

Yours Faithfully,

K. Ch. Subba Rao
(Independent director)

Declaration from Independent Directors on Annual Basis

The Board of Directors
M/s Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 07.05.2015
Place: Hyderabad

Yours Faithfully,

K. Nageswara Rao
(Independent director)

Declaration from Independent Directors on Annual Basis

The Board of Directors
M/s Cigniti Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 07.05.2015
Place: Hyderabad

Yours Faithfully,

Mani Subramani
(Independent director)

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To
The Members of
M/s. Cigniti Technologies Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2014 and ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Cigniti Technologies Limited ("The Company") for the financial year ended on 31st March, 2015, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act');
2. During the year the Company has allotted 39,24,219 equity shares on preferential basis to promoters and others in accordance with The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and also complied with the provisions of Section 62 read with section 42 of the Companies Act, 2013 and the rules made thereunder.
3. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report except yearly or event based disclosures in terms of SEBI Takeover Regulations & Insider Trading Regulations.
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - iv. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - vi. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
4. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India under the provisions of Companies Act, 1956 and
 - ii. The Listing Agreements entered into by the Company with BSE Limited;

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the audit period, the shares of the Company were listed on National Stock Exchange of India Limited and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

We further report that:-

The provisions of Section 135 relating to Corporate Social Responsibility is applicable to the Company by which the Company is required to spend ₹ 16,00,000/- against which the Company has spent ₹ 18.45 lakhs in the field of education.

We further report that:-

- i. The Company has not made the appointment of Internal Auditors during the year.
- ii. The appointment of Chief Financial Officer was made with a delay of 2 months.

For S.S. Reddy & Associates

Place: Hyderabad
Date: 24.08.2015

Vivek Surana
Practicing Company Secretary
C. P. No: 12901

ANNEXURE A

To
The Members of
M/s. Cigniti Technologies Limited

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

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

For S.S. Reddy & Associates

Vivek Surana
Practicing Company Secretaries
C.P.No: 12901

Place: Hyderabad
Date: 24.08.2015

Independent Auditor's Report on Consolidated Financial Statements

To the Board of Directors of Cigniti Technologies Limited

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Cigniti Technologies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In

making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS)-21-Consolidated Financial Statements, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Other Matter

We did not audit the financial statements of six Subsidiary Companies included in the consolidated financials whose financial statements reflect total assets ₹ 172,10,10,233/- as at 31/03/2015 and total revenue of ₹ 258,19,49,541/- for the year ended 31st March 2015. These include financial statements and other financial information in respect of subsidiary companies are unaudited and have been furnished to us by the management and our opinion on these consolidated financial results and the year to date results is based solely on such unaudited financial statements and other financial information.

For P. Murali & CO.,

Chartered Accountants

Firm Registration No: 0072575

P. Murali Mohana Rao

Partner

M.No 023412

Place: Hyderabad

Date: 30.05.2015

Consolidated Balance Sheet

as at 31st March, 2015

(₹)			
Particulars	Note No.	As on 31-03-2015	As on 31-03-2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	24,73,92,190	20,81,50,000
(b) Reserves and Surplus	3	2,44,33,71,833	87,41,57,187
(2) Share Application Money Received towards Preferentials Shares		-	41,850,000
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	3,61,98,524	19,00,000
(b) Deferred Tax Liabilities (Net)	5	33,30,608	81,81,977
(d) Long Term Provisions	6	1,42,94,157	94,06,320
(4) Current Liabilities			
(a) Short-Term Borrowings	7	38,26,11,579	25,20,02,968
(b) Trade Payables	8	36,02,60,534	12,91,61,662
(c) Other Current Liabilities	9	10,18,35,354	12,93,96,198
(d) Short-Term Provisions	10	25,14,63,817	19,47,81,853
Total		3,84,07,58,596	1,84,89,88,165
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	16,26,09,893	13,70,55,073
(ii) Intangible Assets	11	54,86,22,298	54,86,22,298
(iii) Capital Work-In-Progress	11	55,04,24,931	9,98,66,463
(b) Long Term Loans and Advances	12	16,01,32,573	18,79,84,490
(c) Other Non-Current Assets	13	30,77,928	26,28,928
(d) Other Current Assets	14	6,15,13,298	3,32,40,259
(2) Current Assets			
(a) Trade Receivables	15	1,34,70,27,771	63,86,33,493
(b) Cash and Bank Balances	16	33,89,35,817	5,65,10,738
(c) Short-Term Loans and Advances	17	66,84,14,087	14,44,46,423
Total		3,84,07,58,596	1,84,89,88,165

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

Dated : 30.05.2015

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam

Managing Director

DIN: 00071378

K. Ch Subba Rao

Director

DIN: 01685123

A. Naga Vasudha

Company Secretary

Consolidated the Statement of Profit & Loss

for the year ended 31st March, 2015

(₹)			
Particulars	Note No.	Year Ending 31-03-2015	Year Ending 31-03-2014
Revenue from Operations	18	3,78,87,64,843	2,59,09,97,733
Other Income	19	1,55,67,313	89,93,550
Total Revenue		3,80,43,32,156	2,59,99,91,283
Expenses:			
Employee Benefit expenses	20	2,20,50,41,081	1,29,70,37,542
Other Operating Expenses	21	75,66,85,922	82,11,89,157
Administrative Expenses	22	44,64,81,463	11,69,91,348
Financial costs	23	2,94,18,829	1,19,40,361
Depreciation	11	5,42,48,530	2,43,35,483
Total Expenses		3,49,18,75,825	2,27,14,93,891
Profit Before Tax		31,24,56,331	32,84,97,392
Tax expense:			
(1) Current tax		5,78,70,542	7,22,06,033
(2) Deferred tax		(24,27,631)	8,41,696
Profit After Tax		25,70,13,420	25,54,49,663
Period Expenses		35,05,748	-
Profit / (Loss) Carried forward to Balance Sheet		25,35,07,672	25,54,49,663
Earning per equity share: (Refer Note No.29)			
(1) Basic		11.04	12.27
(2) Diluted		11.04	12.27

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

For CIGNITI TECHNOLOGIES LIMITED

P. Murali Mohana Rao
Partner
M.No. 023412

C.V. Subramanyam
Managing Director
DIN: 00071378

K. Ch Subba Rao
Director
DIN: 01685123

Place: Hyderabad
Dated: 30.05.2015

A. Naga Vasudha
Company Secretary

Consolidated Cash Flow Statement

as at 31st March, 2015

(₹ In Lakhs)		
Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary Items	3,124.56	3,284.97
Adjustments for:		
Depreciation	542.49	243.35
Interest expenses	294.19	119.40
Foreign Currency Translation Reserve	(404.50)	(231.67)
Cost of ESOP	2,973.16	-
Prior Period Expenses	(35.06)	-
Written off Expenses		
Operating Profit before working capital changes	6,494.83	3,416.06
(Increase)/Decrease in Trade Receivables	(7,083.94)	(2,373.81)
(Increase)/Decrease in Short-Term Loans and Advances	(5,239.68)	(506.31)
Increase/(Decrease) in Trade payables	2,310.99	69.96
Increase/(Decrease) in Other Current Liabilities	(299.85)	1,237.83
(Increase)/Decrease in Other Current Assets	(282.73)	(268.25)
(Increase)/Decrease in Other Non-Current Assets	(4.49)	(2.60)
Increase/(Decrease) in Short-Term Borrowings	1,306.09	656.72
Increase/(Decrease) in Short Term provisions	(11.89)	219.32
NET CASH FLOW OPERATING ACTIVITIES	(2,810.66)	2,448.92
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(5,394.81)	(3,917.08)
(Increase)/Decrease in Long term Loans & Advances	278.52	(1,420.18)
NET CASH USED IN INVESTING ACTIVITIES	(5,116.29)	(5,337.26)

Consolidated Cash Flow Statement

as at 31st March, 2015

(₹ In Lakhs)		
Particulars	Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares /Share Premium	11,072.03	2,914.86
Share application money against preferential allotment	(418.50)	418.50
Increase/(Decrease) in Long Term Liabilities	342.98	(23.40)
Increase/(Decrease) in Long Term Provisions	48.88	63.91
Interest paid	(294.19)	(119.40)
NET CASH FLOW FROM FINANCING ACTIVITIES	10,751.20	3,254.47
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,824.25	366.13
Cash and Cash equivalents as at (Opening Balance) 01-04-2014	565.11	198.98
Cash and Cash equivalents as at (Closing Balance) 31-03-2015	3,389.36	565.11

For CIGNITI TECHNOLOGIES LIMITED

Place: Hyderabad
Dated: 30.05.2015

C.V. Subramanyam
Managing Director
DIN: 00071378

K. Ch Subba Rao
Director
DIN: 01685123

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, 2015. 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 March 31, 2015 to the member of the company.

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

PLACE: HYDERABAD
Date : 30.05.2015

P.Murali Mohana Rao
Partner
M.No. 023412

Notes forming part of the consolidated financial statement

for the year ended 31st March, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 subsidiaries as at 31st March, 2015, 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 like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the companies separate financial statements.

(iv) The list of following subsidiaries are taken into Consolidation:

1. Cigniti Software Services Private Limited (Holding 100%, incorporated in India)
2. Cigniti INC., USA (Holding 100% incorporated in USA)
3. Gallop Solution Private Limited (Holding 100%, incorporated in India)
4. Gallop Solution INC ., USA (Holding 100% incorporated in USA)
5. Cigniti Technologies (Canada) INC, (Holding 100% incorporated in Canada)
6. Cigniti Technologies (UK) Limited, (Holding 100% incorporated in UK)
7. Cigniti Technologies INC., USA, (Holding 100% incorporated in USA)
8. Cigniti Technologies (Australia) Pty. Limited, (Holding 100% incorporated in Australia)

Revenue Recognition (AS-9):

- i) Income from Testing Services is accounted for on the basis of Testing Services Provider 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 testing services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognized as and when the services are performed.
- iii) Revenue from testing services includes revenue from time and material and fixed piece contracts are recognized as related services are performed.
- iv) Revenue on fixed price contracts is recognized 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 (AS-10):

- 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 (AS-6):

- (i) Depreciation on fixed assets is provided on the Straight Line Method. Effective 1st April 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013, as against earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956. Depreciation on additions/deletions to fixed assets is provided on a pro-rata basis from/upto the date the asset is put to use/discarded.
- (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 (AS-20):

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:**a) Gratuity**

A defined benefit retirement plan ("the Gratuity Plan") is provided to all employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum amount to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation using the projected unit credit method, as of the balance sheet date.

b) Provident Fund

Eligible employees receive benefits from a Provident Fund, which is a defined contribution plan. Aggregate contributions along with interest thereon, are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Government administered Provident Fund. The Company has no obligation beyond its contribution.

Foreign Exchange Transaction (AS-11):

- i) Realised gains & loss in foreign exchange transactions are recognized 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 (AS-16):

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.

Cash Flow Statement (AS-3):

Cash Flow statement has been prepared by following the Indirect Method and in accordance with the provisions of AS 3.

NOTE 2 SHARE CAPITAL

S. No.		Particulars	As on 31-03-2015	As on 31-03-2014
a	Equity Share Capital			
	(a)	Authorised (No. of Shares 3,20,00,000 Current Year) (No. of Shares 2,50,00,000 Previous Year)	32,00,00,000	25,00,00,000
			32,00,00,000	25,00,00,000
	(b)	Issued (No. of Shares 2,47,39,219 Current Year) (No. of Shares 2,08,15,000 Previous Year)	24,73,92,190	20,81,50,000
	(c)	Subscribed & Fully Paid Up (No. of Shares 2,47,39,219 Current Year) (No. of Shares 2,08,15,000 Previous Year)	24,73,92,190	20,81,50,000
	(d)	Subscribed & not fully paid up	24,73,92,190	20,81,50,000
	(e)	Par Value per share ₹ 10/-		
	Total Equity Share capital		24,73,92,190	20,81,50,000
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: Equity Shares of ₹ 10 Each, Fully paid up			
	At the Beginning		2,08,15,000	1,88,45,500
	Issued during the year - Swap Issue		-	7,54,211
	Issued during the year - Cash Issue*		39,24,219	12,15,289
	At the end		2,47,39,219	2,08,15,000
c	Details of Shareholder holding more than 5% shares of the company:		% of Share Holding	% of Share Holding
	Equity Shares of ₹ 10 each Held By			
	P. Sapna	- No. Of Shares (C.Y) 37,69,000 (P.Y) 37,69,000	15.23%	18.11%
	Chakkilam Venkata Subramanyam	- No. Of Shares (C.Y) 29,58,485 (P.Y) 25,76,736	11.96%	12.38%
	C. Srikanth	- No. Of Shares (C.Y) 25,00,000 (P.Y) 25,00,000	10.11%	12.01%
	Kumar Bapuji	- No. Of Shares (C.Y) 20,29,000 (P.Y) 20,29,000	8.20%	9.75%
	Notes :			
(i)	During the year company allotted 20,21,538 Equity Share on 7th May 2014 and allotted 84,707 Equity Share on 8th May 2014 on Preferential Basis to promoters and other @ ₹ 10/- per share with a premium of ₹ 208.40/-			
(ii)	During the year the company allotted 17,89,292 Equity Share on 9th December 2014 and allotted 28,682 Equity Share on 10th December 2014 on Preferential Basis to promoters and other @ ₹ 10/- per Share with a premium of ₹ 346/-			

NOTE 3 RESERVES AND SURPLUS

S. Particulars		(₹)	
No.		As on 31-03-2015	As on 31-03-2014
I	RESERVES AND SURPLUS		
a)	Capital reserve	22,40,000	22,40,000
b)	Investment Subsidy Reserve	12,50,000	12,50,000
c)	Securities Premium Reserve		
	As at the commencement of the year	54,74,66,610	27,56,75,610
	Add: Additions during the year	1,06,79,60,462	27,17,91,000
		1,61,54,27,072	54,74,66,610
d)	Employee stock units reserve (Refer Note No. 25)		
	Employees stock options outstanding	53,38,96,960	-
	Less: Deferred employee compensation expenses)	23,65,81,058	-
		29,73,15,902	-
e)	Foreign Currency Translation Reserve.		
	Opening Balance	(2,29,58,058)	2,09,661
	During the year	(4,04,50,381)	(2,31,67,719)
		(6,34,08,439)	(2,29,58,058)
f)	Surpuls :		
	Balance brought forward from Previous Year	34,61,58,635	9,07,08,973
	Add: Profit / (Loss) for the year	25,35,07,672	25,54,49,662
		59,96,66,307	34,61,58,635
	Less: Depreciation adjusted in accordance with the revised useful life of the assets as per Companies Act, 2013"	91,19,009	-
		59,05,47,298	34,61,58,635
	Total Reserves and Surplus	2,44,33,71,833	87,41,57,187

NOTE 4 LONG TERM BORROWINGS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Long Term borrowings		
	i) Term Loans - Secured		
	ii) From Financial Institutions	-	19,00,000
	From Banks (Refer Note No 24)	3,61,98,524	-
	Total Long Term Borrowings	3,61,98,524	19,00,000

NOTE 5 DEFERRED TAX LIABILITY (NET)

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Opening Deferred tax Liability	81,81,977	73,40,281
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	46,28,288	28,86,204
	Gross Deferred tax Liability	1,28,10,265	1,02,26,485
			-
	Provision for Gratuity	94,79,657	20,44,508
	Gross Deferred tax Asset	94,79,657	20,44,508
	Deferred Tax Liability/ (Asset) - Net	33,30,608	81,81,977

NOTE 6 LONG TERM PROVISIONS

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Provisions for employee benefits		
	- Provision for Gratuity (Refer Note No. 28)	1,42,94,157	94,06,320
	Total Long Term Provisions	1,42,94,157	94,06,320

NOTE 7 SHORT TERM BORROWINGS

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Secured		
	a) Cash Credits (Refer Note No. 24)	1,80,97,382	-
	b) Working Capital Demand Loan from Banks (Refer Note No. 24)	33,40,44,473	20,91,53,000
	c) Demand Loan Against FD With HDFC Bank	3,04,69,724	4,28,49,968
	Total Short Term Borrowings	38,26,11,579	25,20,02,968

NOTE 8 TRADE PAYABLES

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Trade Payables	36,02,60,534	12,91,61,662
	Total Trade Payables	36,02,60,534	12,91,61,662

NOTE 9 CURRENT LIABILITIES

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	a) Current maturities of long term debt	1,19,59,742	21,60,000
	b) Current maturities of Vehicle Hire Purchase obligation	-	52,308
	c) Share Application Money Pending for Refund	-	6,66,000
	d) Outstanding Expenses	1,01,19,185	5,32,620
	e) Interest on Term Loans	17,09,276	52,051
	f) Amount received towards Share Application Money	-	9,54,50,000
	g) Other Current Liabilities	7,80,47,151	3,04,83,219
	Total Other Current Liabilities	10,18,35,354	12,93,96,198

NOTE 10 SHORT TERM PROVISIONS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	a) Provisions for employee benefits		
	PF Payable	38,69,203	8,52,123
	Salaries Payable	16,64,90,420	10,63,42,909
	Provision for Audit Fee	50,000	56,180
	b) Others		
	Accrued Corporate Taxes		
	Statutory Liabilities	1,23,48,165	1,53,24,608
	Provision for Income Tax	6,87,06,029	7,22,06,033
	Total Short Term Provisions	25,14,63,817	19,47,81,853

NOTE 11

Sl. Particulars No.		Gross Block				Depreciation/Amortization				Net Block as on 31.03.2015	Net Block as on 31.03.2014	
		As on 01.04.2014	Additions during the year	Additions through Business acquisitions	Sale / Deletions during the year	As on 31.03.2015	Dep. As on 31.03.2014	Dep. For the year 2014-15	Impairment Loss / Reversal	Total Depreciation		
1	BUILDING	2,55,26,560	-	-	-	2,55,26,560	53,81,342	3,66,277	-	57,47,619	1,97,78,941	2,01,45,218
2	ELECTRICAL EQUIPMENT	91,18,440	43,90,864	-	-	1,35,09,304	4,33,130	23,37,899	-	27,71,029	1,07,38,275	86,85,310
3	AIRCONDITIONERS	63,36,148	-	-	-	63,36,148	34,37,601	1,88,291	21,45,381	57,71,273	5,64,875	28,98,547
4	INTERIORS & CIVIL WORKS	2,94,53,675	7,24,497	-	-	3,01,78,172	1,13,55,938	36,05,376	19,67,127	1,69,28,441	1,32,49,731	1,80,97,737
5	COMPUTERS	15,84,03,332	6,52,94,341	-	-	22,36,97,673	9,73,85,300	4,21,84,182	-	13,95,69,482	8,41,28,191	6,10,18,032
6	FURNITURE	2,03,38,559	20,74,562	-	-	2,24,13,121	79,78,957	18,92,585	10,86,082	1,09,57,624	1,14,55,497	1,23,59,602
7	VEHICLES	47,43,811	-	-	-	47,43,811	23,29,490	2,99,584	-	26,29,074	21,14,737	24,14,321
8	MISC. FIXED ASSETS	1,14,08,388	53,19,202	-	-	1,67,27,590	36,91,677	27,42,538	39,20,419	1,03,54,634	63,72,956	77,16,711
9	UPS	39,05,087	12,43,139	-	-	51,48,226	1,85,492	5,44,558	-	7,30,050	44,18,176	37,19,595
10	SOFTWARE LICENCES	-	98,75,754	-	-	98,75,754	-	87,240	-	87,240	97,88,514	-
11	INTANGIBLE FIXED ASSETS	54,86,22,298	-	-	-	54,86,22,298	-	-	-	-	54,86,22,298	54,86,22,298
12	CAPITAL WORK IN PROGRESS	9,98,66,463	45,05,58,468	-	-	55,04,24,931	-	-	-	-	55,04,24,931	9,98,66,463
TOTAL		91,77,22,761	53,94,80,827	-	-	1,45,72,03,588	13,21,78,927	5,42,48,530	91,19,009	19,55,46,466	1,26,16,57,122	78,55,43,834
PREVIOUS YEAR		52,60,16,032	6,53,27,961	32,63,78,768		91,77,22,761	10,78,44,444	2,43,34,483	-	13,21,78,927	78,55,43,834	41,81,71,588

NOTE 12 LONG TERM LOANS AND ADVANCES

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Security Deposit		
	Secured, Considered Good	10,37,522	17,41,819
	Unsecured, Considered Good	3,09,86,292	1,61,19,837
	Sub Total	3,20,23,814	1,78,61,656
	Less: Provision for Bad & doubtful Security Deposit	-	-
		3,20,23,814	1,78,61,656
	Secured, Considered Good		
	Advances Recoverable in Cash or in kind	12,81,08,759	17,01,22,834
	Sub Total	12,81,08,759	17,01,22,834
	Total Short Term Loans and Advances	16,01,32,573	18,79,84,490

NOTE 13 OTHER NON CURRENT ASSETS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Preliminary Expenses to the extent not written off	30,77,928	26,28,928
	Total Other Assets	30,77,928	26,28,928

NOTE 14 OTHER CURRENT ASSETS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Pre-paid Expenses	37,77,700	-
	Staff Advances	49,98,475	-
	Advance Tax Paid	1,64,42,329	1,56,00,000
	TDS Receivable	1,54,29,135	92,92,196
	Service Tax Input	2,08,65,659	83,48,063
	Total Other Current Assets	6,15,13,298	3,32,40,259

NOTE 15 TRADE RECEIVABLES

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Outstanding for a period exceeding six months from the date they are due for payment	-	1,59,638.00
	Other Receivables	1,34,70,27,771	638,473,855
	(Unsecured, Considered Good)		
	Total Trade Receivables	1,34,70,27,771	638,633,493

NOTE 16 CASH AND BANK BALANCES

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Cash and cash equivalents :		
	a) Balances with banks	10,69,58,130	5,08,83,347
	b) Cash on hand	2,84,848	289,391
	Sub Total	10,72,42,978	5,11,72,738
II	Other Bank Balances		
	On Deposit Accounts		
	Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	23,16,92,839	53,38,000
	Sub Total	23,16,92,839	53,38,000
	Total Cash and Cash Equivalents	33,89,35,817	5,65,10,738

NOTE 17 SHORT TERM LOANS AND ADVANCES

(₹)

S. No.	Particulars	Current As on 31-03-2015	Current As on 31-03-2014
	Loans & Advances		
	(Unsecured, Considered Good)		
	Security Deposit	78,88,737	5,61,52,560
	Loans and Advances to Employees	83,60,479	9,75,300
	Other Receivables	4,39,626	-
	Prepaid Expense	22,74,69,324	6,98,973
	Loans Receivable	23,82,72,388	6,84,74,110
	Advances Recoverable in Cash or in kind	18,59,83,533	1,81,45,480
	Total Short Term Loans and Advances	66,84,14,087	14,44,46,423

NOTE 18 REVENUE FROM OPERATIONS

(₹)

S. No.	Particulars	Year Ended 31-03-2015	Year Ended 31-03-2014
(i)	Revenue from operations		
	Sale of Services		
	Domestic	10,50,27,893	8,12,62,827
	Exports	3,68,37,36,950	2,50,97,34,906
	Total Revenue from Operations	3,78,87,64,843	2,59,09,97,733

NOTE 19 OTHER INCOME

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
Net Gain on Foreign Currency Transactions	39,73,521	25,93,550
Other non-operating income	1,15,93,792	64,00,000
Total Other Income	1,55,67,313	89,93,550

NOTE 20 EMPLOYEE BENEFIT EXPENSES

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
I (a) Employees Cost	2,12,11,21,240	1,21,75,15,692
(b) Employee benefits & Wealfare	5,04,34,241	4,95,32,470
(c) Managerial Remuneration	3,34,85,600	2,99,89,380
Total Employee Benefit Expenses	2,20,50,41,081	1,29,70,37,542

NOTE 21 OTHER OPERATING EXPENSES

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
I (a) Admin & Non Delevary Salaries	50,54,62,577	43,50,96,379
(b) Software Licensing Cost	1,05,43,604	-
(c) Power & Fuel	1,82,00,786	84,93,128
(d) Rent	8,19,80,319	3,51,79,972
(e) Legal & Consultancy	10,17,96,498	18,58,35,863
(f) Repairs to Maintenance	-	29,44,399
(g) Insurance	62,32,509	2,08,63,994
(h) Rates & Taxes	3,24,69,629	13,27,75,422
Total Other Expenses	75,66,85,922	82,11,89,157



NOTE 22 ADMINISTRATIVE EXPENSES

		(₹)	
S. No.	Particulars	Year Ending 31-03-2015	Year Ending 31-03-2014
I	(a) Telephone& IT Cost	3,97,19,537	1,22,65,540
	(b) Business Promotion Expenses	4,94,02,970	1,29,90,735
	(c) Travelling & Conveyance	28,96,28,369	5,47,41,198
	(d) Office Maintenance	3,42,09,975	2,45,81,418
	(e) Postage , Printing & Stationery	55,34,629	1,16,61,369
	(f) General Expenses	37,86,259	2,29,262
	(g) Web Development Expenses	-	4,00,646
	(h) Bad Debts	2,27,95,803	-
	(i) Miscellaneous Expenses Written Off	1,91,000	65,000
	(j) Auditors Remuneration	-	-
	As Auditor	11,87,921	28,090
	For Taxation Matters	25,000	28,090
	Total Administrative Expenses	44,64,81,463	11,69,91,348

NOTE 23 FINANCE COST

(₹)			
S. No.	Particulars	Year Ending 31-03-2015	Year Ending 31-03-2014
I	(a) Interest Expenses		-
	- Interest on Working Capital Loan	12,48,173	1,03,94,458
	- Interest on CC & OD	2,13,89,741	-
	- Interest on Term Loan	6,69,279	-
	- Interest on Other Loans	25,26,150	1,82,588
	- Financial Expenses	35,85,486	13,63,315
	Total Finance Cost	2,94,18,829	1,19,40,361

NOTE 24 BORROWINGS**From HDFC Bank: (By Cigniti Technologies Limited)**

- Term Loan Sanction by the bank on 6th December, 2014 of ₹ 200 Lakhs repayable in 60 monthly equal instalments of ₹ 4,60,197/- @13.5% interest. Outstanding balance as on 31st March 2015 is ₹ 1,95,26,966/-
- WCTL Sanction by the Bank on 6th December, 2014 of ₹ 300 Lakhs repayable in 36 monthly equal instalments of ₹ 10,18,059/- @13.5% interest. Outstanding balance as on 31st March 2015 is ₹ 2,86,31,229/-
- Cash Credit limit sanctioned by the bank is ₹ 2,00,00,000/- Outstanding balance as on 31st March 2015 is ₹ 1,80,97,382/-

The above loans are secured by the following :

- a) **PRIMARY SECURITY:** Hypothecation of Book Debts and Fixed Assets of the Company
- b) **COLLATERAL SECURITY:** Immovable Property situated at Flat No. 303, 3rd Floor, Subramanyam Estates, 6-3-662/16, Jafaralibagh, Somajiguda, Hyderabad - 500 082 and Immovable Property situated at Unit No.1, 1/a, 6-3-456/C/F1 & 6-3-456/C/F2, 1st Floor, MGR Estates, in Sy No.145 and 146 in Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082
- c) **GUARANTORS:** Sri C.V. Subramanyam, Sri P. Sudhakar, Sri. C. Srikanth and Smt. C. Rajeshwari.

From Other Banks:

The company, Cigniti INC has taken credit from Capital One Commercial Bank and it is secured by Account Receivables of the same company.

NOTE 25 EMPLOYEE STOCK OPTION

- i) Employees covered under Employees Stock Option Plans are granted an option to purchase shares of the Company at the face value of shares, subject to requirements of vesting conditions. Upon vesting, the employees can acquire one equity share for every option. The minimum vesting period shall be for 1 year and the maximum vesting period shall be of 5 years from the date of grant.
- ii) The stock compensation cost is computed based on the market price as of grant date and amortised on a straight line basis over the total vesting period. The total stock option cost outstanding is ₹ 53, 38, 96, 960 and Deferred employee compensation expense is ₹ 23,65,81,058/- for the year ended March 31, 2015, the Company has recorded stock compensation expense of 29,73,15,902 (2014: NIL).
- iii) The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans are tabulated below.

Plan/ Scheme	Total No of options under the scheme	Total options Granted	Options Vested	Options Exercised	Options Vested but not Exercised	Options Lapsed	Unvested Options
Scheme 2011	15,00,000	15,00,000	Nil	Nil	Nil	Nil	15,00,000
Scheme 2013	10,00,000	10,00,000	Nil	Nil	Nil	Nil	10,00,000
Scheme 2014 1	20,00,000	2,97,000	Nil	Nil	Nil	Nil	2,97,000
Scheme 2014 2	5,00,000	Nil	Nil	Nil	Nil	Nil	Nil
Total	50,00,000	27,97,000					27,97,000

As of March 31, 2015 no option are vested.

NOTE 26 MANAGERIAL REMUNERATION:

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

Particulars	Year Ended 31st March	
	2015	2014
Remuneration	3,34,85,600	2,99,89,380
Perquisites & Allowances	NIL	NIL

NOTE 27 AUDITOR'S REMUNERATION:

Particulars	Year Ended 31st March	
	2015	2014
Statutory Audit Fees	25,000/-	28,090/-
Tax Audit Fees	25,000/-	28,090/-

NOTE 28 QUANTITATIVE DETAILS

The Company is engaged in the testing 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 Schedule III to the Companies Act, 2013

NOTE 29 RELATED PARTY TRANSACTION

During the financial year 2014-15 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. Srikanth	Whole-time Director
4	Mr. K. Ch. Subba Rao	Director
5	Mr. Mani Subramani	Director
6	Mr. K. Nageswara Rao	Director
7	Cigniti INC, USA	100% Wholly Owned Subsidiary
8	Cigniti Software Services Pvt. Ltd	100% Wholly Owned Subsidiary
9	Gallop Solutions Inc., USA	100% Wholly Owned Subsidiary
10	Gallop Solutions Pvt. Ltd	100% Wholly Owned Subsidiary
11	Cigniti Technologies (UK) Ltd ., UK	100% Wholly Owned Subsidiary
12	Cigniti Technologies (Australia) Pty Ltd, Australia	100% Wholly Owned Subsidiary
13	Cigniti Technologies Inc., USA	100% Wholly Owned Subsidiary
14	Cigniti Technologies (Canada) Inc., Canada	100% Wholly Owned Subsidiary

(b) Related Parties Transactions during the Financial Year 2014-15:

Particulars	Nature of Relationship	Nature of Transaction	Year Ended 31-03-2015	Year Ended 31-03-2014
Mr.C.V.Subramanyam	Managing Director	Remuneration	1,20,00,000	1,12,50,000
Mr. C. Srikanth	Whole-time Director	Remuneration	1,04,00,000	80,00,000
Pennam Sudhakar	CEO	Remuneration	1,10,85,600	1,07,89,380
Cigniti Technologies (UK) LTD	100% Wholly Owned Subsidiary	Investment	6,82,07,392	NIL
Cigniti Technologies (Australia) PTY LTD	100% Wholly Owned Subsidiary	Investment	2,96,32,540	NIL
Gallop Solutions INC	100% Wholly Owned Subsidiary	Investment	3,84,72,184	NIL

NOTE 30 FOREIGN CURRENCY OUTFLOW

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

(₹)

Particulars	Year ended 31 March	
	2015	2014
Foreign Travel	6,19,60,478	2,02,82,298
Others	17,13,57,590	2,04,57,034

NOTE 31 FOREIGN CURRENCY INFLOW

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

(₹)

Particulars	Year ended 31 March	
	2015	2014
Revenue	41,75,25,446	53,69,56,747

NOTE 32 EMPLOYEE BENEFITS (AS-15)

The Company has not obtained Actuarial Valuation report for Gratuity and leave encashment for the financial year 2014-2015. Provisional amount has been provided in the books of accounts for the same.

(₹)

Particulars	Year ended 31 March	
	2015	2014
Gratuity	1,42,94,157	93,16,320

NOTE 33 EARNINGS PER SHARE (AS-20)

Calculation of EPS

(₹)

Particulars	Year ended 31 March	
	2014-15	2013-14
Profit after tax during the year (₹)	25,70,13,420	2,55,44,99,662
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	25,70,13,420	2,55,44,99,662
Weighted Average Number of Shares taken for Computation of EPS	2,32,76,020	2,08,15,000
Earning per Share		
- Basic	11.04	12.27
- Diluted	11.04	12.27
Face Value of the Share	10.00	10.00

NOTE 34 CORPORATE SOCIAL RESPONSIBILITY

Amount spent by the company towards CSR: ₹ 18,44,890.

NOTE 35 DUES TO MICRO & SMALL ENTERPRISES

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2015.

NOTE 36 CONFIRMATION OF CLOSING BALANCES

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

NOTE 37

Previous year's figures have been regrouped wherever necessary.

NOTE 38

The figures have been rounded off to the nearest rupee.

SIGNATURES TO FINANCIAL STATEMENTS

As per our report of even date

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

P. Murali Mohana Rao
Partner
M. No. 023412

Place: Hyderabad
Dated: 30.05.2015

For and on behalf of the Board
CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam
Managing Director
DIN: 00071378

K. Ch Subba Rao
Director
DIN: 01685123

A. Naga Vasudha
Company Secretary

Independent Auditor's Report

To the Members of Cigniti Technologies Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Cigniti Technologies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For P. Murali & CO.,
Chartered Accountants
Firm Registration No : 007257S

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30.05.2015

Annexure referred to in paragraph 1 of Our Report of even date to the members of Cigniti Technologies Limited on the accounts of the company for the year ended 31st March, 2015 Under "Report on other Legal & Regulatory Requirements"

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The company has not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India;
(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax,

Service Tax and other material statutory dues in arrears as at 31st March 2015 for a period of more than 6 months for the date they became payable.

- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Service Tax, Sales Tax which have not been deposited on account of any disputes.
- (d) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- viii. The Company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/banks. The company has not issued any debentures.
- x. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loan taken by others.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No 007257S

P. Murali Mohana Rao

Partner

M.No. 023412

Place: Hyderabad

Date: 30.05.2015

Balance Sheet

as at 31st March, 2015

(₹)			
Particulars	Note No.	As on 31-03-2015	As on 31-03-2014
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	24,73,92,190	20,81,50,000
(b) Reserves and Surplus	3	2,06,79,20,375	67,58,70,577
(2) Share Application Money against Preferential Allotment		-	41,850,000
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	6,51,98,438	1,16,37,874
(b) Deferred Tax Liabilities (Net)	5	57,76,051	81,81,429
(c) Long Term Provisions	6	1,42,94,157	93,16,320
(4) Current Liabilities			
(a) Short Term Borrowings	7	4,75,80,389	1,46,10,204
(b) Trade Payables	8	8,70,32,969	2,80,71,357
(c) Other Current Liabilities	9	1,32,59,792	9,89,12,979
(d) Short-Term Provisions	10	9,76,67,558	6,90,15,531
Total		2,64,61,21,919	1,16,56,16,271
II. Assets			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	12,78,92,817	11,06,28,401
(ii) Intangible Assets	11	-	-
(iii) Capital Work-In-Progress	11	46,97,33,718	3,51,16,610
(b) Non-Current Investments	12	66,76,23,743	53,13,11,626
(c) Long Term Loans and Advances	13	52,19,15,422	11,06,91,419
(d) Other Non-Current Assets	14	6,99,000	2,60,000
(e) Other Current Assets	15	4,47,19,119	2,52,94,063
(2) Current assets			
(a) Trade Receivables	16	42,48,63,518	22,51,07,026
(b) Short Term Receivables	17	2,69,988	-
(b) Cash and Bank Balances	18	24,80,84,186	4,18,65,562
(c) Short-Term Loans and Advances	19	14,03,20,408	8,53,41,564
Total		2,64,61,21,919	1,16,56,16,271

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

For CIGNITI TECHNOLOGIES LIMITED

P. Murali Mohana Rao

Partner

M.No. 023412

Place: Hyderabad

Dated: 30.05.2015

C.V. Subramanyam

Managing Director

DIN: 00071378

K. Ch Subba Rao

Director

DIN: 01685123

A. Naga Vasudha

Company Secretary

The Statement of Profit & Loss

for the year ended 31st March, 2015

(₹)			
Particulars	Note No.	Year Ending 31-03-2015	Year Ending 31-03-2014
Revenue from Operations	20	1,14,28,59,572	55,52,12,080
Other Income	21	1,53,84,552	10,86,082
Total Revenue		1,15,82,44,124	55,62,98,162
Expenses:			
Employee Benefit Expenses	22	47,28,08,578	24,93,03,720
Other Operating Expenses	23	31,20,30,164	11,18,98,330
Administrative Expenses	24	26,42,38,355	5,77,68,031
Financial Costs	25	72,04,631	14,25,770
Depreciation and Amortization Expense	11	4,51,11,963	1,69,33,522
Total Expenses		1,10,13,93,691	43,73,29,373
Profit Before Tax :		5,68,50,433	11,89,68,789
Tax Expenses			
(1) Current Tax		1,98,57,620	3,77,31,336
(2) Deferred Tax		(24,05,378)	8,41,696
Profit After Tax		3,93,98,191	8,03,95,757
Prior Period Expenses		35,05,748	-
Profit / (Loss) Carried forward to Balance Sheet		3,58,92,443	8,03,95,757
Earning per equity share:			
(1) Basic		1.54	3.86
(2) Diluted		1.54	3.86

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
Dated: 30.05.2015

For CIGNITI TECHNOLOGIES LIMITED

C.V. Subramanyam
Managing Director
DIN: 00071378

K. Ch Subba Rao
Director
DIN: 01685123

A. Naga Vasudha
Company Secretary

Cash Flow Statement

as at 31st March, 2015

(₹ In Lakhs)		
Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary Items	568.50	1,189.69
Adjustments for:		
Depreciation	451.12	169.34
Cost of ESOP	1,667.57	-
Interest expenses	22.23	7.97
Prior Period Expenses	(35.06)	0.65
Operating Profit before working capital changes	2,674.36	1,367.65
(Increase)/Decrease in Trade Receivables	(2,000.26)	(1,318.09)
(Increase)/Decrease in Short-Term Loans and Advances	(549.79)	(135.36)
(Increase)/Decrease in Trade Payables	589.62	243.49
(Increase)/Decrease in Other Current Liabilities	(976.13)	952.17
(Increase)/Decrease in Other Current Assets	(194.25)	(188.79)
(Increase)/Decrease in Other Non-Current Assets	(4.39)	(3.25)
(Increase)/Decrease in Short Term Provisions	(1,579.63)	120.35
NET CASH FLOW OPERATING ACTIVITIES	(2,040.47)	1,038.18
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(5,061.12)	(651.32)
(Increase)/Decrease in Long term Loans & Advances	(4,112.24)	(579.15)
(Increase)/Decrease Investment in Subsidiaries	(1,363.12)	(3,051.12)
NET CASH USED IN INVESTING ACTIVITIES	(10,536.48)	(4,281.59)

Cash Flow Statement

as at 31st March, 2015

(₹ In Lakhs)

Particulars	Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital/Share Premium	11,072.03	2,914.86
Share application money against preferential allotment	(418.50)	418.50
Increase/(Decrease) in Long Term borrowings	984.90	122.09
Increase/(Decrease) in Long Term provisions	3,022.94	63.01
Interest paid	(22.23)	(7.97)
NET CASH FLOW FROM FINANCING ACTIVITIES	14,639.14	3,510.49
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,062.19	267.08
Cash and Cash equivalents as at (Opening Balance) 01-04-2014	418.65	151.57
Cash and Cash equivalents as at (Closing Balance) 31-03-2015	2,480.84	418.65

For CIGNITI TECHNOLOGIES LIMITED

Place: Hyderabad
Dated: 30.05.2015

C.V. Subramanyam
Managing Director
DIN: 00071378

K. Ch Subba Rao
Director
DIN: 01685123

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, 2015. 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 March 31, 2015 to the member of the company.

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

PLACE: HYDERABAD
Date: 30.05.2015

P.Murali Mohana Rao
Partner
M.No. 023412

Notes forming part of the financial statement

for the year ended 31st March, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES.

Basis of Preparation:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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.

Revenue Recognition (AS-9):

- i) Income from testing services is accounted for on the basis of testing services provided 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 testing services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognized as and when the services are performed.
- iii) Revenue from testing services includes revenue from time and material and fixed piece contracts are recognized as related services are performed.
- iv) Revenue on fixed price contracts is recognized 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 (AS-10):

- 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 (AS-6):

- i) Depreciation on fixed assets is provided on the Straight Line Method. Effective 1st April 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013, as against earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956. Depreciation on additions/deletions to fixed assets is provided on a pro-rata basis from/up to the date the asset is put to use/discarded.
- 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 (AS-20):

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:

a) Gratuity

A defined benefit retirement plan ('the Gratuity Plan") is provided to all employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provided a lump sum amount to vested employees at retirement, death, incapacitation or termination of employment,

of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation using the projected unit credit method, as of the balance sheet date.

b) Provident Fund

Eligible employees receive benefits from a Provident Fund, which is a defined contribution plan. Aggregate contributions along with interest thereon, are Paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Government administered Provident Fund. The Company has no obligation beyond its contribution.

Foreign Exchange Transaction (AS-11):

- i) Realised gains & loss in foreign exchange transactions are recognized 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 (AS-16):

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.

Cash Flow Statement (AS-3):

Cash Flow statement has been prepared by following the Indirect Method and in accordance with the provisions of AS 3.



NOTE 2 SHARE CAPITAL

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
a	Equity Share Capital		
	(i) Authorised (No. of Shares 3,20,00,000 Current Year) (No. of Shares 2,50,00,000 Previous Year)	32,00,00,000	25,00,00,000
		32,00,00,000	25,00,00,000
	(ii) Issued (No. of Shares 2,47,39,219 Current Year) (No. of Shares 2,08,15,000 Previous Year)	24,73,92,190	20,81,50,000
	(iii) Subscribed & Fully Paid Up (No. of Shares 2,47,39,219 Current Year) (No. of Shares 2,08,15,000 Previous Year)	24,73,92,190	20,81,50,000
	(iv) Subscribed & not fully paid up	-	-
	(v) Par Value per share ₹ 10/-		
	Total Equity Share capital	24,73,92,190	20,81,50,000
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	2,08,15,000	1,88,45,500
	Issued during the year - Swap Issue	-	7,54,211
	Issued during the year - Cash Issue*	39,24,219	12,15,289
	At the end	2,47,39,219	2,08,15,000
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	% of Share Holding
	Equity Shares of ₹ 10 each Held By		
	P. Sapna - No. Of Shares (C.Y) 37,69,000 (P.Y) 37,69,000	15.23%	18.11%
	Chakkilam Venkata Subramanyam - No. Of Shares (C.Y) 29,58,485 (P.Y) 25,76,736	11.96%	12.38%
	C. Srikanth - No. Of Shares (C.Y) 25,00,000 (P.Y) 25,00,000	10.11%	12.01%
	Kumar Bapuji - No. Of Shares (C.Y) 20,29,000 (P.Y) 20,29,000	8.20%	9.75%
	* During the year company allotted 20,21,538 Equity Share on 7 th May 2014 and allotted 84,707 Equity Share on 8th May 2014 on Preferential Basis to promoters and other @ ₹ 10/- per share with a premium of ₹ 208.40/-		
	* During the year the company allotted 17,89,292 Equity Share on 9th December 2014 and allotted 28,682 Equity Share on 10th December 2014 on Preferential Basis to promoters and other @ ₹ 10/- per Share with a premium of ₹ 346/-		

NOTE 3 RESERVES AND SURPLUS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	RESERVES AND SURPLUS		
a)	Capital Reserve	22,40,000	22,40,000
b)	Investment Subsidy Reserve	12,50,000	12,50,000
c)	Securities Premium Reserve		
	As at the commencement of the year	54,74,66,610	27,56,75,610
	Add: Additions during the year	1,06,79,60,462	27,17,91,000
		1,61,54,27,072	54,74,66,610
d)	Restricted stock units reserve (Refer Note No. 30)*		
	Employees stock options outstanding	53,38,96,960	-
	Less: Deferred employee compensation expenses	23,65,81,058	-
		29,73,15,902	-
e)	Surplus :		
i)	Balance brought forward from previous year	12,49,13,967	4,45,18,210
	Add: Profit & (Loss) for the year	3,58,92,443	8,03,95,757
		16,08,06,410	12,49,13,967
	Less: Depreciation adjusted in accordance with the revised useful life of the assets as per Companies Act, 2013	91,19,009	-
		15,16,87,401	12,49,13,967
	Total Reserves and Surplus	2,06,79,20,375	67,58,70,577

NOTE 4 LONG TERM BORROWINGS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
1	Long Term Borrowings		
i)	Term Loans - Secured		
	From Financial Institutions	-	19,00,000
	From Banks (Refer Note no. 26)	3,61,98,524	-
ii)	Loans & Advances to related parties	2,89,99,914	97,37,874
	Total Long Term Borrowings	6,51,98,438	1,16,37,874

NOTE 5 DEFERRED TAX LIABILITY (NET)

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I.	Opening Deferred Tax Liability	81,81,429	73,39,733
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(7,90,319)	28,86,204
	Gross Deferred Tax Liability	73,91,110	1,02,25,937
II.	Provision for Gratuity	16,15,059	20,44,508
	Gross Deferred tax Asset	16,15,059	20,44,508
	Deferred Tax Liability/ (Asset) - Net	57,76,051	81,81,429

NOTE 6 LONG TERM PROVISIONS

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I.	Provisions for Employee Benefits		
	- Provision for Gratuity	1,42,94,157	93,16,320
	Total Long Term Provisions	1,42,94,157	93,16,320

NOTE 7 SHORT TERM BORROWINGS

(₹)

S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I.	Secured :		
	a) Cash Credit Limit with HDFC Bank - Lakidikapol Branch (Refer Note No. 26)	1,80,97,382	-
	b) Demand Loan Ag FD with HDFC Bank - Lakidikapol Branch	98,45,031	-
	Sub Total A	2,79,42,413	-
II.	Unsecured :		
	a) Loans & Advances from Related Parties	29,99,914	97,37,874
	b) Other Current Liabilities	1,66,38,062	48,72,330
	Sub Total B	1,96,37,976	1,46,10,204
	Total Short Term Borrowings	4,75,80,389	1,46,10,204

NOTE 8 TRADE PAYABLES

(₹)				
S. No.	Particulars		As on 31-03-2015	As on 31-03-2014
	Trade Payables		8,70,32,969	2,80,71,357
	Total Trade Payables		8,70,32,969	2,80,71,357

NOTE 9 OTHER CURRENT LIABILITIES

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	a) Current maturities of long term debt	1,19,59,742	21,60,000
	b) Current maturities of Vehicle Hire Purchase obligation	-	52,308
	c) Application money pending for Refund	-	6,66,000
	d) Outstanding Expenses	13,00,050	5,32,620
	e) Interest on Loans	-	52,051
	(f) Amount Received towards Share Application Money	-	9,54,50,000
	Total Other Current Liabilities	1,32,59,792	9,89,12,979

NOTE 10 SHORT TERM PROVISIONS

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	a) Provisions for employee benefits		
	PF Payable	38,69,203	8,52,123
	Salaries Payable	6,34,29,437	2,39,04,284
	Provision for Audit fee	50,000	56,180
	b) Others		
	Statutory Liabilities	1,04,61,298	64,71,608
	Provision for Income Tax	1,98,57,620	3,77,31,336
	Total Short Term Provisions	9,76,67,558	6,90,15,531

NOTE 11 TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2015

Sl. No.	Particulars	Gross Block				Depreciation/Amortization			Net Block as on 31.03.2015	Net Block as on 31.03.2014
		As on 01.04.2014	Additions during the year	Additions through Business acquisitions	Sale / Deletions during the year	As on 31.03.2015	Dep. As on 01.04.2014	Dep. For the year 2014-15		
1	LAND	-	-	-	-	-	-	-	-	-
2	BUILDING	2,55,26,560	-	-	-	2,55,26,560	53,81,342	3,66,277	1,97,78,941	2,01,45,218
3	PLANT & MACHINERY	-	-	-	-	-	-	-	-	-
4	ELECTRICAL EQUIPMENT	91,18,440	43,28,346	-	-	1,34,46,786	4,33,130	23,32,612	1,06,81,044	86,85,310
5	AIRCONDITIONERS	63,36,148	-	-	-	63,36,148	34,37,601	1,88,291	5,64,875	28,98,547
6	INTERIORS & CIVIL WORKS	2,94,53,675	7,24,497	-	-	3,01,78,172	1,13,55,938	36,05,376	1,32,49,731	1,80,97,737
7	COMPUTERS	12,72,53,154	4,97,62,284	-	-	17,70,15,438	8,97,95,473	3,34,55,798	5,37,64,167	3,74,57,681
8	FURNITURE	1,98,97,129	3,04,075	-	-	2,02,01,204	79,74,218	17,56,897	93,84,007	1,19,22,911
9	VEHICLES	4,94,880	-	-	-	4,94,880	1,25,077	73,961	2,95,842	3,69,803
10	MISC. FIXED ASSETS	1,09,98,107	52,57,293	-	-	1,62,55,400	36,66,508	27,00,953	59,67,520	73,31,599
11	UPS	39,05,087	12,43,139	-	-	51,48,226	1,85,492	5,44,558	44,18,176	37,19,595
12	SOFTWARE LICENCES	-	98,75,754	-	-	98,75,754	-	87,240	97,88,514	-
13	INTANGIBLE FIXED ASSETS	-	-	-	-	-	-	-	-	-
14	CAPITAL WORK IN PROGRESS	3,51,16,610	43,46,17,108	-	-	46,97,33,718	-	-	46,97,33,718	3,51,16,610
TOTAL		26,80,99,790	50,61,12,496	-	-	77,42,12,286	12,23,54,779	4,51,11,963	59,76,26,535	14,57,45,011
PREVIOUS YEAR		20,29,67,702	65,132,088	-	-	26,80,99,790	10,54,21,257	1,69,33,522	14,57,45,011	9,75,46,445

NOTE 12 NON-CURRENT INVESTMENTS

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Non-Current Investments		
	Investment in Subsidiaries		
	Cigniti Inc (100% of holding)	22,23,00,000	22,23,00,000
	Cigniti Software Services Pvt Ltd (100% of holding)	39,00,000	39,00,000
	Gallop Solutions Inc (100% of holding)	33,25,83,811	29,41,11,626
	Gallop Solutions Private Limited (100% of holding)	1,10,00,000	1,10,00,000
	Cigniti Technologies (UK) Limited (100% of holding)	6,82,07,392	-
	Cigniti Technologies (Australia) Pty Ltd (100% of holding)	2,96,32,540	-
	Total Non-Current Investments	66,76,23,743	53,13,11,626

NOTE 13 LONG TERM LOANS AND ADVANCES

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Security Deposit		
	Unsecured, Considered Good	3,08,13,492	1,63,13,137
	Sub Total	3,08,13,492	1,63,13,137
II	Secured, Considered Good		
	Loans & Advances to related parties	40,33,89,091	6,60,19,812
	Advances Recoverable in Cash or in kind	8,77,12,839	2,83,58,470
	Total Long term Deposits, Loans & Advances	52,19,15,422	11,06,91,419

NOTE 14 OTHER NON CURRENT ASSETS

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Preliminary Expenses to the extent not written off	6,99,000	2,60,000
	Total Other Assets	6,99,000	2,60,000

NOTE 15 OTHER CURRENT ASSETS

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Pre-Paid Expenses	37,77,700	-
	Staff Advance	49,98,475	-
	Advance Tax Paid	1,25,00,000	1,56,00,000
	TDS Receivable	29,89,878	13,46,000
	Service Tax Input	2,04,53,066	83,48,063
	Total Other Current Assets	4.47.19.119	2.52.94.063

NOTE 16 TRADE RECEIVABLES

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
a	Outstanding for a period exceeding six months from the date they are due for payment	-	-
b	Other Receivables (Unsecured, Considered Good)	42,48,63,518	22,51,07,026
	Total Trade Receivables	42,48,63,518	22,51,07,026

NOTE 17 SHORT TERM RECEIVABLES

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
a	Outstanding for a period exceeding six months from the date they are due for payment	-	-
b	Other Receivables (Unsecured, Considered Good)	2,69,988	-
Total Short-Term Receivables		2,69,988	-

NOTE 18 CASH AND BANK BALANCES

		(₹)	
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
I	Cash and cash equivalents:		
a)	Balances with banks:		
	On Current Accounts	1,64,37,733	4,16,12,464
	Fixed Deposits	23,14,34,839	-
b)	Cash on hand	2,11,614	2,53,098
	Total Cash and Cash Equivalents	24,80,84,186	4,18,65,562

NOTE 19 SHORT TERM LOANS AND ADVANCES

(₹)			
S. No.	Particulars	As on 31-03-2015	As on 31-03-2014
	Loans & Advances		
	(Unsecured, Considered Good)		
	Advances Recoverable In Cash or In Kind	14,03,20,408	8,53,41,564
	Total Short Term Loans and Advances	14,03,20,408	8,53,41,564

NOTE 20 REVENUE FROM OPERATIONS

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
(i) Revenue from operations		
Sale of Services		
Domestic	2,92,35,163	1,82,55,333
Export	1,11,36,24,409	53,69,56,747
Total Revenue from Operations	1,14,28,59,572	55,52,12,080

NOTE 21 OTHER INCOME

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
Net gain on Foreign Currency Transactions	39,73,521	10,86,082
Interest on Fixed Deposits	1,14,11,031	-
Total Other Income	1,53,84,552	10,86,082

NOTE 22 EMPLOYEE BENEFIT EXPENSES

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
I (a) Employees Cost	43,06,27,913	18,59,09,556
(b) Contribution to Provident Fund & Other	1,97,80,665	4,41,94,164
(c) Managerial Remuneration	2,24,00,000	1,92,00,000
Total Employee Benefit Expenses	47,28,08,578	24,93,03,720

NOTE 23 OTHER OPERATING EXPENSES

(₹)

S. Particulars No.	Year Ending 31-03-2015	Year Ending 31-03-2014
(a) Admin & Non-delivery Salaries	17,15,22,270	6,11,25,779
(b) Software Licensing Cost	46,57,451	-
(c) Power & Fuel	1,57,53,350	78,94,719
(d) Rent	5,13,67,433	2,49,21,053
(e) Legal & Consultancy	5,09,33,606	1,24,74,726
(f) Rates & Taxes	1,77,96,054	54,82,053
Total Other Expenses	31,20,30,164	11,18,98,330

NOTE 24 ADMINISTRATIVE EXPENSES

		(₹)	
S. No.	Particulars	Year Ending 31-03-2015	Year Ending 31-03-2014
I	(a) Telephone & IT Costs	2,76,24,169	40,83,733
	(b) Business Promotion Expenses	1,76,08,345	87,82,210
	(c) Travelling & Conveyance	19,83,88,237	2,53,17,030
	(d) Office Maintenance	1,70,44,230	1,66,52,968
	(e) Postage, Printing & Stationery	32,36,374	25,81,648
	(f) General Expenses	96,000	2,29,262
	(g) Miscellaneous Expenses Written Off	1,91,000	65,000
	(h) Payment to Auditors:		
	(i) As Auditor	25,000	28,090
	(ii) For Taxation Matters	25,000	28,090
	Total Administrative Expenses	26,42,38,355	5,77,68,031

NOTE 25 FINANCE COST

		(₹)	
S. No.	Particulars	Year Ending 31-03-2015	Year Ending 31-03-2014
I	Interest Expenses:		
-	Interest on WCL	12,48,173	7,79,520
-	Interest on CC & OD	25,37,580	-
-	Interest on TL	6,69,279	-
-	Interest on Other Loan	9,75,051	17,930
-	Finance Charges	17,74,548	6,28,320
	Total Finance Cost	72,04,631	14,25,770

NOTE 26 BORROWINGS FROM HDFC BANK:

- i. Term Loan Sanction by the bank on 6th December, 2014 of ₹ 200 Lakhs repayable in 60 monthly equal instalments of ₹ 4,60,197/- @13.5% interest. Outstanding balance as on 31st March 2015 is ₹ 1,95,26,966/-
- ii. WCTL Sanction by the Bank on 6th December, 2014 of ₹ 300 Lakhs repayable in 36 monthly equal instalments of ₹ 10,18,059/- @13.5% interest. Outstanding balance as on 31st March 2015 is ₹ 2,86,31,229/-
- iii. Cash Credit sanctioned by bank is ₹ 2,00,000/- outstanding balance as on 31st March, 2015 is ₹ 1,80,97,382/-

The above loans are secured by the following

- a) PRIMARY SECURITY: Hypothecation of Book Debts and Fixed Assets of the Company
- b) COLLATERAL SECURITY: Immovable Property situated at Flat No. 303, 3rd Floor, Subramanyam Estates, 6-3-662/16, Jafaralibagh, Somajiguda, Hyderabad - 500 082 and Immovable Property situated at Unit No. 1, 1/a, 6-3-456/C/F1 & 6-3-456/C/F2, 1st Floor, MGR Estates, in Sy No.145 and 146 in Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082
- c) GUARANTORS : Sri C.V. Subramanyam, Sri P. Sudhakar, Sri C. Srikanth and Smt. C. Rajeshwari.

NOTE 27 MANAGERIAL REMUNERATION

(₹)			
S. No.	Particulars	Year Ending 31-03-2015	Year Ending 31-03-2014
	Remuneration	2,24,00,000/-	1,92,00,000/-
	Perquisites & Allowances	NIL	NIL

NOTE 28 AUDITOR'S REMUNERATION

			(₹)
S. No.	Particulars	Year Ending 31-03-2015	Year Ending 31-03-2014
	Statutory Audit Fees	25,000	28,090
	Tax Audit Fees	25,000	28,090

NOTE 29

The Company is engaged in the testing services. The production and sale of such 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 Schedule III to the Companies Act, 2013.

NOTE 30 EMPLOYEE STOCK OPTION

- Employees covered under Employees Stock Option Plans are granted an option to purchase shares of the Company at the face value of shares, subject to requirements of vesting conditions. Upon vesting, the employees can acquire one equity share for every option. The minimum vesting period shall be for 1 year and the maximum vesting period shall be of 5 years from the date of grant.
- The stock compensation cost is computed based on the market price as of grant date and amortized on a straight line basis over the total vesting period. The total stock option cost outstanding is ₹ 53,38,96,960/- and Deferred employee compensation expense is ₹ 23,65,81,058/- for the year ended March 31, 2015, the Company has recorded stock compensation expense of ₹ 29,73,15,902/- (2014: NIL).
- The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans are tabulated below.

Plan/ Scheme	Total No of options under the scheme	Total options Granted	Options Vested	Options Exercised	Options Vested but not Exercised	Options Lapsed	Unvested Options
2011 Scheme	15,00,000	15,00,000	Nil	Nil	Nil	Nil	15,00,000
2013 Scheme	10,00,000	10,00,000	Nil	Nil	Nil	Nil	10,00,000
2014 Scheme 1	20,00,000	2,97,000	Nil	Nil	Nil	Nil	2,97,000
2014 Scheme 2	5,00,000	Nil	Nil	Nil	Nil	Nil	Nil
Total	50,00,000	27,97,000					27,97,000

As of March 31, 2015 no options were vested.

NOTE 31 RELATED PARTY TRANSACTION

During the financial year 2014-15 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. Srikanth	Whole-time Director
4	Mr. K. Ch. Subba Rao	Director
5	Mr. Mani Subramani	Director
6	Mr. K. Nageswara Rao	Director
7	Cigniti Inc., USA	100% Wholly Owned Subsidiary
8	Cigniti Software Services Pvt. Ltd	100% Wholly Owned Subsidiary
9	Gallop Solutions Inc., USA	100% Wholly Owned Subsidiary
10	Gallop Solutions Pvt. Ltd	100% Wholly Owned Subsidiary
11	Cigniti Technologies (UK) Limited, UK	100% Wholly Owned Subsidiary
12	Cigniti Technologies (Australia) Pty Ltd, AUS	100% Wholly Owned Subsidiary
13	Cigniti Technologies Inc., USA	100% Wholly Owned Subsidiary
14	Cigniti Technologies (Canada) Inc., Canada	100% Wholly Owned Subsidiary

(b) Related Parties Transactions during the Financial Year 2014-15:

(₹)				
Name of the Party	Nature of Relationship	Nature of Transaction	Year Ended 31-03-2015	Year Ended 31-03-2014
Mr.C.V. Subramanyam	Managing Director	Remuneration	1,20,00,000/-	1,12,50,000/-
Mr. C. Srikanth	Whole-time Director	Remuneration	1,20,00,000/-	80,00,000/-
Cigniti Technologies (UK) LTD	100% Wholly Owned Subsidiary	Investment	6,82,07,392/-	Nil
Cigniti Technologies (Australia) PTY LTD	100% Wholly Owned Subsidiary	Investment	2,96,32,540/-	Nil
Gallop Solutions INC	100% Wholly Owned Subsidiary	Investment	3,84,72,184/-	Nil

NOTE 32 FOREIGN CURRENCY OUTFLOW

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

(₹)		
Particulars	Year ended 31 March	
	2015	2014
Foreign Travel	6,19,60,478	2,02,82,298
Others	17,13,57,590	2,04,57,034

NOTE 33 FOREIGN CURRENCY INFLOW

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

Particulars	Year ended 31 March	
	2015	2014
Revenue	41,75,25,446	53,69,56,747

(₹)

NOTE 34 EMPLOYEE BENEFITS (AS-15)

The Company has not obtained Actuarial Valuation report for Gratuity and leave encashment for the financial year 2014-2015. Provisional amount has been provided in the books of accounts for the same.

Particulars	₹	
	31.03.2015	31.03.2014
Gratuity	1,42,94,157	93,16,320

NOTE 35 EARNINGS PER SHARE (EPS) (AS-20)

Particulars	₹	
	2014-15	2013-14
Profit after tax during the year (₹)	3,58,92,443	8,03,95,757
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	3,58,92,443	8,03,95,757
Weighted Average Number of Shares taken for Computation of EPS	2,32,76,020	2,08,15,000
Earning per Share		
- Basic	1.54	3.86
- Diluted	1.54	3.86
Face Value of the Share	10.00	10.00

NOTE 36 CORPORATE SOCIAL RESPONSIBILITY:

Amount spent by the company towards CSR: ₹ 18,44,890/-.

NOTE 37 SEGMENT REPORTING

Segment Reporting is not applicable to the Company is engaged only in Testing Services.

NOTE 38 INTRA BRANCH TRANSACTION

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

NOTE 39 DUES TO MICRO & SMALL ENTERPRISES

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at March 31, 2015.

NOTE 40 CONFIRMATION OF CLOSING BALANCES

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

NOTE 41 Previous year’s figures have been regrouped wherever necessary.

NOTE 42 The figures have been rounded off to the nearest rupee.

SIGNATURES TO FINANCIAL STATEMENTS

As per our report of even date

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

For and on behalf of the Board
CIGNITI TECHNOLOGIES LIMITED

P. Murali Mohana Rao
Partner M.No. 023412

C.V. Subramanyam
Managing Director
DIN: 00071378

K. Ch Subba Rao
Director
DIN: 01685123

Place: Hyderabad
Dated: 30.05.2015

A Naga Vasudha
Company Secretary

Form No. MGT-11

Proxy form

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

CIN : L72200TG1998PLC030081
Name of the company : Cigniti Technologies Limited
Registered office : Suit No.106 &107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad- 500082. Telangana State, Ph No 040-40382255, Fax: 30702299

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

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

1. Name :

Address :

E-mail Id :

Signature:, or failing him

2. Name :

Address:

E-mail Id :

Signature:, or failing him

3. Name :

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Wednesday, 30th day of September, 2015, at 10:00 AM at “The V (Ascendas) Auditorium” Plot No. #17, Software Units Layout, Madhopur, Hyderabad – 500081 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Resolution No.

- 1. Approval of financial statements for the year ended 31.03.2015.
- 2. Appointment of Mr. Sudhakar Pennam (DIN: 05350817) who retires by rotation and being eligible, offers himself for re-appointment.
- 3. Ratification of Appointment of statutory auditors and fixation of their remuneration.
- 4. Raising of funds through Qualified Institutions Placement (QIP)
- 5. Employee Stock Option Scheme- 2015
- 6. Cigniti Employee Stock Option Scheme - 2015 to the employees of subsidiary and step down subsidiary company.
- 7. Adoption of new articles as per Table F of the Companies Act, 2013.

Signed this day of..... 2015

Signature of shareholder

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, TELANGANA - 500082

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 17th Annual General Meeting of the members of the company to be held on Wednesday, 30th day of September, 2015 at The V (Ascend as) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____
(In block letters)

Folio No./ Client ID _____

No. of shares held _____

Note:

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



www.cigniti.com