

To,  
BSE Limited  
P. J. Towers, Dalal Street  
Mumbai - 400 001

Date: 28.09.2016

Dear Sir/ Madam,

Sub: Proceedings of 18<sup>th</sup> Annual General Meeting (AGM) and Voting Results:-  
Ref: Cigniti Technologies Limited Scrip Code: 534758

With reference to the subject cited, this is to inform the Exchange that the 18<sup>th</sup> Annual General Meeting of the Company was held on Wednesday, 28<sup>th</sup> September 2016 At 10.00 A.M At "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081.

In this regard, Please find enclosed the following-

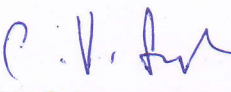
1. Proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – I**
2. Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.


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

Thanking you.

Yours faithfully,

For Cigniti Technologies Limited

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



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ALIGNING. ASSURING. ACCELERATING.

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# CONTENTS

## CORPORATE OVERVIEW

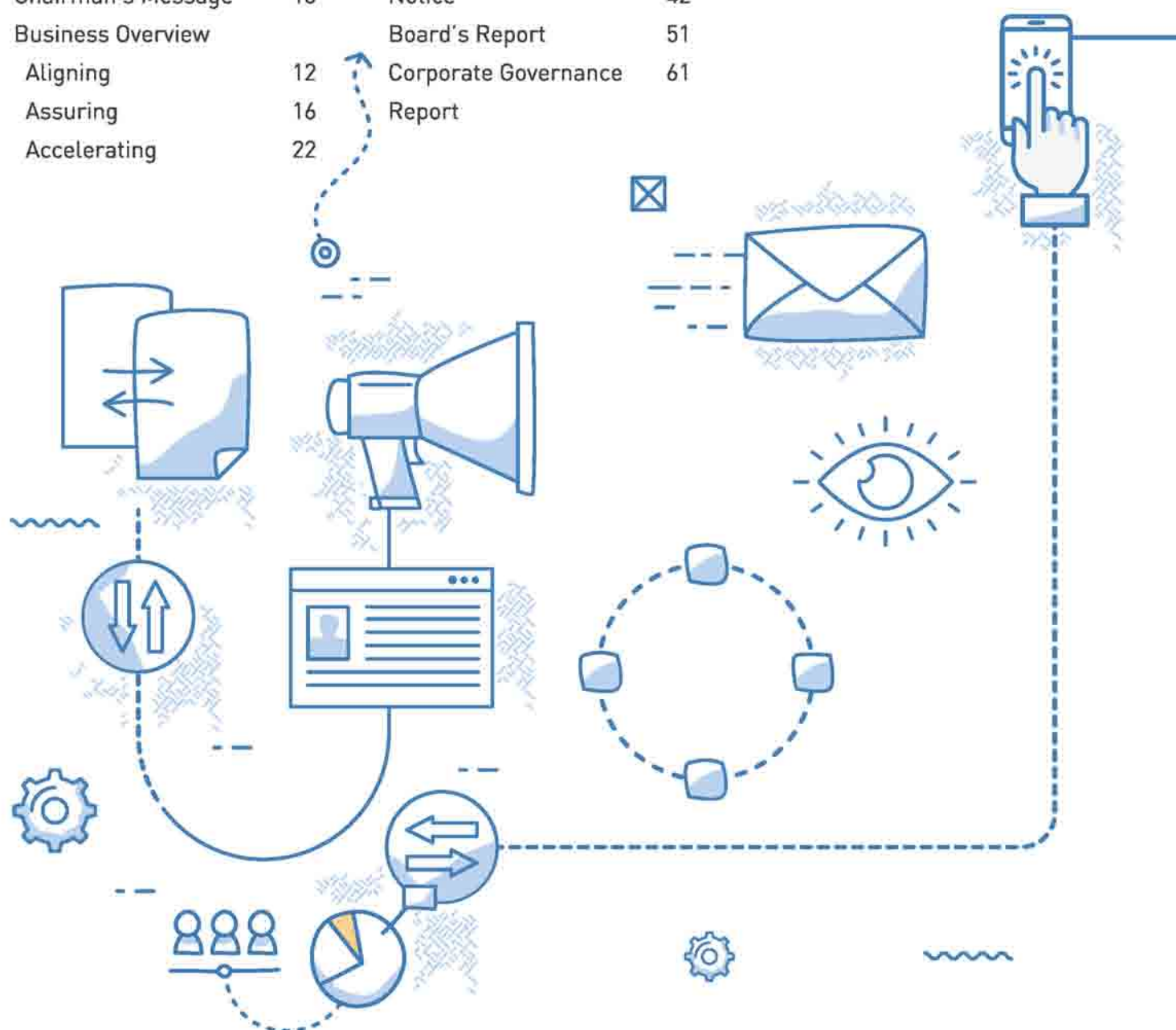
Business Highlights	02
Corporate Information	09
Chairman's Message	10
Business Overview	
Aligning	12
Assuring	16
Accelerating	22

## MANAGEMENT REPORTS

Management Discussion and Analysis	32
Notice	42
Board's Report	51
Corporate Governance Report	61

## FINANCIAL STATEMENTS

Consolidated	92
Standalone	112



### Cautionary Statement Regarding Forward-Looking Statement

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





# Quality Engineering for the Digital Enterprise.

## Aligning. Assuring. Accelerating.

Industry 4.0, that is, the fourth industrial revolution, is shaping the world towards a complete value chain transformation. Corporate leaders are digitalizing key functions within their organizations, as well as amongst their horizontal partners involved in the value chain. In the process, the product portfolios are enriched with digital functionalities, featuring innovative and data-based services. The transformation process would conclude with successful companies emerging as true digital enterprises with basic physical merchandises, amplified by digital interfaces, and data-based and innovative services.

Corporates today lay great emphasis on Digital Assurance, which leads to faster, better, and steadier IT performance. Hence, it becomes essential to build a quality software right from the initiation, and until deployment and operation. Digital Assurance facilitates organizations with automation, which helps save time and money, along with improvement in quality and time to market.

Today, Cigniti Technologies stands tall as the second largest software testing pure-play Company by headcount as per NelsonHall NEAT report for Software Testing, 2016. We have already carved a niche for ourselves in the arena of 'Quality Assurance' (QA). We see exciting trends and advancements in the engineering space. The digital revolution being witnessed around mobile, social, analytics, cloud, and the Internet of Things (IoT) has made it inevitable for CXOs to reconsider their software testing strategies. We are Aligning, Assuring, and Accelerating our testing abilities to ride the digital transformation wave through our Quality Engineering and Quality Assurance offerings.



# Business Highlights

## Operational Highlights

According to NelsonHall's 2016 Cigniti Software Testing profile by Dominique Raviart, IT Services Practice Director, "Cigniti's visibility among testing pure-plays is a strength: with its 1,800+ career testers, Cigniti is the second largest software testing pure-play by headcount."

### Diversified Clientele

- Of the 175+ Active Clients served across 13 countries, with diversified industry verticals, 57 are Global 2000 Companies, 40 are Fortune 1000 Companies, and 31 are Fortune 500 Companies.
- In the year under review, Cigniti:
  - Bagged 65+ new, prestigious and market leading companies as clients in North America
  - Crossed 50+ clients/logos in UK and Europe region
  - Opened, set up an exclusive, world class and dedicated offshore test engineering center for the UK-based First Digital (App only) Bank
  - Signed up a very compelling engagement to test business critical applications for the world's largest e-commerce company for their Indian operations
  - Strengthened its global partnerships and alliances by signing up more than 10 new leading tool vendors as partners
  - Strengthened its vertical focus – Airlines, Banking, Financial Services, Healthcare, Insurance, Life Sciences, Retail, and Travel & Hospitality – through dedicated domain competency groups
  - Launched new IPs in the areas of DevOps, Test Asset Migration, and new IP & frameworks based on our Industry leading Advisory and Transformation Services
  - Initiated the application for 3 new patents backed by our innovation and R&D efforts around IP Led Software Testing
  - Continued to invest in its vision to build world class test engineering labs for the connected world

### Cigniti's Prestigious Clients in North America







## Key Clients Across Continents & Across Industry Verticals

Verticals	Key Clients	Verticals	Key Clients
BFSI		Travel & Hospitality	
Energy & Utilities		Media & Technology	
HCLS		Retail & e-commerce	

## Cigniti 4.0: Diversified Services, New Launches & Initiatives

The digital revolution being experienced around mobile, social, analytics, cloud, and the Internet of Things (IoT) has made it inevitable for CXOs to re-evaluate their software testing strategies. Cigniti aims to tap these opportunities with Cigniti 4.0.

Cigniti is confident that Cigniti 4.0 would facilitate enterprises to succeed in the Age of Digital Transformation. Cigniti plans to diversify its service offerings with increased focus on value added services like SMART Testing™, Test Centers of Excellence, Enterprise Frameworks, Test Accelerators, Tool Partnerships, and Expertise and Process Asset Library, catering to tap the growing global digitalization opportunities. Cigniti is charting on the path to create a world-class testing infrastructure with continued investment in IP led tools, in order to cater to its diversified clientele base, spanning across domains and geographies.

- Cigniti 4.0, interwoven with Quality Assurance, Quality Engineering, and Digital Assurance services, addresses the digital needs of an enterprise to succeed in the arena of digital transformation.
- Cigniti has strengthened its vertical focus – Airlines, Banking, Financial Services, Healthcare, Insurance, Life Sciences, Retail, and Travel & Hospitality – through dedicated domain competency groups under the global delivery leadership. Cigniti has invested significantly in bringing senior delivery leaders who have proven experience in delivering end-to-end quality engineering, transformation programs for Global 2000 companies across the above mentioned verticals. These groups consist of experienced delivery leaders, global test program managers, account managers and relationship focused client partners, technical architects, domain experts, and a team of functional & automation experts.
- Cigniti has launched a Cloud-Enabled Mobile Lab, an on-premise laboratory of mobile devices that can be accessed remotely by global mobile testing teams.
- Cigniti has successfully launched Leadership in Quality Engineering (LiQE), a flagship thought leadership event attended by Clients, Prospects, and Partners.
- Cigniti has launched enterprise focused Advisory and Transformation Services (ATS) with a strong focus on Consulting. This positions Cigniti very strongly to cater to the growing needs of enterprises wanting to achieve business transformation leveraging Agile and DevOps. Cigniti's ATS also positions Cigniti to uniquely solve business assurance problems for diverse verticals through Quality Engineering. ATS also focuses exclusively on helping enterprises realize digital transformation through effective implementation of Quality Engineering services.







## Recognition

- Cigniti received coverage as one of the '20 Most Promising Banking Technology Solution Provider' by CIO Review US.
- Cigniti was bestowed the 'Global customer leadership value award' from Frost & Sullivan, UK, in 2015.
- Cigniti won the 'BEST SME Award for Global Excellence - 2015', from Business Today.

## Analyst Mentions

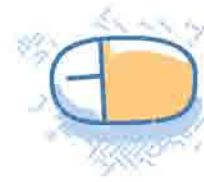
As per the NEAT report for Software Testing, 2016 Cigniti Technologies was recognized as a 'Leader' by NelsonHall, in the Pure-Play market segment. Additionally, Cigniti Technologies was identified as a 'Leader' in the Overall, Digital, and Consulting market segments. Cigniti Technologies became the world's second largest software testing pure-play company by headcount.



Gartner positions Cigniti Technologies as a "Challenger" in the 2015 Magic Quadrant for Application Testing Services, Worldwide.







Cigniti has been identified as a 'Star Performer' and was positioned as a 'Major Contender' in the Everest Group PEAK Matrix™ for Independent Testing Services, 2016. The Everest Group has also conferred Cigniti with a 'Best in Class rating for Buyer satisfaction', in the Service Provider Assessment.

### Positioned as 'Star Performer' and 'Major Contender' in Everest PEAK Matrix™



Everest Group confers 'Best in Class' rating for 'Buyer satisfaction' in the Service Provider Assessment.



Source: Everest Group Independent Testing Services – PEAK Matrix™ Assessment, July 2016

### Forrester cited Cigniti in Multiple Testing Reports

#### 23 IT Service providers and Software vendors leveraging Cloud for Application Testing

Source: 'Improve Quality And Speed With Application Testing In The Cloud', Forrester Research, Inc., January 2016

#### 15 IT Service providers offering services and accelerators in the Test Automation to enable Agile and DevOps

Source: 'Offshore Testing Services Must Reinvest Themselves With Automation', Forrester Research, Inc., March 2015

#### 8 IT Service providers who provided their inputs on the Functional Test Automation Tools

Source: 'The Forrester Wave™: Modern Application Functional Test Automation Tools, Q2 2015', Forrester Research, Inc., April 2015

#### 10 systems integrators and Pure-Play Testing providers working in the Test Data Management Market

Source: 'Vendor Landscape: Enterprise Test Data Management: Steady And Slowly, The TDM Market Starts To Bump Up', Forrester Research, Inc., November 2015

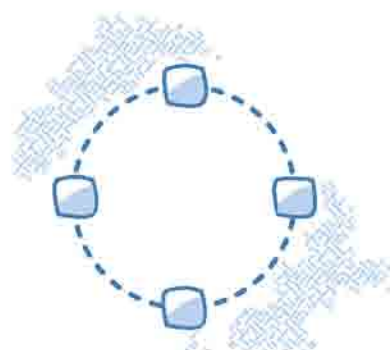
FORRESTER

#### 9 services firms and systems integrators working to enable Quality at Speed

Source: 'Five Must-Dos For Testing Quality At Speed', Forrester Research, Inc., January 23, 2016

## Accolades won by Cigniti's Subsidiary, Gallop Solutions

- 2016, 40 Under 40 Award recognizes 40 individuals under the age of 40, who are proven performers in their respective industries and communities. These are the dynamic leaders who have shaped community in ways that have made greater Philadelphia a better place to carry out business and to live.
- Emerged as the winner of the Philadelphia Smart CEO's Cornerstone Awards 2015.
- Recognized by the CIO Review as one of the most promising robotics solution providers for setting up a Software Testing Standard for Robotics.
- Featured among the Top 25 Promising QA/Testing Services Vendors by Outsourcing Gazette.





## Cigniti's Media Coverage: Analyst Mentions

### Cigniti Technologies is Positioned as a Star Performer and Major Contender in Everest Group PEAK Matrix™ for Independent Testing Report, 2016

HYDERABAD, INDIA & DALLAS, (BUSINESS WIRE) -

Cigniti ([www.cigniti.com](http://www.cigniti.com)) is positioned as a Star Performer and Major Contender in the Everest Group PEAK Matrix™ for Independent Testing Report, 2016.

In the report, Cigniti has once again been conferred with the "Star in Cloud" rating for being Satisfaction in the Service Provider Assessment.

Everest Group has classified Cigniti as one of the six service providers as part of "2016 Independent Testing Services Market Star Performers."

"With companies moving to be digital, quality assurance is not perceived as a long-term burden but as a key element of the digital journey," says Chirag Jain, Vice President of the Everest Group. "Cigniti's demonstration as one of the strongest forward-looking service providers in the PEAK Matrix™ has earned it a star performer position in our report. Cigniti has successfully engaged enterprise clients across key geographies and verticals in the testing services space. Its continued to build capabilities around smart technology across both in mobility and software," Chirag Jain further added.

The report assessed service providers on four chief areas: Performance, Expertise, Ability and Knowledge (PEAK). Service providers were then positioned on the PEAK Matrix based on the evaluation of two key dimensions: Market success and Delivery capability.

"We are excited on this recent recognition from Everest Group as it demonstrates our leadership in application testing services, commitment to quality & excellence and our industry specific experience working with enterprise globally," said Pradeep Choudhary, CEO & President, North America at Cigniti Technologies. "Our Star Performer position is a reflection of our systems and efforts to achieve a consistently high NPS performance," he added.

The Everest Group PEAK Matrix™ 2016 can be accessed here.

About Everest Group PEAK Matrix™

Everest Group's Performance | Expertise | Ability | Knowledge (PEAK) Matrix™ provides an objective, data-driven comparative assessment of third-party consulting service providers globally to a market segment.

About Cigniti

Cigniti Technologies Limited (NSE: 15M75, [www.cigniti.com](http://www.cigniti.com)), Global Leader in Independent Software Testing Services, is headquartered in Hyderabad, India. Cigniti's 2200+ experts are spread across US, UK, India, Australia, and Canada. Cigniti is the world's first Independent Software Testing Services Company to be approved at CMMI-SVC v1.3, Maturity Level 5. Cigniti's VET (Verified Talent) and VET (Verified Talent) test offerings include Quality Engineering, Quality Assurance, Digital Assurance, and Advisory & Transformation services. With over a decade of experience in serving several Fortune 500 companies, Cigniti has translated its deep into SMART Tools™ to accelerate test efforts. Cigniti has cutting edge testing like in the area of Enterprise Mobility, Cloud enabled Performance engineering, Robotics, IoT & Smart Motors, Testing Analytics like Custom, Dynamic, Hybrid, Event, Front & Backend, and Test has been recognized, awarded & commended Cigniti for its leadership and growth in the independent software testing services space.



## Gartner Positions Cigniti Technologies as a "Challenger" in Magic Quadrant for Application Testing Services, Worldwide

ANALYST COMMENTARY BY R. RAO

**Software Solutions** (Digital Technologies) as a "Challenger" in Magic Quadrant for Application Testing Services, Worldwide

Positioned based on Engagement of Service and Ability to Deliver

**Business Wire**

STAMFORD, N.J. -- November 9, 2016

Cigniti Technologies, a leading provider of independent software testing services globally, today announced that it has been positioned as a "Challenger" in the Gartner's 2016 Magic Quadrant for Application Testing Services, Worldwide.

"We are excited to be positioned as a Challenger in the Gartner's Magic Quadrant for Application Testing Services and to be assessed for our specialized & 24/7 test services, testing services, test automation, test and flexible delivery models. We believe this acknowledgment further elevates us as a

performance testing services provider for global enterprises and enterprise software vendors," says Pradeep Choudhary, CEO & President, Cigniti Technologies in North America. "We continue to enhance and expand our capabilities and quality engineering services, which are enabling digital transformation in global enterprises leveraging our SMART Tools™, test and agile processes, cloud native architecture, cloud native testing, and agile delivery model, which enables enterprises to improve software quality and reduce time-to-market."

The Magic Quadrant Report assesses 17 of the leading application testing providers based on two critical dimensions: ability to deliver and engagement of service. The report also provides an overview of the application testing services market, as well as an analysis of the service providers and their ability to deliver the services.

"This recognition as a Challenger in the Gartner's Magic Quadrant is a great honor for Cigniti and helps us move closer to achieving our goal of becoming the world's largest and most respected independent software testing provider," says Pradeep Choudhary, CEO & President, Cigniti Technologies. "We are excited to be positioned as a Challenger in the Gartner's Magic Quadrant for Application Testing Services, Worldwide. This recognition is a testament to our commitment to excellence in software testing services and our ability to deliver the services."

Software testing services market is a competitive space and Cigniti, as a leading provider of software testing services, has the advantage of being able to deliver the services. Cigniti's ability to deliver the services is a key factor in its positioning as a Challenger in the Magic Quadrant for Application Testing Services, Worldwide. Cigniti's ability to deliver the services is a key factor in its positioning as a Challenger in the Magic Quadrant for Application Testing Services, Worldwide.

For more information, visit [www.gartner.com](http://www.gartner.com) or contact your local Gartner representative.

**Source:** <http://www.gartner.com/pressroom/2016/11/09/cigniti-positions-cigniti-as-a-challenger-in-the-gartner-magic-quadrant-for-application-testing-services-worldwide>

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**Source:**





## Cigniti's Media Coverage: Highlights



HYDERABAD, India--(BUSINESS WIRE)--Cigniti Technologies is recognized as a Leader by NelsonHall, in the Pure-Play market segment in the recently published NEAT report for Software Testing, 2016. Cigniti has also been identified as a Leader in the Overall, Digital, and Consulting market segments.

According to NelsonHall's 2016 Cigniti Software Testing profile by Dominique Raviart, IT Services Practice Director, "Cigniti's visibility among testing pure-plays is a strength: with its 1,800+ career testers, Cigniti is the second largest software testing pure-play by headcount." Dominique further added, "Cigniti continues to develop IP and accelerators, like SMART Tools, Migration Tools (QuickLean, Migrate2Selenium) and new age DevOps Dashboard, Agile & Digital IPs. This is in line with NelsonHall's view that the future of software testing industry is about complementing testing tools with proprietary IP and platforms."

"This recognition is a testimony of our abilities to execute large testing projects, investments in growth markets and achieving superior client satisfaction that would further strengthen stakeholders' trust in Cigniti. It also helps us in achieving our ambitious goal of becoming the world's largest software testing services provider," says Srikanth Chakkilam, Executive Director, Cigniti Technologies.

"Our differentiators including testing thought leadership, Cigniti 4.0 Quality Engineering strategy that focuses on Digital assurance for the new age enterprises backed by patented IP led approach, investments into cutting-edge cloud-enabled test labs, and impeccable focus to accelerate the market readiness of our clients' software through best in class testing services has resulted in this positioning," added Pradeep Govindasamy, CTO & President, Cigniti Technologies.

The NEAT report analyzed the performance of 24 vendors offering software testing services with a specific focus on testing capabilities across consulting, digital transformation and efficiency.

### NEAT chart 2016

#### NelsonHall

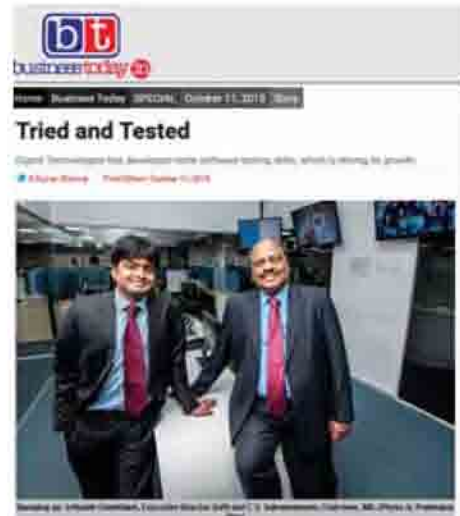
NelsonHall is the leading global BPO and IT outsourcing research & analysis firm with analysts across the U.S., U.K. and Continental Europe. Founded in 1998, the company takes a global approach to analysis of vendors and outsourcing markets and is widely respected for the quality and depth of its research. NelsonHall also offers a suite of "Speed-to-Source" tools that assist buy-side executives in saving time and money, while enhancing the quality of their sourcing decisions in BPO and IT outsourcing evaluations (<http://research.nelson-hall.com/NEAT/>).

#### Cigniti

Cigniti Technologies Limited (BSE: 534758, [www.cigniti.com](http://www.cigniti.com)), Global Leaders in Independent Software Testing Services, is headquartered at Hyderabad, India. Cigniti's 2200+ experts are spread across US, UK, India, Australia, and Canada. Cigniti is the world's first CMMI-SVC v1.3, Maturity Level 5 certified Independent Software Testing Services Company. Cigniti's IP Led offerings include QA, Quality Engineering, Digital Assurance, and Advisory & Transformation services. Cigniti has translated its experience of working with Fortune 500 enterprises into SMART Tools™ and has testing labs in Enterprise Mobility, cloud-enabled Performance engineering, Robotics, IoT & Smart Meters. Gartner, Forrester, NelsonHall, Everest Group, Frost & Sullivan, and Forbes have commended Cigniti for its leadership and growth.

#### Contacts

Cigniti Technologies  
Lucy Dass, +91-9618782706



### KEY TAKEAWAY: GLOBAL BUSINESS EXCELLENCE

#### TOTAL INCOME: ₹ 82100 Crores

C.V. Subramanyam has an audacious goal. The founder of Cigniti Technologies aims to increase the software testing company's revenue nearly five fold to ₹200 million in 2017/18 from ₹40 million in 2014/15. The odds are in his favour. For, the company has expanded at a rapid pace over the past few years.

Cigniti's journey began in 1998 when Subramanyam set up Chakkilam Infotech, a generic IT services company. For almost a decade the company remained an also-ran in a sector crowded with IT services providers. It was in 2008 that the company shifted gears. Srikanth Chakkilam, Subramanyam's son, had returned from the US with a masters degree in computer science from University of Southern California. He felt that the future lay in picking niche areas for growth and they decided to become a software testing services company.

#### KEY FACTS:

- Cigniti is a specialised software testing service provider
- It is strong in banking and financial services, aviation, healthcare, retail, technology (gaming, e-commerce, mobile)
- Thanks to its acquisitions, it can now bid for projects worth \$2 million or more

In 2008/09, the first year as a software testing services company, it posted revenue of around \$1 million. By 2010/11, its revenue had inched ahead to \$2 million. Realising the need for scale, especially in a space where there are bigger players, in October 2011, Chakkilam Infotech opted for inorganic growth and acquired Cigniti Inc, an \$18-million US software testing services and consulting company. Not only was the target company nine times Chakkilam's size, but it also gave the Indian company a foothold in the US market, where it wanted to be.

#### Cigniti Technologies

##### Hyderabad

Revenue growth:	100.2%
Profit growth:	296.4%
Capital growth:	141.4%
Net profit margin:	7.7%
ROE:	5%

Source: our low-worship

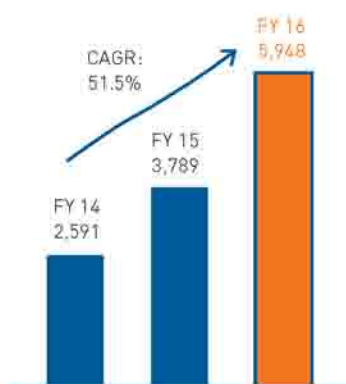
Chakkilam rebranded itself as Cigniti Technologies thereafter, and has not looked back. In 2012, it acquired Gallop Solutions Inc, a US-based specialised software testing services company with revenues of around \$5 million. The deal brought along intellectual property since Gallop specialised in building and implementing niche solutions. The two acquisitions have enabled the company to bid for larger projects, says Srikanth Chakkilam, the company's Executive Director. Before the takeovers, the company could bid for orders worth \$100,000. Now, it is able to bid for projects worth \$1 million or more from Fortune 500 and global 2000 companies, he says. Subramanyam, who is also the company's Chairman and MD, says the company has about 170 clients in 13 countries, including close to 40 from Fortune 500 and global 2000 clients. "The strategy now is to get to serve 200 global 2000 clients that have budgets of \$2-5 million each for software testing so that we get to \$200 million by 2017/18," he adds.



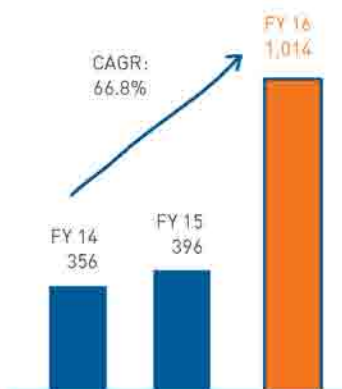
# Financial Highlights



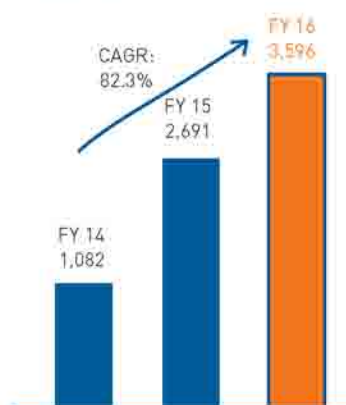
## Revenue (₹ Million)



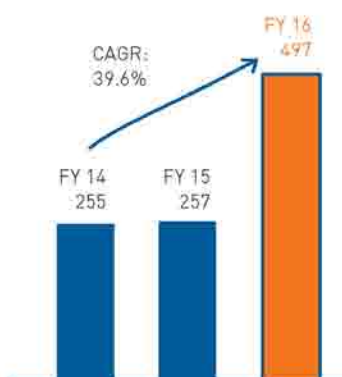
## EBITDA (₹ Million)



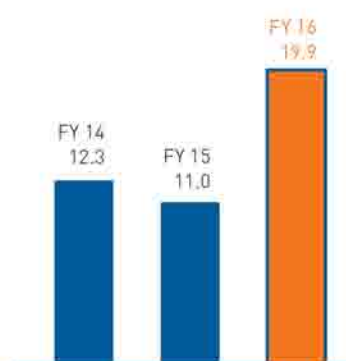
## Networth (₹ Million)



## 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 Subramanian

Independent Director [DIN: 00608214]

### Mr. K. Nageswara Rao

Independent Director [DIN: 02754936]

### Mrs. K. Krishna Priya

Independent Director [DIN: 06591012]

## CHIEF FINANCIAL OFFICER

Mr. Krishnan Venkatachary

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. A. N. Vasudha

## REGISTERED OFFICE

Suit No. 106 & 107, 6-3-456/C, MGR Estates  
Dwarakapuri Colony, Panjagutta,  
Hyderabad – 500082, Telangana State  
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](http://www.cigniti.com)  
Email: [info@cigniti.com](mailto: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

## SECRETARIAL AUDITOR

### M/s. S. S. Reddy & Associates

Practicing Company Secretaries  
Plot No. 6-3-354/13, A1,  
Suryateja Apartments,  
Hindi Nagar, Panjagutta,  
Hyderabad – 500 034

## BANKERS

Federal Bank Ltd.  
Secunderabad Branch

Axis Bank Ltd.  
Madhapur, Hyderabad

Oriental Bank of Commerce  
S.D. Road, Secunderabad

ICICI Bank Ltd.  
Khairatabad, Hyderabad

HDFC Bank Ltd.  
Lakidikapool, Hyderabad

## AUDIT COMMITTEE

Mr. K. Ch. Subba Rao – Chairman

Mr. K. Nageswara Rao – Member

Mr. Mani Subramanian – Member

## NOMINATION & REMUNERATION COMMITTEE

Mr. K. Ch. Subba Rao – Chairman

Mr. K. Nageswara Rao – Member

Mr. Mani Subramanian – Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Mani Subramanian – Chairman

Mr. K. Ch. Subba Rao – Member

Mrs. K. Krishna Priya – Member

## RISK MANAGEMENT COMMITTEE

Mr. Mani Subramanian – 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](mailto:info@aarthiconsultants.com)

## LISTED AT

BSE Limited  
National Stock Exchange Limited

## DEMAT ISIN NUMBER IN NSDL & CDSL

INE675C01017

## WEBSITE

[www.cigniti.com](http://www.cigniti.com)

## INVESTOR E-MAIL ID

[company.secretary@cigniti.com](mailto:company.secretary@cigniti.com)



# Chairman's Message



Dear Shareholders,

It gives me immense pleasure to connect with you all, and share with you our performance, which has been highly satisfying during the past year. Once again, we have raised the bar and have delivered truly industry leading benchmark results. Over the past two years and the foreseeable future till 2020 and beyond, the shift of enterprises to leverage specialized testing services vendors as against traditional testing services providers is a significant aspect of consideration that fortifies our growth. We perceive this shift as a major business enhancer. It keeps us motivated to further grow significantly and become a global leader in the independent software testing and quality engineering services for digital enterprises.



As per NelsonHall IT Service, July 2016 report, the Global Testing Spending comprises about 6% of the total IT Services Spending. The total [global] testing spending (including both Specialized Testing Services and Traditional Testing Services) was \$38.2 bn in 2015, and is expected to grow to \$42.8 bn by 2020. NelsonHall has further revised its Specialized Testing Services growth forecast in the range of 7-8%, due to increased switch in client organizations towards specialized testing offerings and digital testing instead of core function testing. NelsonHall estimates that BFS organizations in North America and the U.K. (including Europe and ANZ) will further focus on cost optimization and market acceleration with quality. Thus, Specialized Testing Services is growing at 7% p.a. while Traditional Testing Services continues to witness a decline of 3% p.a. Also, as per NelsonHall, the Specialized Testing Services Digital Testing spending is growing by 18%, mainly driven by cloud computing. It is estimated that digital spending would grow to 19% of the total Specialized Testing Services by 2020 from 13% in 2015. This makes me further affirm that we as a company are working towards becoming the leader in Independent Software Testing and Quality Engineering services for the Digital Enterprise.

I am proud to share that your firm is now the second largest software testing pure-play company by headcount. Last year we had become the world's first independent testing services company to be appraised at CMMI Level 5. The appraisal reinforces our commitment to deliver world class testing services with Integrated Process Management System (IPMS). It signifies that we are implementing the processes aligned to our business objectives and are ensuring enhanced client gratification. It has also turned out to be a game changer, enabling us to compete amongst the top IT service companies in securing partnerships with larger enterprises globally. In the year under review, Cigniti launched its strategic Advisory and Transformation Services (ATS) with a strong focus on Consulting. This positions us to strategically work with the CXOs of the enterprises as they move ahead in their digital transformation, Agile, and DevOps initiatives to stay successful.

During FY16, your Company garnered numerous analyst mentions. Gartner positioned us as a "Challenger" in the 2015 Magic Quadrant for Application Testing Services, Worldwide. The Everest Group identified us as a 'Star Performer' and positioned us as a 'Major Contender' in the Everest Group PEAK Matrix™ for Independent Testing Services, 2016. It also conferred the 'Best in Class rating for Buyer satisfaction' in the Service Provider Assessment. Forrester cited us in multiple Testing Reports. NelsonHall ranked us as a 'Leader' in Pure Play, Digital, Consulting segments, and the Overall market segment, in the Software Testing NEAT Charts, and mentioned Cigniti as the Second Largest by headcount.

During the last financial year, we have won various awards and accolades. We received coverage as '20 Most Promising Banking Technology Solution Provider' by CIO Review US. We were bestowed the 'Global customer leadership value award' from Frost & Sullivan, UK in 2015. We won the 'BEST SME Award for Global Excellence - 2015', from Business Today.

We registered a strong financial performance during FY16. The total revenue for the year stood at ₹ 5,948 million, up by 57% from ₹ 3,789 million in FY15. Our earnings before interest, taxes, depreciation and amortization (EBITDA) increased to ₹ 1,014 million, up by a staggering 156% from last year. In FY16, our EBITDA margin stood at 17%, with an improvement of 650 bps as compared to last year. The profit after tax for the year stood at ₹ 497 million, up by 93% as compared to FY15.

We have established our global presence in 5 continents and 13 countries, serving over 500 satisfied customers. We serve 57 of the Global 2000, 40 of the Fortune 1000, and 31 of Fortune 500 Companies. We serve key clients across industry verticals. We have a strong team of over 2,200 'human capital', including 1,800+ career testers.

We have established strategic partnerships, successful acquisitions and have demonstrated an ability to integrate acquisitions across cultures. Cigniti 4.0 is aimed to facilitate enterprises to succeed in the Age of Digital Transformation. We look to diversify our service offerings with increased focus on value added services like SMART Testing™, Test Centers of Excellence, Enterprise Frameworks, Test Accelerators, Tool Partnerships, and Expertise and Process Asset Library, catering to tap the growing global digitalization opportunities. Cigniti has significantly Strengthened its vertical focus – Airlines, Banking, Financial Services, Healthcare, Insurance, Life Sciences, Retail, and Travel & Hospitality – through dedicated domain competency groups under the global delivery leadership. Cigniti has invested significantly in bringing senior delivery leaders who have proven experience in delivering end-to-end quality engineering, and transformation programs for Global 2000 companies across the above mentioned verticals. We are also creating a world-class testing infrastructure with continued investment in IP led tools, in order to cater to our diversified clientele base, spanning across domains and geographies.

In a quest to be the best, we take care that we give back to the society through the CSR activities. Our project Cignificance aims to touch many lives through free and quality education.

I take this opportunity to thank all our shareholders for their continuous support and unwavering belief in us. I would also like to express my gratitude to our 'human capital' for their passion, dedication and efforts for steering us to the top.

Best regards,  
**C. V. Subramanyam**  
 Chairman & Managing Director





# ALIGNING



## NEW AGE BUSINESS DEMANDS NEW AGE TESTING

Technology disruptions have increasingly become an industry norm. Organizations across the globe are going digital by adopting efficient and effective transformation. Enterprises are utilizing omni-channel support to cater their services to the digital world. It has led them to re-engineer their business model, go through strategic transformation, build apps, innovate processes to ensure a better customer experience, etc.

Cigniti has decided to align its strategies in order to tap the digital phenomenon with Cigniti 4.0 offerings, Quality Engineering Services, and Solutions. Our strong vertical focus and quality engineering transformation programs as part of the 4.0 strategy is also backed by world class practices groups with superior skills in performance engineering and security testing services that leading clients demand. Leading clients have taken significant advantage of our expertise in these areas to stay ahead in business. We ensure that our global clients stay a step ahead in their digital transformation initiatives and deliver reliable, robust, scalable, and highly secure applications.

Cigniti's Advisory & Transformation Services [ATS] team brings in 300+ years of collective consulting expertise implementing models and best practices across Functional, Non-Functional, Agile & DevOps, Continuous Testing, Test Tools, Automation and Governance areas. The ATS Consultants bring in global engagement experience and are certified in ISTQB, CSQA, TMMi, CSM, SAFe (SA and SPC), ITIL, and ISO to name a few. The Test Advisory framework is built on:

- Our rich experience from 40+ Engagements
- Industry best practices and models like TMMi, TPI, CMMi, ITIL, IEEE, Agile and DevOps Practices
- Coverage of 150+ risk points, over 400 process assets, and our IPs and test accelerators which can reduce the testing cycle time by up to 30%

Mentioned below are impacts of software defects across industries that were in news in during FY16.

## Whistle-blower sheds light on an insurance company's system failure

An Insurance Company in U.S. experienced a large 'system failure' in January 2016 which resulted in 25,000 customers being enrolled in the wrong health insurance. The whistle-blower stepped in as the customer complaints relating to system irregularities kept mounting. A bug was discovered on inspection and the management knowingly had implemented the software with flaws.

The incident impacted the Insurance Company with financial, brand, and bodily damages.  
<http://abc11.com/health/system-failure-blamed-for-latest-blue-cross-woes/1158471/>

## Software bug supports a bank heist in Bangladesh

In March 2016, a group of hackers-thieves hijacked a bank in Bangladesh and had successfully transferred \$81 million. A spelling error prompted to cancel a further transfer of \$870 million. A software bug facilitated the \$81 million steal. According to the bank, a set printer automatically printed the read-out transactions. A glitch in the system interrupted the automatic printing process. The transfer receipts discovered were delayed by several days giving the thieves ample time to cover their tracks.





The incident impacted the Bank with financial and brand damages.

<https://www.kitguru.net/gaming/security-software/matthew-wilson/hackers-lose-800-million-in-bank-heist-after-spelling-error/>

## Satellite failure creates waves of global software repercussions

In January, 2016 a software bug that lasted for 13 microseconds [0.000013 of a second] led to failure of a 25-year-old satellite. This minute error created huge turbulence to global positioning systems. The GPS systems around the globe found their systems thrown off for several hours before being restored. The radio stations experienced the after-effects of the event and took days for becoming fully operational again.

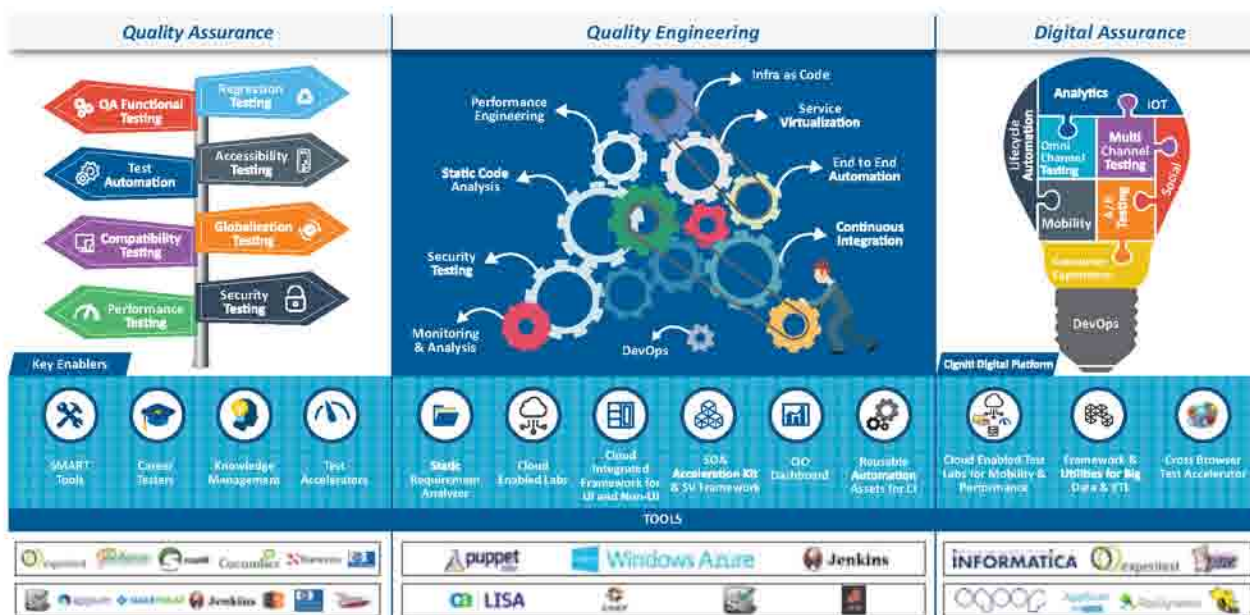
The incident impacted the Company with financial, brand and bodily damages.

<http://www.bbc.com/news/technology-35463347>

It is evident that appropriate and thorough testing could have saved the above companies from heavy financial, brand and bodily damages.

## Cigniti 4.0

Cigniti 3.0, launched last year, was a run-away hit, garnering a good amount of wins for us. Cigniti 4.0 aims to swiftly and consistently align to the increasing percolation of Digital opportunity across the verticals. We already possess a strong understanding of the independent testing services market. We also empathize with the need of the global enterprises and independent software vendors by offering them tailor-made solutions for the challenging world. Our refined offerings like Digital, Agile, & DevOps cater to the changing client demand.



Cigniti has invested in world-class labs to develop and showcase solutions for emerging trends like IoT, Digital Experience, Agile, and DevOps.

"With enterprises aspiring to be digital, quality assurance is not perceived as a fringe cost burden but as a key element of the digital journey", says Chirajeet Sengupta, Vice President of the Everest Group. "Cigniti's demonstration as one of the strongest forward movements over time on the PEAK Matrix has earned it a star performer position in our report. Cigniti has successfully engaged enterprise buyers across key geographies and verticals in the testing services space. It continues to build capabilities around newer technology areas such as mobility and robotics", Chirajeet further added"





## Leadership in Quality Engineering

Global business houses continue to be enthralled by the digital renaissance. This has constantly led to a rise in customers' expectations. In the process, we have gained the know-how to address the 'Anything, Anytime and Anywhere' demands of our clients. We take utmost care that we deliver 'Quality with Speed'. We are confident that our service offerings, like Digital Assurance, Quality Engineering, and Quality Assurance solutions, can assist clients to achieve 'Quality with Speed'. LiQE is a leading annual software testing thought leadership event, organized by Cigniti Technologies. This year, the event will focus on how to reinvent quality organization in Digital world.



## Case Study: Quality Engineering & Digital Assurance for a top rated US Airline

### Client Background

- A major U.S. airline
- One of the world's largest low-cost carriers with over 3,400 flights per day, serving to 90+ destinations in over 40 states of the USA

### Client Requirements

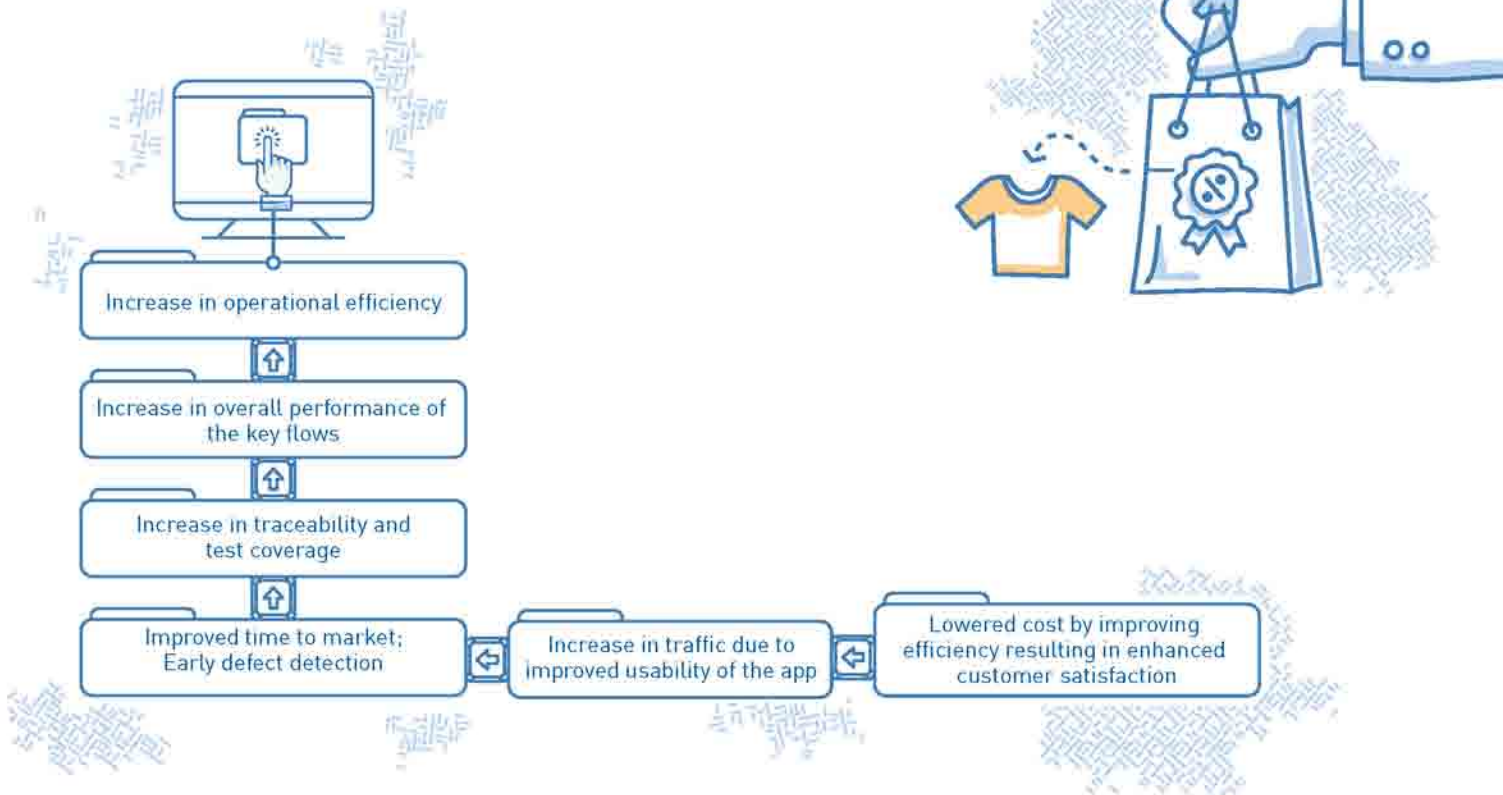
- End-to-end automation of their web and mobile applications
- Quality engineering approach
- Continuous integration framework for continuous testing and delivery

### APPLICATIONS PUT TO TEST

Reservation and booking
Payment Gateway
Global Distribution System
Departure Control: Boarding/Check-in
Loyalty Programme & Gift Cards
Device Testing: KIOSK Card Reader



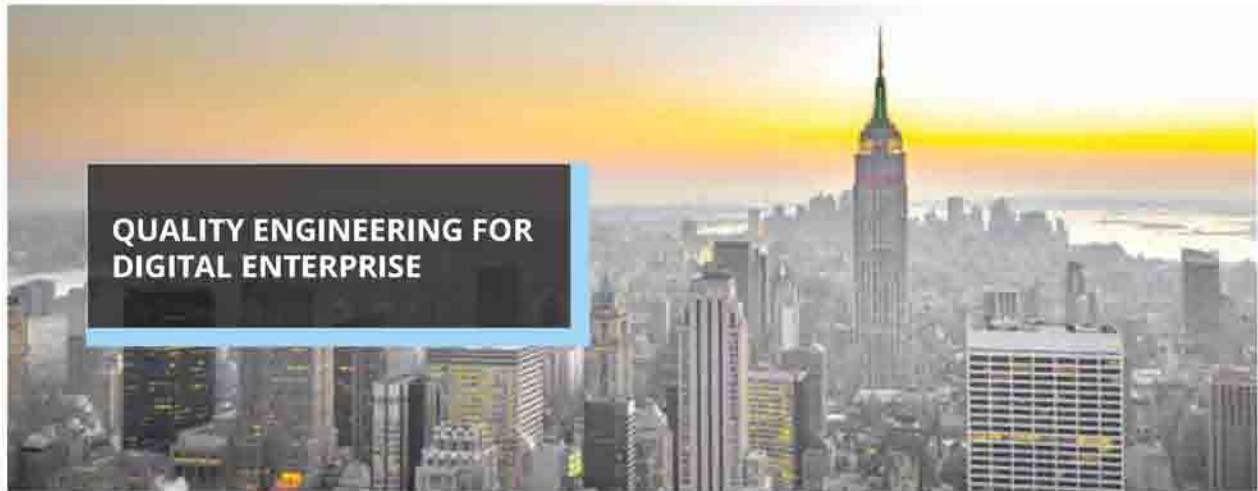
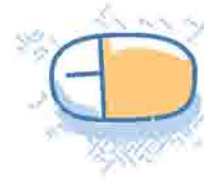
## What Cigniti Delivered?



**SUPERIOR CLIENT SATISFACTION  
IS OUR OBSESSION**



# ASSURING



Digital technology's influence is highly visible due to the widespread adoption of smartphones, tablets and social apps. It facilitates end users to explore various digital channels, anytime and anywhere. The transformational potential of digital technology has certainly elevated customer connect. The real challenge now lies in offering reliable, secure, and superior customer experience through different digital channels.

Our digital assurance ensures client-trust and confidence while testing digital technologies. Cigniti's QA initiatives are aimed at client's digital success of businesses with a lasting impact on customer experience, along with enhanced productivity. The application quality that we ensure helps our enterprise clients meet their stringent business needs in a hyper competitive environment which is influenced by compliance needs in regulatory industries. Our independent software vendor clients and product customers are completely assured of our ability to offer integrated performance engineering and security testing services that they leverage to emerge successful.

Cigniti's Advisory & Transformation Services (ATS) are premium services designed to help enterprises leverage technology and improve business outcomes every day. Cigniti's Advisory Services help clients understand their problem areas by analyzing the risks & gaps in their processes & practices. Our Advisory Services aim at delivering high value-added engagements and ensuring high performance of your software through enhanced enterprise agility, optimized resource utilization, resulting in reduced testing costs up to 40%.

## ADVISORY SERVICES



### Agile DevOps Advisory

To assess readiness for Agile & DevOps transformation, identify current pain areas, design target operating model, and provide recommendations and roadmap for transformation.



### Test Capability Advisory

To assess a testing function for inefficiencies, risks & identify areas of improvement in terms of Capability, Agility, Scalability, and Sustainability across People, Process, Performance dimensions using Cigniti's proprietary assessment framework CLASS®.



### Test Benchmark Advisory

To assess test processes and practices of the organization using industry benchmark data / TMMI model and identify the current maturity level of the test organization to enable readiness for attaining the next levels of maturity.



### Test Automation Advisory

To assess capabilities and maturity of existing automation & frameworks, and provide a roadmap to improve the overall automation maturity and ROI.



### Test Tools Advisory

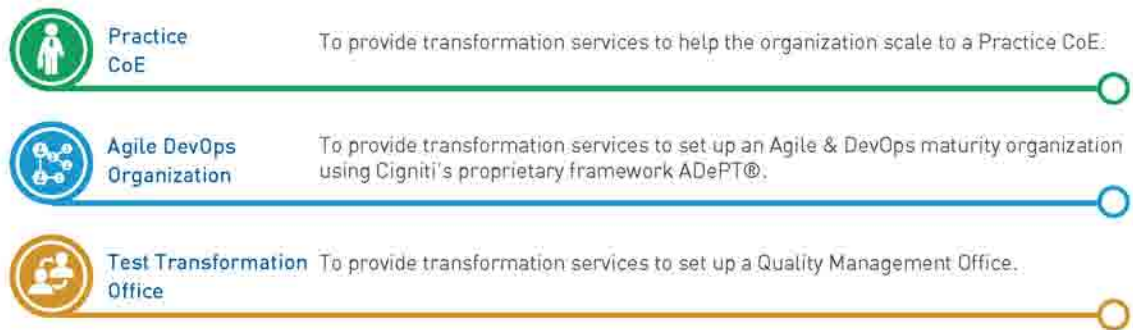
To assess existing QA tools landscape, identify right tool/s and provide the tools strategy for rationalizing the investments and plan the ROI.



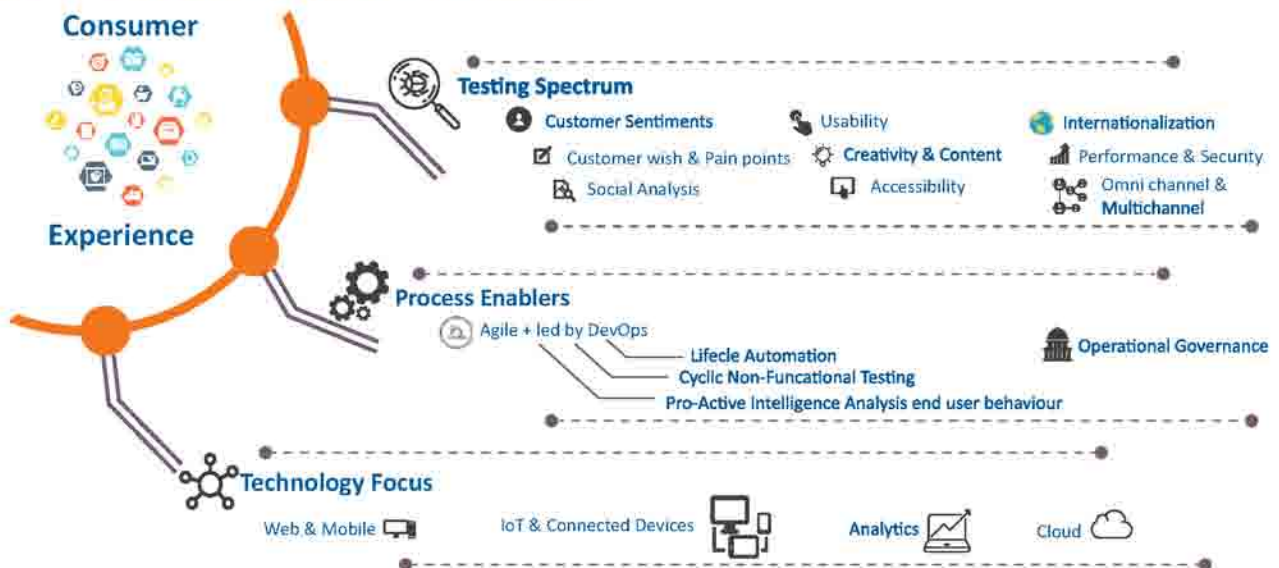


Cigniti's Transformation Services empower clients in attaining the competitive advantage by supporting their transformation journey. This involves implementing the roadmap designed during the advisory phase through enhanced process architecture and integrated tools, improved skill competency, metrics framework, and robust governance.

## TRANSFORMATION SERVICES



## Digital Assurance Platform



Cigniti's Quality Engineering initiatives for the digital world have helped the company with large wins, portfolio clients, and strong analyst positioning.

Cigniti was able to acquire large and long term accounts in FY16.







## A Snapshot of Our Success Story

### Our Travel, Hospitality and Airline Story

We helped transform the business outcomes of some of the leading airlines across the world. We have been providing Digital Assurance, Quality Assurance and Quality Engineering services for a US-based leading low cost carrier and a leading low cost airline from Europe. We signed an agreement with a leading UK-based airline, to assure its digital transformation initiatives. We currently also serve several leading airlines from the Middle East Asia, Australia, and India.

According to Société Internationale de Télécommunications Aéronautiques (SITA), 91% airlines are preparing to invest in cyber security. This will further increase our scope of serving more airlines.

### Our BFSI Story

We serve few of the leading banks across the globe, including the world's first digital bank. We have successfully delivered testing services for over 15 years, implementing Test Center of Excellence, delivering Managed Testing Services, and providing end-to-end testing services for leading BFSI clients across geographies. More than 50% of our testing professionals are Certified Software Testing professionals with CSTE and ISTQB, and are equipped with relevant Industry certifications, while having in-depth domain expertise. The BFSI Domain Competency Groups (DCG) further thought leadership in the Banking functional and technology landscape. It further facilitates effective delivery by maintaining a pool of top quality resources that are trained and certified.

### Our Retail Story

Our singular focus on 'Quality' provides tremendous value to retailers by reducing the impact to their production and delivering unparalleled experience to shoppers. Leveraging Retail and Digital Test Center of Excellence (TCoE) and Domain Competency Group (DCG), we have created ready-to-use test accelerators and solutions across different platforms in the retail domain. Our automated end-to-end testing services in retail, focus on POS, Merchandising, CRM, and WMS, amplify the user experience in stores and contribute to improved sales and profitability. Our test accelerators help reducing the regression test effort, thus improving test coverage and overall quality of retail applications that are essential to drive business and win end-user faith.

### Our Communication Story

We are focused on helping the Communications industry tackle the aforementioned challenges. We actively promote investments that facilitate innovations and research for the same. We offer a fully functional lab dedicated towards testing all sorts of network and bandwidth related needs of the industry. Our integration and advisory services help to understand the real underlying the organization needs. We assess possibilities to overcome the persistent challenges. Our processes have been established with a lot of expertise and experience in handling real-time issues, and prove a boon when overcoming similar challenges as they are reusable. To meet the Exponential Growth of Internet of Things (IoT), IoT Testing (for example for connected cars) will play a very critical role. Our IoT CoE can cater to such needs in a very efficient manner.

### Our Energy & Utilities Story

We understand the testing needs of the E&U landscape which is undergoing a massive transformation from the existing systems to better ways of consumption, production, and distribution. Having delivered comprehensive testing services to E&U organizations in the US, the UK and Europe, we bring greater test coverage, test acceleration and tool agnostic test frameworks. With capabilities that enrich QA initiatives across change management, compliance programs and executive monitoring, our services strengthen the global E&U ecosystems with precision and high standards of QA.

### Our Healthcare & Life Sciences Story

The HCLS industry is undergoing revolutionary trends that are disrupting the industry. Some of the trends visible are in the areas of technology transformation, digital experience, complex integrated systems, connected health, collaborative care models, shrewd insurance processes and intelligence enabled medical devices. We bring testing services with an engineering attitude, bringing in process maturity (HIPAA, AHM), leveraging analytics for exceeding quality and maturity in testing and applying optimized techniques of faster TTM (continuous integration, service virtualization, automated TDM and on-demand environment). We also ensure defect free systems, certifying reliability and enabling utmost customer experience.



## We Serve. We Deliver. We Delight. We Excel.

We have been rated 4/4 by 92% of our clients. Our Superior Software testing services help our clients to say no to bad software.

### Snapshot of Our Client Testimonial Videos



Insperity: US Customer  
Testimonial Video



Synovus: US Customer  
Testimonial Video



FREEMAN: US Customer  
Testimonial Video



Nimble: ANZ Customer  
Testimonial Video



Magma: India Customer  
Testimonial Video



Ryanair: UK Customer  
Testimonial Video

## Our Client Testimonials

1. In over 17 years of working with teams both internal and external, I have never come across a team that was so well focused on the overall well-being, efficiency and continuous improvement of a quality team. The Cigniti team's vast knowledge and experience made it very easy for the teams to see how the recommendations could really help them succeed and become more efficient.

Manager, Software Quality Engineering - Technical Solutions at a Leading manufacturer of medical software and devices

2. On behalf of the 21,000 members and the management team, we thank you for your great effort in working through our December deployment release completed today. This was clearly a One Team effort. We know there were many challenges, though we also know this group is up to the task in working through the hard issues along the way. Thanks for the humility and collaboration that good work like this requires. We know there is much more to do in the months ahead, though we also want to pause and appreciate the accomplishments so far. As we continue to monitor this release and prepare for the next one, I do hope each of you also enjoys a good holiday and a happy & healthy new year ahead.

CEO - A leading global NGO

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

CEO, a leading software solutions provider

4. I want to thank you and your team for all of the effort at getting us to this point. This is what it should be. It also has given us insight into the kind of expertise that the Cigniti team has for testing and the kind of value you bring to your clients. Well Done!

CIO - A leading health information management enterprise

5. Thank you to you and your team for all of your efforts. I know this project has not been easy. I appreciate you offering to get a new test plan together. THANK YOU!

Vice President of a leading financial services organization





## Analyst Mentions

### Gartner Inc.

Cigniti has been positioned as a "Challenger" in the 2015 Magic Quadrant for Application Testing Services, Worldwide by Gartner Inc., a US-based leading research and advisory firm. The Gartner Magic Quadrant assesses several leading companies across the globe on two major parameters – ability to execute and completeness of vision. Being positioned as a "Challenger" reflects the Company's ability to execute several projects and reflects our ability to dominate a large segment. It also assists Cigniti in aligning its vision towards the market. The Company is assessed for its specialized and IP led software testing services, test automation tools, and flexible delivery models. The achievement has further elevated the Company as a preferred software testing partner for global enterprises and independent software vendors. It is a testimony of the Company's ability to execute large projects and a validation of its efforts which would further strengthen the stakeholder's trust in Brand Cigniti. It also helps the Company in achieving the ambitious goal of becoming the world's largest software testing services provider.

### Everest Group

The Everest Group, a leading analyst firm, has recognized Cigniti for two consecutive years. Cigniti has been identified as a 'Star Performer', positioned as a 'Major Contender' in Everest Group PEAK Matrix™ for Independent Testing Services, 2016. The Everest Group has also conferred Cigniti with a 'Best in Class rating for Buyer satisfaction', in the Service Provider Assessment.

The Independent Testing Services - PEAK Matrix™ Assessment and Profile Compendium 2015 that mapped 23 leading service providers on the Everest Group PEAK Matrix for independent testing services has placed Cigniti as a Major Contender in the field, and awarded it the Best in Class Service Provider for Buyer Satisfaction.

#### Positioned as 'Star Performer' and 'Major Contender' in Everest PEAK Matrix™



Everest Group confers  
**'Best in Class'** rating for  
**'Buyer satisfaction'** in the  
Service Provider Assessment.



Source: Everest Group Independent Testing Services -PEAK Matrix™ Assessment, July 2016





## NelsonHall

Dominique Raviart, IT Services Practice Director at NelsonHall referred to us as the second largest software testing pure-play by headcount. Cigniti Technologies is recognized as a Leader by NelsonHall, in the Pure-Play market segment in the recently published NEAT report for Software Testing, 2016. Cigniti has also been identified as a Leader in the Overall, Digital, and Consulting market segments.





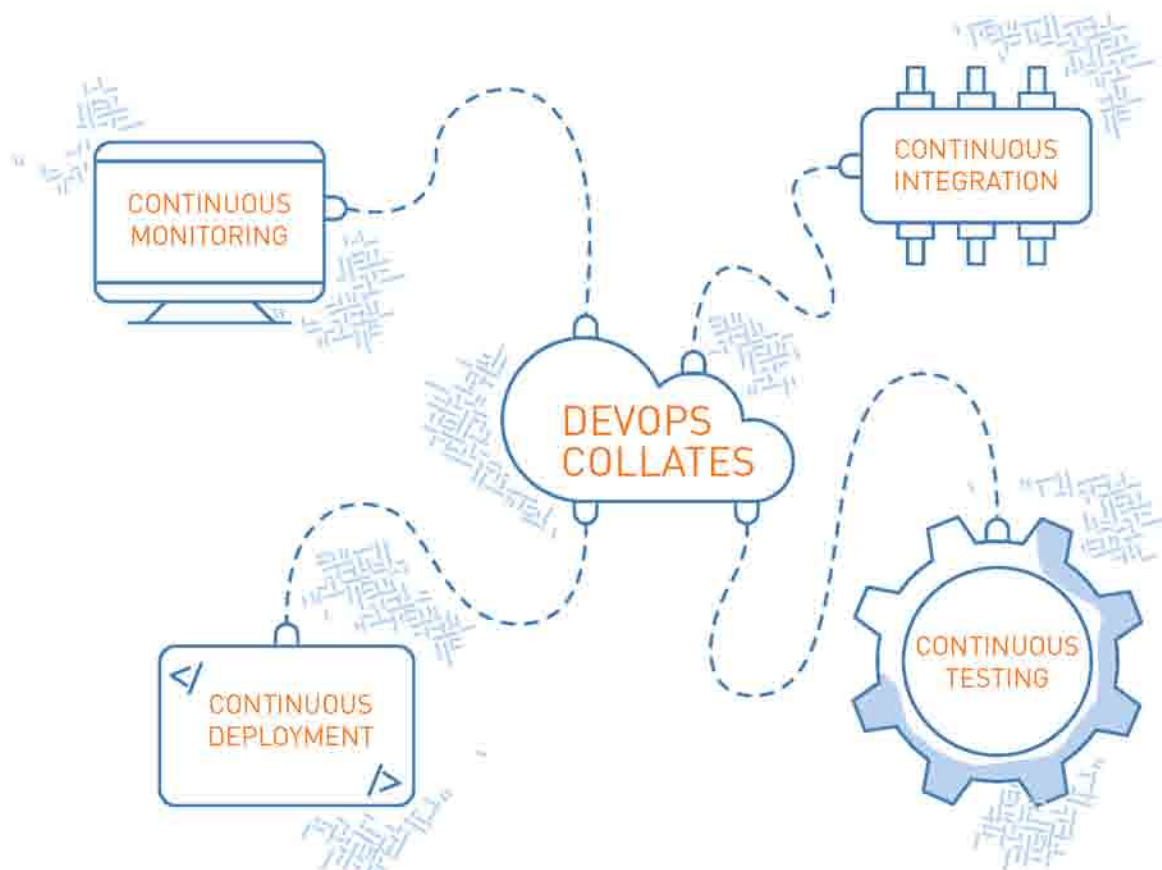
# ACCELERATING



Cigniti draws a decade long rich expertise from testing engineering experience across verticals. Its quest to build a better globe with better software, has manifested the Company into IP led test solutions, which are powerful enough to transform the scope and engagement of Software QA across verticals. Cigniti is confident that its ever-evolving IP facilitates automation to the client expectations, thereby accelerating their digital readiness and reach.

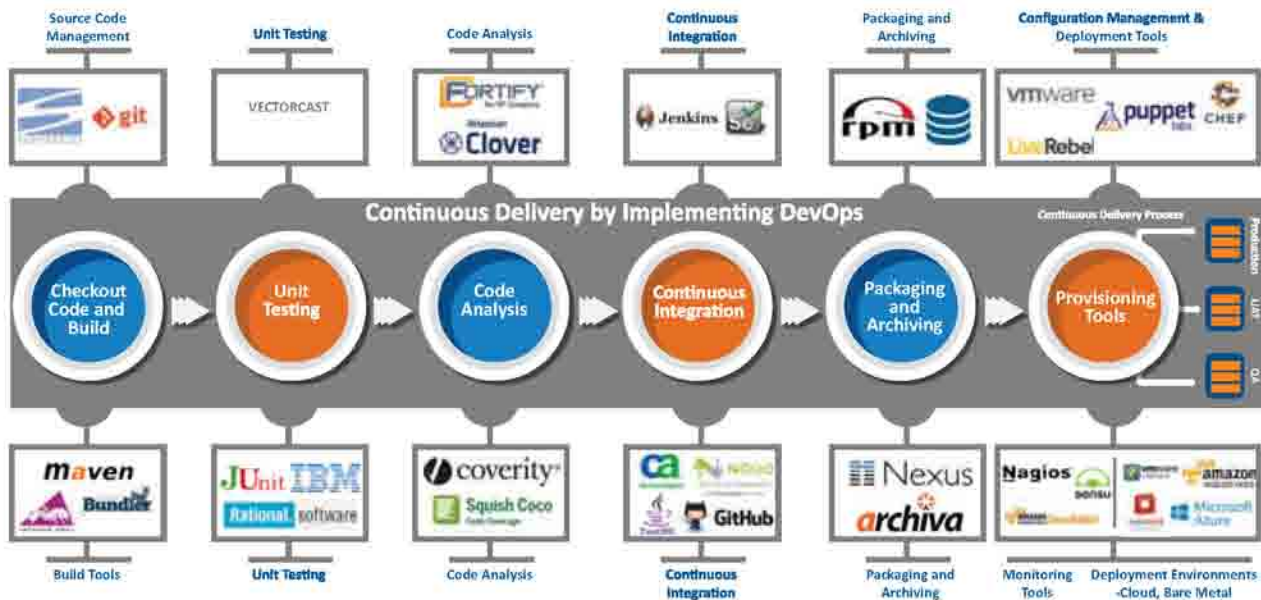
## DevOps

DevOps is a culture that enables seamless coordination among the different stakeholders in the software chain. DevOps brings together the two critical silos of software process, namely, development and operations, to integrate within the same software cycle. It drives all the IT stakeholders to collaborate to deliver value more rapidly.





Cigniti's DevOps capabilities transcend the entire life cycle. Cigniti offers in-depth capabilities in automation tools that can help enterprises leverage accelerated approach to implement DevOps. Cigniti's software development engineers in test (SDETs) bring specialized Agile and DevOps capabilities providing compelling value addition. This has resulted in ensuring Cigniti deliver successful global quality engineering transformation programs in the year under review for many of our leading clients.



## Cigniti Smart Test Platform: Analyze business needs, Automate test efforts, and Accelerate release cycles

Conventional tools are unable to identify significant minor gaps. In addition, an organization requires market tools that can be customized. Cigniti has built a Smart Test Platform to address the needs, gaps, and challenges.





## Cigniti Transformation Framework

The Cigniti ATS Team has designed and developed its own gamut of IPs to deliver high maturity outcomes across engagements. A few of these are:

- **THRIVE:** Cigniti's proprietary framework used to measure Value, Velocity, and Visibility across the delivery pipeline using an automated tool platform
- **ADePT:** Agile DevOps Enterprise Transformation Framework that helps clients adopt & move to higher maturity in the Agile and DevOps methodologies
- **CLASS:** Capability, Agility, Scalability & Sustainability Rating Model that helps to measure the maturity of organizations on the above parameters across the dimensions of People, Process, Infrastructure & Tools
- **VERIFY:** A comprehensive vendor management framework that helps in unifying services and address issues, risks, communication, timelines, SLAs and governance challenges in multivendor scenario

Cigniti is the world's first independent software testing services company to be appraised at CMMI SVC1.3 Level 5. Following is a list of tools and templates that we have developed:

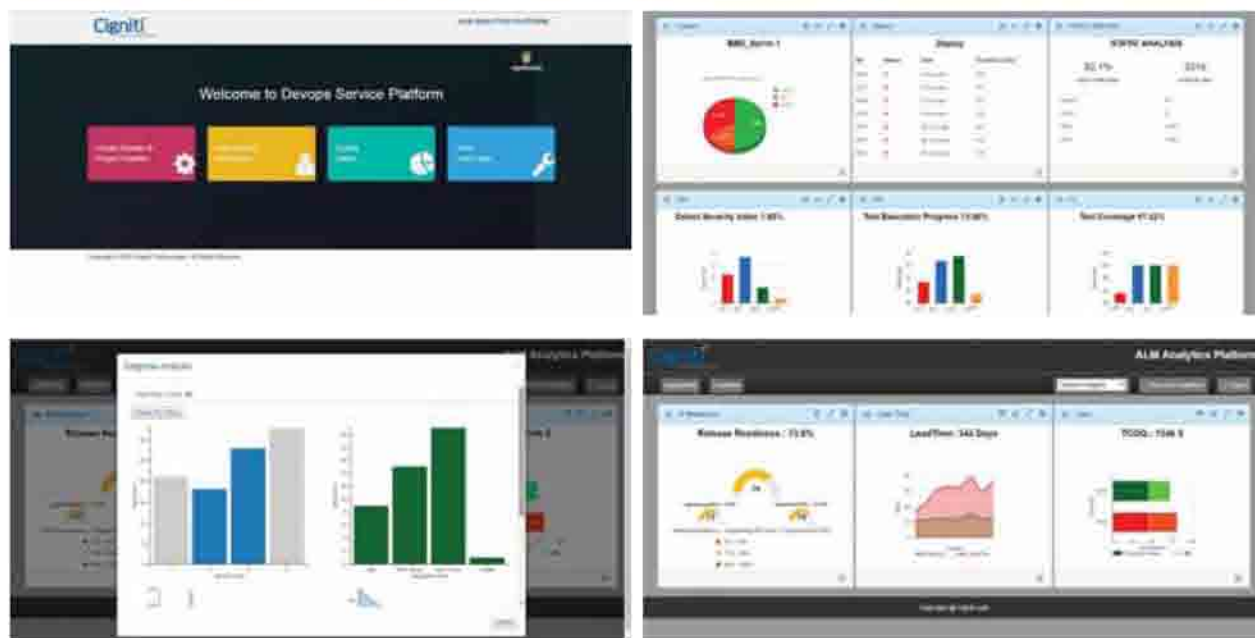
- 800+ reusable test assets for Banking & Financial Services industry
- 1300+ prebuilt automated test accelerators for Insurance industry including Guidewire platform
- 550+ reusable automated test accelerators for Retail industry
- 1000+ reusable automated test accelerators for Airline industry
- Pre-built automation scripts for 3rd party products – Oracle EBS (1600+), Peoplesoft (1200+), SAP (1000+), Salesforce (300+)
- Pre-built manual and automated tests for over 1700+ workflow processes across the ERP system
- 500+ reusable process assets that help companies improve testing maturity and governance

"According to NelsonHall's 2016 Cigniti Software Testing profile by Dominique Raviart, IT Services Practice Director, "Cigniti continues to develop IP and accelerators, like SMART Tools, Migration Tools (QuickLean, Migrate2Selenium) and new age DevOps Dashboard, Agile & Digital IPs. This is in line with NelsonHall's view that the future of software testing industry is about complementing testing tools with proprietary IP and platforms."





## Other IPs to Transform Service Offerings



### Enterprise Dashboard-ALM Analytics Platform

The Enterprise Dashboard is an IP Service Offering by Cigniti and is a plug-n-play solution, easy to implement, and yet a powerful solution which provides customizable data/metrics across the DevOps lifecycle. The mainstay/USP of the solution is the ability to analyze data and provide data models in the Descriptive, Diagnostic, Predictive, and Prescriptive models.

This Dashboard facilitates organizations, senior leadership, projects managers, etc. to track, analyze, and plan several projects, tools, human resources, budget, etc. being used for several projects under DevOps. Being a role-based system, it provides necessary information relevant to the role. CIO's view only information relevant to them and likewise a Scrum-masters view only data relevant for them.

This is aimed at customers who have already transformed or in the process or plan to transform into a DevOps shop. It is an IP that has the ability to integrate into any of the combination of tools landscape in the DevOps horizon. The client could be using a combination of these tools and Cigniti's Enterprise Dashboard will help integrate and communicate seamlessly across the SDLC phases, providing a true sense of Continuous Integration.

The salient features of our Dashboard are:

- Project wise set-up of users, projects, tools and roles
- Configurable and customizable widgets for each user
- Provides machine learning algorithm for accurate analysis
- Available on-the-go: Mobile enabled dashboard
- Non-intrusive and scalable

Cigniti's value proposition:

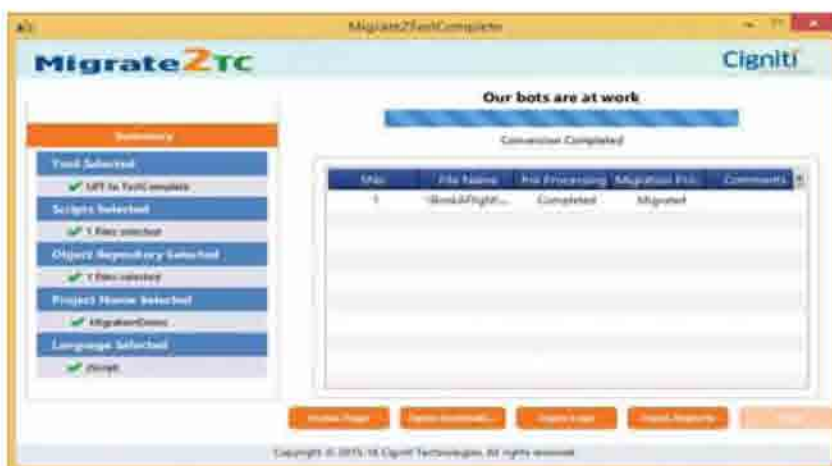
- A Business value driven Dashboard
- Accelerated transformation – because everything is integrated
- Collaboration





## Migrate2Selenium

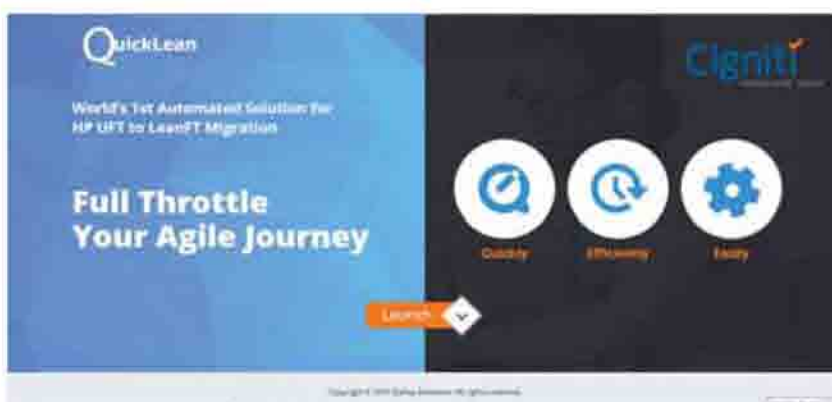
Selenium is emerging as one of the most robust web application testing frameworks. Selenium's open source licensing and its support for multiple browsers, languages, and platforms make it the core engine for various browser automation tools.



## Migrate2TestComplete

TestComplete is a comprehensive and cost-effective tool that empowers any tester, both beginner and experienced, to create, manage, and run automated tests for desktop, the web, and mobile applications.

The platform has an open flexible architecture that offers easy, speedy and cost-effective creation, maintenance, and execution of automated tests across desktop, web, and mobile.



## QuickLean

QuickLean accelerates migration of UFT scripts to be readily used with HP's latest and advanced functional test automation solution - LeanFT. It is the world's first UFT to LeanFT Migration tool. It further eases Enterprise Agile and DevOps teams adoption of LeanFT.





## Mobile Cloud Lab

Cigniti's state-of-the-art Mobile device Lab on Cloud is powered by SeeTest software from Experitest. The devices from Mobile Lab can be accessed remotely by global mobile testing teams.



## Our Partners

Cigniti has launched a Mobile Cloud Lab powered by SeeTest Cloud and signed new partnerships with QA Symphony, SmartBear, Paragon, Veracode, Zephyr, Soasta, Xamarin, and Delphix in 2015-16. Currently, the Company has 30+ partners. Cigniti helps global enterprises improve software quality through Agile testing solutions and methods, by partnering with QA Symphony.

Some of the joint solutions that the Company has developed with its partners like Cloud enabled Mobile Lab, Performance Test Factory, API Testing, Digital Experience, Performance Engineering, Application Quality are seeing great traction among its esteemed clients.

Gallop, Cigniti's 100% subsidiary, has further strengthened its positioning as the recognized leader in the field of IP Led Software Testing and Quality Assurance. Gallop's testing tools expertise and solution driven approach perfectly complements Cigniti in maintaining the differentiation in testing services space.

During FY16, Cigniti and Verbat announced a strategic partnership in the Digital Technologies and Quality Assurance space to tap the UK and the European Markets. DevOps complements emerging technologies like Cloud, Big Data, Mobility and IoT which facilitates enterprises bring differentiated offerings quickly to their customers. The new digital era banks on Quality@Speed. Cigniti and Verbat partnership intends to deliver a pragmatic end-to-end service offering to their clientele backed by superior software quality.

Also, Cigniti forged a strategic partnership with SmartBear to assure Software Quality in the Connected World. Cigniti intends to leverage testing solutions for the connected world to deliver quality assured applications, through SmartBear partnership. Cigniti banks on the delivery of SmartBear's testing and quality assurance solutions including API Readiness platform, Ready! API as well automated testing tool, TestComplete. SmartBear brings best-in-class testing tools, while Cigniti delivers market leading expertise that has been honed by hundreds of successful engagements.





Cigniti anticipates the partnership to deliver unprecedented quality in the connected world and productivity to software engineering teams, as well as cost effectiveness to wide ranging projects.



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## SmartBear and Cigniti Technologies Sign Strategic Partnership to Assure Software Quality in the Connected World

*SmartBear Plans for Joint Software Testing Lab with Cigniti at Headquarters in India*

February 02, 2016 06:00 AM Eastern Standard Time

SOMERVILLE, Mass. & HYDERABAD, India—(BUSINESS WIRE)—SmartBear Software, the leader in software quality tools for the connected world, announced a strategic partnership with Cigniti Technologies Limited, global leaders in independent software testing services. Headquartered in Hyderabad, India with a worldwide team of over 1,600 people, Cigniti is spread across the U.S., U.K., India, Australia and Canada. Cigniti is focusing on the delivery of SmartBear's testing and quality assurance solutions including API Readiness platform, [Ready! API](#) as well as automated testing tool, [TestComplete](#).

"Cigniti's vision is to help companies improve the quality of software being delivered worldwide and our focus to offer end-to-end software testing services solutions gets further strengthened through this partnership."

[Twitter](#) I want this

"Cigniti's vision is to help companies improve the quality of software being delivered worldwide and our focus to offer end-to-end software testing services solutions gets further strengthened through this partnership," said Praveen Ganesanarany, CTO & President NA Sales at Cigniti. "SmartBear brings best-in-class testing tools, while Cigniti delivers market leading expertise that has been honed by hundreds of successful engagements. We expect this combination to deliver unprecedented quality in the connected world and productivity to software engineering teams as well as cost effectiveness to wide ranging projects."

SmartBear's Ready! API is a unified set of testing tools that includes [Swagger API](#) for functional testing, [LoadUI Test Pro](#) for load testing, [ServiceV Pro](#) for API service virtualization and [Secure Pro](#) for dynamic API security testing. SmartBear's TestComplete empowers any tester, both novice and advanced, to create, manage and run automated tests for any desktop, Web and mobile application.

SMARTBEAR

SMARTBEAR SOFTWARE

### Release Summary

SmartBear Plans for Joint Software Testing Lab with Cigniti at Headquarters in India

### Tweets



## Global Tool Alliances and Partnerships

NEOTYS	Cost effective Performance testing tool	TestPlant	Automation and Performance testing	hp	ALM Suite Automation, Performance and Security testing	QASymphony	Agile, Test Case Management	DELPHIX	Data as a Service
Experitest	Mobile Test Automation	NeoQam	Application Performance Monitoring & Performance Engineering	Qdynatrace	Application Performance Management	turnkey	Scriptless Testing	NIUWATI	Static Code Analysis
Ranorex	Test Automation- Mobile and Web applications	VERACODE	Security Testing	enove	Test Data Management, Agile DevOps & Test Environment Management	MICRO FOCUS	Device & App Testing	Z-PHYR	Real Time Test Management
TRICENTIS	Model Based Testing, Agile DevOps	SOASTA	Cloud Testing	ZAPTEST	Mobile Testing	SMARTBEAR	Test Automation, Performance Testing	Qmetry Group	Big Data Testing
KUBISYS	On-demand Test Environment	odin	Enterprise Test Automation Platform	Perfecto	On-demand Mobile Testing Infrastructure	PARAGON	ATM & Electronic Payment System Testing	Verbat	Digital Commerce
PLUTORA	DevOps, TQM & Release Management	X	Mobile App Dev & Testing	SAUCELABS	Cross browser testing Selenium testing	SAP	SAP Testing	keynote	Cloud Based Mobile Device Lab



## Events: Attended & Sponsored

### LIQE

Leadership in Quality Engineering (LIQE) is a leading annual software testing thought leadership event, organized by Cigniti Technologies. The event focuses on the importance of Digital Assurance, Quality Engineering & Assurance, challenges, trends, and best practices in the testing industry. The event brings in eminent speakers from leading industry analyst firms, seasoned software quality leaders from fortune 500 companies, test engineering specialists, and practitioners with deep technology and domain expertise. In 2015, we successfully organized the event across three regions: LIQE East at New York, LIQE Central at Texas, and LIQE West at California.

### Cigniti at Mobile World Congress

Cigniti participated as an exhibitor in Mobile World Congress 2016 held in Barcelona between 22<sup>nd</sup> -25<sup>th</sup> Feb. The event provided us an excellent platform to showcase our brand to nearly 101,000 attendees including 2200 exhibitors and 3600 members of international press and media from about 204 countries. The magnitude and the scale of the event can very well be gauged from the fact that event venue spanned across nine halls and one dozen outdoor spaces covering an area of 3 Square Km.



### QMO Day in Dallas

In line with our goal of increasing the customer satisfaction and to engage the existing clients, Cigniti has initiated several activities. One such initiative is the Quality Management Office (QMO) day to connect with the employees of our largest client, the leading low cost airlines of North America. On 21<sup>st</sup> January 2016, Cigniti had organized the QMO day in AT&T stadium, Dallas, that was attended by over 200 employees of this low cost airline. This further enhanced our relationship with the client. Pradeep Govindasamy, President & CTO at Cigniti, spoke about the software testing trends for 2016 at the event.

### Cigniti@Retail Tech Conference, Florida.



Cigniti was a sponsor of the three day Retail Tech Conference (RTC), 2016, Florida held from 30<sup>th</sup> March to April, 2016.

1<sup>st</sup>



Cigniti was a sponsor at  
Star West 2015



## Events Snippet:

- We were Bronze Sponsors of the BFSI India Conclave 2015 held in Goa on 14<sup>th</sup> & 15<sup>th</sup> May. Our objective was to leverage this event for opportunity identification.
- Participated in Manufacturing IT Summit event at Mumbai on 4<sup>th</sup> June. We had more than 40+ senior-level client meetings (with Head IT, VP IT, CIO, etc.) during the event.
- London Chamber of Commerce: We participated in 2 events organized by LCC. These events provided us an opportunity to interact with various prospects and identify some key prospects.
- IDC Event: We attended an event hosted by IDC. We got an opportunity to interact with multiple stakeholders from IDC besides networking with our industry peers.
- National Software Testing Conference: We attended NSTC conference at British Museum. Most of the UK sales team attended this conference which saw presence of multiple partners and industry leaders. We were able to re-establish connect with various partners including Micro Focus Borland, in addition to identifying partners who can provide us delivery support for DACH region.
- FST Government Summit, Canberra: Cigniti was a Silver Sponsor at FST Government Summit, Australia that concluded in Canberra in November 2015.



Roundtable discussion on 'One Digital – Bringing Together Distributed Agile Development and DevOps-based Quality Assurance



Cigniti was a sponsor at the pre-award debate session in TESTA 2015



Cigniti was a sponsor at Public Sector Enterprise ICT 2015



Cigniti was a exhibitor at EuroSTAR



Cigniti was an exhibitor



Cigniti hosted HP Vivit Event at London Office





Cigniti was a Sponsor of Quest 2015.

**testingsummit**

Gallop participated in Agile Testing and Test Automation Summit 2016 happened in New York on 26<sup>th</sup> February 2016



Kalyana Rao Konda, President of Gallop Solutions, has been chosen to speak at the prestigious DevOps East Conference in Orlando this November.

## Cigniti @ other key global events.





# Management Discussion and Analysis

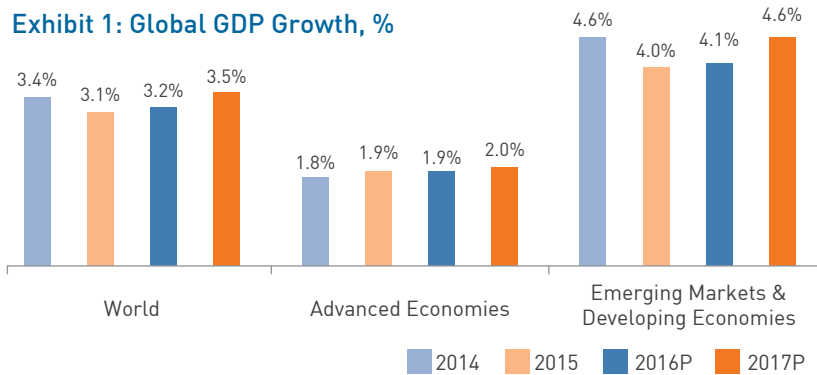


## Economic Review

### Global Review

As per the World Economic Outlook report by International Monetary Fund (IMF), the global economy grew by 3.1% in the year 2015. The global economic growth was restrained in 2015, where Advanced Economies (AEs) showed mix signals of revival, and the Emerging Markets & Developing Economies (EMDEs) witnessed a slowdown. The prices of commodities continued to remain under stress primarily due to slowdown in China. In 2015, the U.S. drove the economic growth amongst AEs with 2.4% GDP growth. IMF foresees the improvement of EMDEs by a modest growth rate of 4.1% in 2016, pegging the global economic growth at 3.2%.

Exhibit 1: Global GDP Growth, %



Source: IMF's World Economic Outlook Update, April 2016

### Economic Overview of India

Despite being weathered by a twin-monsoon deficit and global slowdown, the Indian economic growth has been resilient. India has been one of the major beneficiaries of the fall in global commodity prices, majorly crude. Overall, it has enabled the Government to achieve its fiscal deficit target of 3.9%. The inflation has been well under control with Wholesale Price Inflation (WPI) in the negative territory during FY16.

As per the data released by Central Statistics Office (CSO), May 2016, the Indian economy grew to a five-year high growth of 7.6% in FY16. Further, a well-controlled Consumer Price inflation enabled the Reserve Bank of India (RBI) cut its repo rate by 100bps between March 2015 to April 2016 to a five-year low of 6.50%. During FY16, the Indian Rupee (INR) depreciated 6.4% to ₹ 66.30 against USD due to U.S. Fed hike, devaluation of Chinese Yuan and slowdown in global economy. As compared to world currencies, however, the INR has shown resilience.

The economic revival would be further strengthened with the Union Budget 2015-16 focusing on strengthening the rural and agriculture sector. It is also backed by the Government's efforts towards driving investment demand supported by the monetary easing, rising FDI, infrastructural investments, and public-private partnerships.

### Global Software Testing Overview

The scope of the software testing service industry has been continuously evolving. It has experienced a radical shift from hiring professional career testers and test case scripting, navigating towards scale, automation, and services specialization. The scope of software testing services has expanded and touched all the aspects of IT, initiating from software to cloud computing, mobile, analytics and big data.

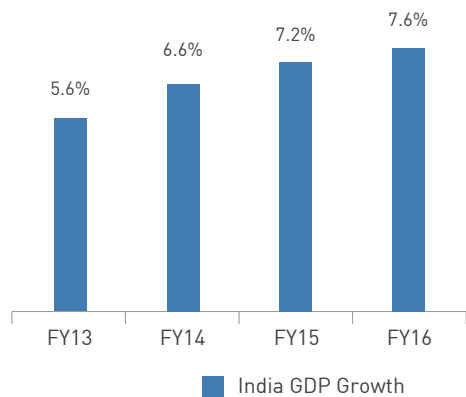
As per NelsonHall IT Service, July 2016 report, the Global Testing Spending comprises about 6% of the total IT Services Spending, and it continues to grow by 2% annually. The total (global) testing spend - including both Specialized Testing Services (STS) and Traditional Testing Services (TTS) - was \$38.2 bn in 2015, and is expected to be \$42.8 bn by 2020.

As per Exhibit 7, NelsonHall has revised its Specialized Testing Services (STS) growth forecast in the range of 7-8% from 12%, due to switch in client organizations towards specialized testing offerings and digital testing instead of core function testing. NelsonHall estimates BFSI organizations in North America and the U.K. (including Europe and ANZ) will further focus on cost reduction. Thus, Specialized Testing Services (STS) is growing at 7% p.a. while Traditional Testing Services (TTS) continues to witness a decline of 3% p.a.

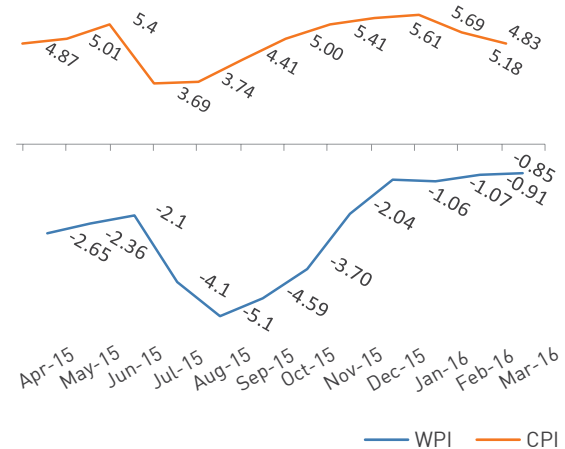
During 2015, the industry experienced \$0.5 bn testing transfer from Traditional Testing Services (TTS) to Specialized Testing Services (STS), as client organizations scout for improvised testing services, as shown in Exhibit 8.

During 2015, spending on Managed Testing Services (MTS) witnessed a slowdown from 11% to 7% due to market saturation of the Banking, Financial services and Insurance (BFSI) sector in North America & the U.K. The BFSI sector contributes 38% of the Specialized Testing Services (STS) spending. NelsonHall estimates the long term growth of Managed Testing Services (MTS) to be +5%, due to vertical expansion in retail and manufacturing.

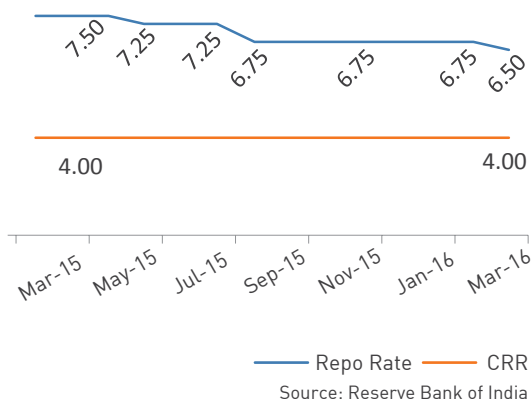


**Exhibit 2:**  
India GDP Growth, %

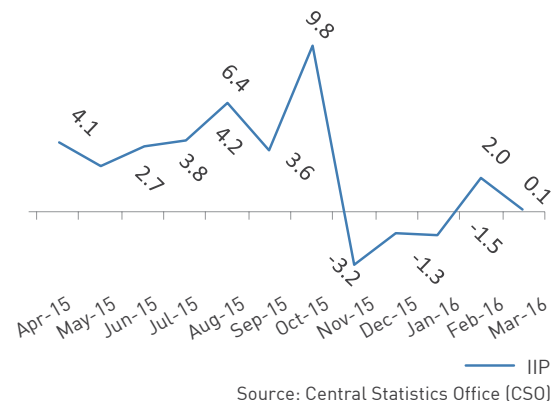
Source: Central Statistics Office (CSO)

**Exhibit 3:**  
Wholesale Price and Consumer Price Index, %

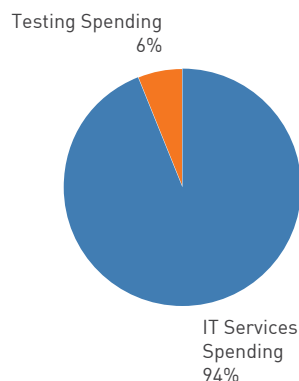
Source: Central Statistics Office (CSO)

**Exhibit 4:**  
Repo Rate & CRR, %

Source: Reserve Bank of India

**Exhibit 5:**  
Index of Industrial Production, %

Source: Central Statistics Office (CSO)

**Exhibit 6: Testing Spending**  
as per Type (2015)

Source: NelsonHall IT Service, July 2016 report

NelsonHall gauges that the project services spending would continue to grow steadily at 8%, due to adoption of digital testing projects, and specialized testing services such as service vendor IPs, Agile, DevOps, etc.

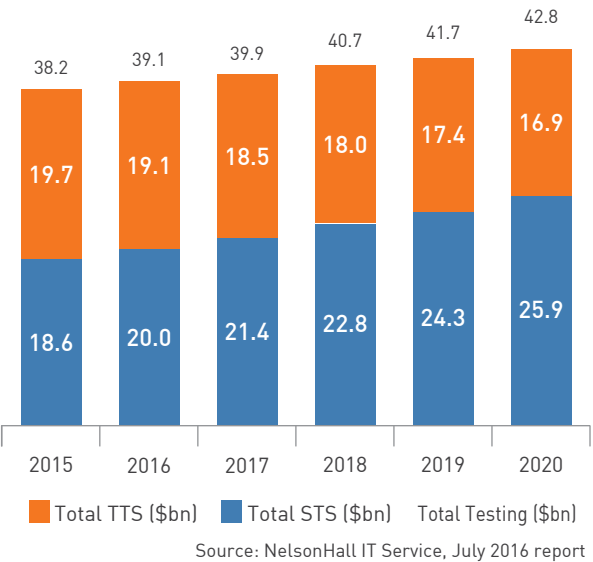
The ERP market would decline with clients opting out for automation projects like custom apps and vertical COTS. The report further adds that the automation testing market would witness a consistent growth of 8% p.a.

Digital testing forms a part of project services. As per NelsonHall, the Specialized Testing Services (STS) Digital Testing spending is growing by 18%, mainly driven by cloud computing. It is estimated that digital spending would represent 19% of the total Specialized Testing Services (STS) by 2020 from 13% in 2015.

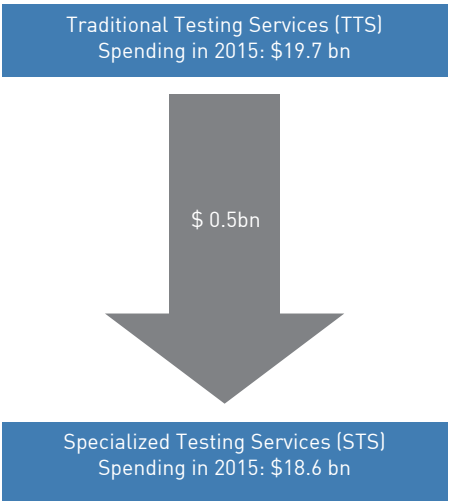
Specialized offering comprises of different activities such as QA consulting, agile testing, test support services, and non-functional testing. In 2015, the non-functional testing (33%) had the largest share in Specialized Testing Services (STS) Digital testing. NelsonHall estimates that the non-functional testing (Performance and Security) market would surpass \$2.1 bn by 2020 growing at 11% p.a.



**Exhibit 7:**  
Total Testing Spending (\$bn)

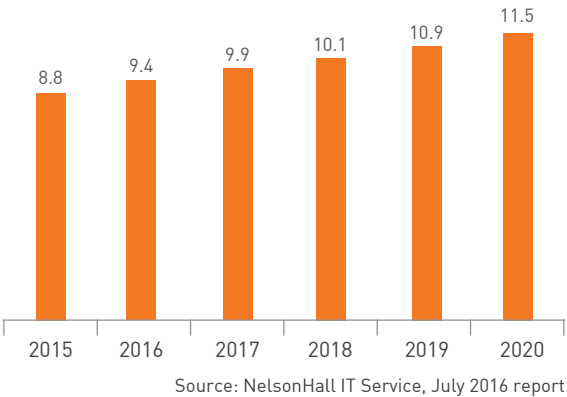


**Exhibit 8:**  
Testing Spending Shift, 2015

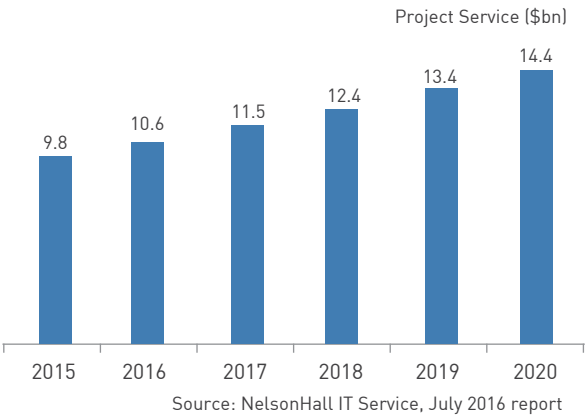


Source: NelsonHall IT Service, July 2016 report

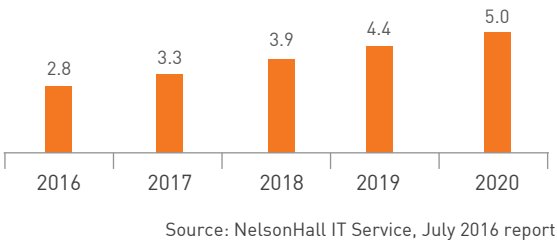
**Exhibit 9:**  
Managed Testing Services (MTS) to witness saturation



**Exhibit 10:**  
Project Services Spending to witness steady growth

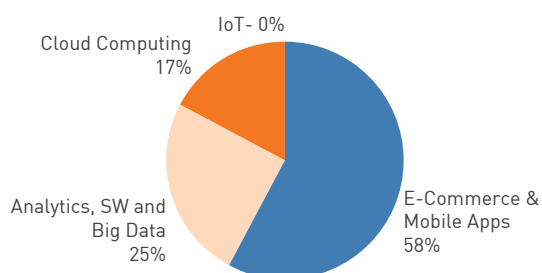


**Exhibit 11:**  
Specialized Testing Services (STS) Digital Testing (in \$bn), the new driver of growth





**Exhibit 12:**  
**Digital Testing Spending, 2015**



Source: NelsonHall IT Service, July 2016 report

**Exhibit 13:**  
**Specialized Testing Services (STS) by Geography**

STS (\$bn)	2015	2016	2017	2018	2019	2020
North America	8.5	9.2	9.9	10.6	11.3	12.1
EMEA	7.7	8.2	8.7	9.3	9.8	10.4
APAC	1.8	1.9	2.1	2.2	2.4	2.6
LatAM	0.6	0.6	0.6	0.7	0.7	0.8
Total	18.6	20	21.4	22.8	24.3	25.9

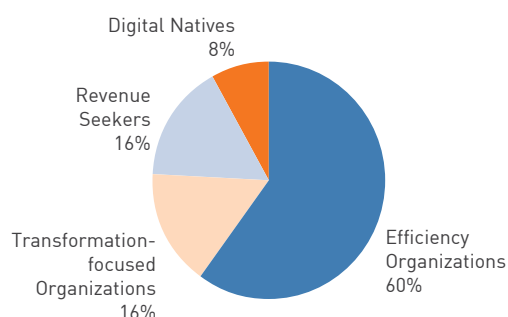
Source: NelsonHall IT Service, July 2016 report

As per NelsonHall estimates, North America would continue to drive the Specialized Testing Services (STS) growth. The European spending would be impacted by Indian offshore, while the Middle East would experience growth in 2018. India would lead the APAC's Specialized Testing Services (STS) spending, whereas Japan spending is expected to remain flat, and China would witness high growth in 2018.

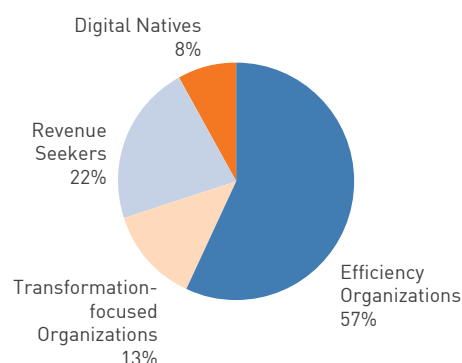
### Specialized Testing Services (STS): Nature of Clients

Efficiency Organizations	Transformation-focused Organizations	Revenue Seekers	Digital Natives
<ul style="list-style-type: none"> <li>Aim to enhance productivity through rise in efficiencies</li> <li>Aim to achieve cost savings through automation</li> </ul>	<ul style="list-style-type: none"> <li>Focus on internal IT projects</li> <li>Ensure success by rolling out appropriate testing resources</li> </ul>	<ul style="list-style-type: none"> <li>Launch new services for new applications</li> <li>Favor go-to-market speed through effective testing</li> </ul>	<ul style="list-style-type: none"> <li>Technology is core part of the business</li> <li>Require go-to-market and exhaustive testing</li> </ul>

**Exhibit 14:**  
**Specialized Testing Services (STS) Spending 2015 and 2020**



**STS Spending: 2015**



**STS Spending: 2020**

Source: NelsonHall IT Service, July 2016 report

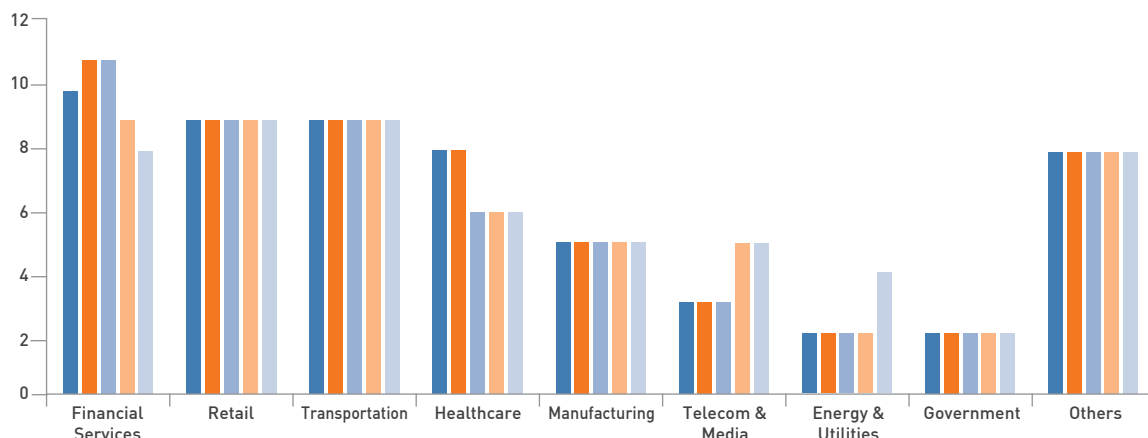
As per Exhibit 14, Efficiency Organizations were investing through managed testing contracts and were the fastest growing testing spends during the last two years. Specialized Testing Services (STS) spending of Transformation-focused Organizations' has slowed down. The growth would be oscillating between -5% and 5%, depending on the economic scenario.



Test spending of Revenue Seekers' revolves around arising digital opportunities. Organizations that are Digital Natives continue to spend for enhancing their digital capabilities and improving their digital presence.

As per Exhibit 15, Specialized Testing Services (STS) growth would maintain its momentum in Financial Services, Retail, and Transportation.

**Exhibit 15:**  
**Sector-wise Specialized Testing Services (STS) growth (in %)**



Source: NelsonHall IT Service, July 2016 report

## Operational Snapshot

Cigniti Technologies has been able to cater to a diversified clientele, both across verticals and geographies, through its wide and exhaustive range of offerings. It has 175+ Active Clients served across 13 countries with diversified industry verticals. Cigniti caters to 57 of Global 2000 Companies, 40 of Fortune 1000 Companies and 31 of Fortune 500 Companies, and is a market leader in North America with growing presence in rest of the world.

During FY16, Cigniti Technologies launched a Cloud Enabled Mobile Lab, an on-premise laboratory consisting of mobile devices that can be accessed remotely by global mobile testing teams. Also, Cigniti Technologies has successfully launched Leadership in Quality Engineering (LiQE), a flagship thought leadership event attended by Clients, Prospects, and Partners.

Cigniti has strong strategic partnerships, successful acquisitions and demonstrated ability to integrate acquisitions across cultures. Cigniti 4.0 is designed to enable enterprises to succeed in the Age of Digital Transformation.

## Awards, Accolades, and Analyst Commentary

### Analyst Mentions

As per the NEAT report for Software Testing, 2016, Cigniti Technologies was recognized as a Leader by NelsonHall, in the Pure-Play market segment. Additionally, Cigniti Technologies was identified as a Leader in the Overall, Digital, and Consulting market segments. Cigniti Technologies became the world's second largest software testing pure-play Company, by headcount.

Gartner has positioned Cigniti Technologies as a "Challenger" in the Magic Quadrant for Application Testing Services, Worldwide.

The Everest Group has identified Cigniti Technologies as a 'Star Performer', in addition to positioning Cigniti as the 'Major Contender', in the Everest Group PEAK Matrix™ for Independent Testing Services, 2016. The Everest Group has also conferred Cigniti with the 'Best in Class rating for Buyer satisfaction' in the Service Provider Assessment.

Forrester cited Cigniti Technologies in Multiple Testing Reports:

- 23 IT service providers and software vendors leveraging Cloud for Application Testing
- 10 systems integrators and pure-play testing providers working in the Test Data Management market
- 15 IT Service providers offering services and accelerators in the Test Automation to enable Agile and DevOps
- 8 IT Service providers who provided their inputs on the Functional Test Automation Tools
- 9 Services firms and Systems integrators working to enable Quality at Speed



## Awards

- Cigniti received coverage as the '20 Most Promising Banking Technology Solution Provider' by CIO Review US.
- Cigniti was bestowed the 'Global customer leadership value award' from Frost & Sullivan, UK in 2015.
- Cigniti won the 'BEST SME Award for Global Excellence - 2015' from Business Today.

## Accolades won by Our Subsidiary, Gallop Solutions

- Bagged the '2016 40 Under 40 Award' by Philadelphia Business Journal
- Won Philadelphia Smart CEO's Cornerstone Awards 2015
- Recognized by the CIO Review as one of the most promising robotics solution providers for setting a Software Testing Standard for Robotics
- Featured among the Top 25 Promising QA/Testing Services Vendors by Outsourcing Gazette

# Financial Review

## Revenue

Revenue during the year increased to ₹ 5,948 million, as against ₹ 3,789 million, an increase by 57%.

## EBITDA

The EBITDA during the year stood at ₹ 1,014 million, up by 156% from FY15. The EBITDA margin during the year stood at 17% in FY16, an increase from 10.5% in FY15.

## Profit After Tax

The Profit After Tax (PAT) during the year FY16 was ₹ 497 million, as against ₹ 257 million in FY15. The net profit margin for the year FY15 stood at 8.3%, as against 7% in FY15.

## Interest and Borrowings

During the FY16, we have incurred an interest cost of ₹ 60 million, an increase from ₹ 29 million in FY15. The cash and bank balance stood at ₹ 42 million, declining from ₹ 339 million in FY15. The total borrowing has increased to ₹ 966 million from ₹ 419 million FY15.

## Net Worth

The Net Worth during the year increased by 33.6% to ₹ 3,596 million, as compared to FY15.

## Trade Receivables

Our trade receivables increased to ₹ 1,758 million, from ₹ 1,347 million.

# Internal Controls

The company has established adequate internal controls and governance within the company as detailed elsewhere in this annual report.

# Opportunities and Threats

As detailed in the Chairman's message and in further discussions made in the Management Discussion and Analysis section (MD&A), there is adequate growth opportunity for the company in the independent software testing services business market. The constant threat remains that the Company needs to be always technologically advanced, to mitigate the threats. This is being addressed by the company on a consistent basis by investing in future technology and as well accredited by the leading industry technology analysts.



## Outlook

Cigniti Technologies eyes to tap the growing global digitalization opportunities by diversifying its service offerings focussed on end to end Quality engineering. Cigniti Technologies continues to increase investments in building patented IP related tools and testing labs for the connected world. This will ensure clients take significant advantage of Cigniti's global test engineering leadership to stay ahead in their businesses. With an exhaustive depth of new services in its armor, Cigniti plans to further add new clients across domains and geographies, and gain market share. Cigniti's strong focus, investments in building competencies across multiple domains and verticals in the form of its domain competency groups, will throttle its leap into the enterprise digital transformation landscape.

## Human Resources

The Human Resources is critical to ensure that Cigniti's most valuable asset - its employees - are supported in driving key business objectives. As Business Enablers, our policies and processes center on attracting, enabling, empowering and retaining, the best and the brightest talent, and also help build a multi-cultural workforce. Over the past year, HR has focused on institutionalizing policies and practices, and development of Talent to build a strong global organization.

### Following are a few key highlights of the year

1. **Benefits:** Introduced and operationalized a wide spectrum of benefits that are industry competitive, employee wellness driven, and align with the business plan of Cigniti.
  - **Learning and Development:** Hosted more robust induction and on-boarding programs to support the integration of all the new hires into our dynamic business environment. Focused online and instructor-led courses to develop domain and technical expertise, and soft skills, supported by internal and external certifications as required.
2. **Employee Engagement:** Announced various employee engagement initiatives such as Candid Talk with the HR, Town Halls, Reward & Recognition programs, and Buddy programs, in order to provide our employees with the right connect.
3. **Policies and Processes:** Reformed and introduced various policies and processes within HR related to Global Mobility, Work place amenities, Flexible compensation, Global careers, and Career Progressions.
4. **Performance Appraisal System:** Revamped the Performance Appraisal system to align with business priorities and strategy. This system enables our employees to identify their Key Result Areas (KRAs), and have their respective managers evaluate them on the basis of how well they have met their objectives, in alignment to the strategic themes of our organization, with greater objectivity and transparency in the entire process.
5. **360 degree Feedback mechanism:** Initiated a 360-feedback mechanism for Senior Managers & above, forming crucial inputs in their performance appraisal process. These comprehensive and integrated datasets will work as powerful insights from all the stake holders and help develop capability of those subjected to this exercise.
6. **Global Career Path:** Created a diverse work environment allowing qualifying employees to be a part of our network offices, globally providing them with umpteen opportunities to travel abroad to our network offices on short-term and long-term assignments.



Leave Policy



Group Insurance Guidelines



POSH Policy



Code of Business Conduct



Holiday List



Exit Policy



PIP Policy



Attendance Policy



Dress Code Policy



Flexible Basket Component

Snapshot: Cigniti's HR screener



## Organizational Values

Cigniti's organizational values define acceptable standards through the acronym 'CAPITAL', which governs the behavior of its 'human capital'. Cignitians 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 over 2,200 Cignitians.

## CSR Initiatives

With a vision to provide quality education to the underprivileged students, Cigniti realizes there is a need for quality content. As part of its CSR initiatives, the Company under the name 'Project Cignificance' has worked with Khan Academy to translate their education videos in Telugu. Having subsequently realized the need for new content to fill the curriculum gaps, the Company has also developed videos in line with state governments' syllabus in the Khan Academy style in Telugu. Currently, the company has developed 1000 videos of Mathematics, Physics, and Chemistry from Class V to X.

The feedback on the videos from the Govt. schools of villages surrounding Hyderabad was encouraging. The Project Cignificance team is also in process of identifying the channel partner to distribute the videos to underprivileged students across Telangana and Andhra Pradesh. It has also approached leading Organizations/NGOs in the education community to increase the reach of the videos. Our CSR program is receiving wider possibilities of growth and support. Also, various opportunities of collaboration between Cigniti, teachers, schools 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"> <li>While U.S. contributes to the bulk of Cigniti's revenue, Cigniti has also been gradually expanding across geographies such as Europe &amp; Asia Pacific. Cigniti has also been focusing on strategies to enhance revenues from existing geographies like Europe.</li> <li>Cigniti also has offices in UK &amp; Australia to add new logos and deepen its presence in the existing accounts from these geographies.</li> </ul>
Competition Risk	Increasing competition in software testing may affect the market share of the Company	<ul style="list-style-type: none"> <li>Cigniti remains competitive by developing capabilities through a mixture of organic and inorganic routes.</li> <li>Cigniti is the world's second largest Independent Software Testing Services Company by headcount, and has secured a technical positioning of the company brand in the global arena. Through a smart mix of global marketing initiatives, very strong industry analyst relations and other brand building initiatives, the Company has been consistently strengthening its brand.</li> <li>Most importantly, Cigniti's consistent endeavor to be a thought leader in independent software testing through its offerings, IP, building labs for the connected world, commitment to test engineering community through world class quality engineering events (such as LiQE and meetups) to engage the best minds in quality engineering landscape, has ensured that it comes across the most respected independent software testing services vendor.</li> </ul>
Technology Risk	Any change in technology could have an adverse impact on the Company's growth	<ul style="list-style-type: none"> <li>Cigniti makes considerable investments in new technologies to consistently upgrade its skills. To stay relevant and ahead of the curve, Cigniti has partnered with leading global software tool vendors to bolster its test automation capabilities for aligning with, and meeting the emerging needs of digital enterprises.</li> </ul>
Attrition Risk	Increased competition among organizations for a limited employable talent pool might lead to higher attrition rates	<ul style="list-style-type: none"> <li>Cigniti understands the importance of attracting, nurturing, and retaining good talent and takes several initiatives to maintain the same. It provides a number of opportunities, including global exposure, conducive work environment, world-class learning aid, opportunities to participate in forums, associations, conferences of national and international repute, best in class compensation and HR development practices, to motivate and retain the best talent including employee recognition on various platforms.</li> </ul>



Risk	How it Relates to Cigniti	Mitigation
Commoditization Risk	Low entry barriers in the testing industry might expose the industry to the danger of commoditization	<ul style="list-style-type: none"> <li>• Testing needs strong domain and technology understanding which take years to be acquired. Cigniti, over the years has developed tools, processes, and solutions that help it generate high level of efficiencies. A new player would take years to develop such capabilities. Additionally, most of Cigniti's Services are high-end offerings that can only be done with the specialized expertise developed over years, and hence cannot be easily replicated.</li> <li>• Cigniti has developed many IP led testing services, Enterprise DevOps Dashboard – ALM Analytics Platforms with Predictive abilities, Model-based testing tool, Vertical specific test accelerators, SMART Test Platform and Test Asset Migration tools that cannot be easily replicated.</li> <li>• Cigniti specializes in developing world class cloud enabled test labs for the connected world including IoT, Smart Meter testing, Enterprise Mobile, Performance Engineering, and Robotics Testing labs that cannot be easily replicated.</li> </ul>



# NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Shareholders of M/s. Cigniti Technologies Limited will be held on Wednesday, 28<sup>th</sup> day of September, 2016 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 on March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. C. Srikanth (DIN: 06441390) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. 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 and 142 of the Companies Act, 2013 and rules made there under as amended from time to time, pursuant to recommendation of Audit Committee, and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on September 19, 2014, 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 March 31, 2017 as may be determined by the Audit Committee in consultation with the Auditor from time to time."

## SPECIAL BUSINESS:

### 4. APPOINTMENT OF MRS. K. KRISHNA PRIYA AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 150 of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mrs. K. Krishna Priya who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 06, 2015 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom

the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. K. Krishna Priya as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to September 27, 2021.

### 5. 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 thereunder, 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, the Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, 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"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "SEBI (LODR) Regulations") the Depository Receipt Scheme, 2014, Stock exchanges, or any other competent authority, whether in India or abroad, from time to time, to the extent applicable 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 depositary receipts("GDR"), the American depositary receipts ("ADR"), the foreign currency convertible bonds ("FCCBS"), fully convertible debentures/partly convertible debentures, preference shares convertible into equity shares, non-convertible debentures with warrants and/or any other financial instruments or securities convertible into 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 (hereinafter 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 up to ₹ 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 finalized by the Board and that the Board be and is hereby authorized to finalize 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"). The number and/or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

**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** 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, allotment of such Securities or any combination of Securities as may be decided by the Board shall be completed within 12 months from the date of passing of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time 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, provided that the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations. The Eligible Securities shall be allotted on a fully paid basis (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Eligible Securities shall not exceed 60 months from the date of allotment), and the aggregate of all qualified institutions placements made by the Company in the same financial year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year.

**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 proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the “relevant date” for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time, in relation to the proposed issue of the Specified Securities.

**RESOLVED FURTHER THAT** pursuant to Regulation 85(1) of the SEBI ICDR Regulations, the Board be and is hereby authorized to, at its absolute discretion, offer a discount of not more than 5% or such percentage as permitted under applicable

law on the price calculated in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations or such other discounts as may be permitted under the applicable laws.

**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** 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.

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

Place: Hyderabad  
Date: September 03, 2016

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

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the 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 hold 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 22.09.2016 to 28.09.2016 (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 dematerialized form



- are requested to bring their Client ID and DP ID Numbers for identification.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
  8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
  9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)
  10. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
  11. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
  12. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Aarthi Consultants Pvt. Ltd.**, Share Transfer Agents of the Company for their doing the needful.
  13. Members are requested to send their queries 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 2015-2016 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 2015-2016 is being sent in the permitted mode.
  17. Members may also note that the Notice of the 18<sup>th</sup> Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website [www.cigniti.com](http://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](mailto:company.secretary@cigniti.com).
  18. Voting through electronic means
 

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Pursuant to Regulation 44 of SEBI (LODR) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 18<sup>th</sup> 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:

    - (A) **In case of members receiving e-mail:**
      - i) The voting period begins on 25.09.2016 at 9.00 A.M. and ends on 27.09.2016 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 (21.09.2016) 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](http://www.evotingindia.com).
      - iii) Click on Shareholders.
      - iv) 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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>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.</li> <li>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. For example, if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>

- 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 the 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 (that is, other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto: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 25.09.2016 at 9.00 A.M. and ends on 27.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 21.09.2015 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) Shareholders can also cast their vote using CDSL's mobile app m-voting for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the APP store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
19. Mr. S. Sarveswar Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.
20. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cigniti.com](http://www.cigniti.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Place: Hyderabad  
Date: September 03, 2016

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



## EXPLANATORY STATEMENT

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

### Item No. 4:

Mrs. K. Krishna Priya was appointed as an Additional Director w.e.f. November 06, 2015, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Mrs. K. Krishna Priya for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. K. Krishna Priya as 'Independent Director' for a term upto September 27, 2021, and pass the resolution set out at Item No. 4. The appointment of Mrs. K. Krishna Priya is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mrs. K. Krishna Priya has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that her continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board, Mrs. K. Krishna Priya fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and she is independent of the Management.

None of the Directors or Key Managerial Personnel of the Company, their relatives except Mrs. K. Krishna Priya Independent Director, is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

### ITEM NO. 5:

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 thereunder, 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 up to ₹ 150 Crores (including premium) with green shoe option, if any, 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 resolution 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.

**Basis or Justification of Price:** The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board subject to such a price



not being less than the price calculated in accordance with Chapter VIII the SEBI ICDR Regulations. The "Relevant Date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, or, in case of convertible securities, either the date of the meeting in which the Board or a committee thereof decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares as provided under Chapter VIII of the SEBI ICDR Regulations. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also enables the Board to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board deems fit. The Company with this resolution intends to retain the right and flexibility to issue securities including but not limited to GDRs, ADRs, FCCBs and Equity Shares.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the lead manager(s) appointed in relation to the proposed issue and such other authorities as may be required, taking into consideration market conditions and in accordance with the applicable provisions of law. The Equity Shares allotted or arising out of conversion of any Securities will be listed on recognized stock exchanges subject to obtaining regulatory approvals. The offer/issue/allotment/conversion/redemption of Securities would be subject to obtaining regulatory approvals, if any by the Company. The conversion of securities held by foreign investors into Equity Shares would be subject to applicable ceiling on foreign investment in the Company.

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.

Your directors recommend the above special resolution for your approval.

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



## Board's Report

Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2016. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL SUMMARY

The performance during the period ended March 31, 2016 has been as under:

(₹ In Lakhs)

Particulars	2015-2016		2014-2015	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	59,824.85	20,590.98	38,043.32	11,582.44
Total Expenditure	51,421.68	16,246.09	34,918.76	11,013.94
Profit Before Tax	8,403.17	4,344.89	3,124.56	568.50
Provision for Tax	3,435.57	1,148.46	554.43	174.52
Profit after Tax	4,967.60	3,196.43	2,570.13	393.98
Transfer to General Reserves	-	-	-	-
Profit available for appropriation	4,967.60	3,196.43	2,535.07	358.92
Balance Carried to Balance Sheet	4,967.60	3,196.43	2,535.07	358.92

### REVIEW OF OPERATIONS

The total revenue of the Company for the financial year under review on consolidated basis was ₹ 59,824.85 Lakhs as against ₹ 38,043.32 Lakhs for the previous financial year. The net profit was ₹ 4,967.60 Lakhs for the financial year 2015-16 as against the net profit of ₹ 2,535.07 Lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2015-16 was ₹ 20,590.98 Lakhs as against ₹ 11,582.44 Lakhs for the previous financial year. The net profit was ₹ 3,196.43 Lakhs for the financial year 2015-16 as against the net profit of ₹ 358.92 Lakhs for the previous year.

### DIVIDEND

The Board of Directors are driven by the vision to maximize the shareholders returns in the long run by proposing inorganic acquisitions globally and by placing the Company in No.1 position in the world. Hence the Directors decided not to declare the dividend.

### SHARE CAPITAL

During the year, your Company has allotted 7,60,000 equity shares of ₹ 10/- each to employees under Cigniti ESOP scheme. Consequently the paid up share capital of the Company has increased to ₹ 25,49,92,190/- divided into 2,54,99,219 equity shares of ₹ 10/- each.

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

Your Company has two Indian wholly owned subsidiary

companies (WOS) and seven wholly owned foreign subsidiary companies (WOS).

**Gallop Solutions Private Limited (Indian WOS)**

**Cigniti Software Services Private Limited (Indian WOS)**

**Cigniti Inc., USA (Foreign WOS)**

**Gallop Solution Inc., USA (Foreign WOS)**

**Cigniti Technologies (Canada) Inc., (Foreign WOS)**

**Cigniti Technologies (UK) Limited, UK (Foreign WOS)**

**Cigniti Technologies Inc., USA, (Foreign WOS)**

**Cigniti Technologies (Australia) Pty. Limited, Australia (Foreign WOS)**

**Cigniti Technologies (New Zealand) Limited, New Zealand (Foreign WOS)**

**Cigniti Technologies Limited, USA (Foreign Branch)**

**Cigniti Technologies Limited, South Africa (Foreign Branch)**

### BOARD EVALUATION

In accordance with the provisions of Section 134 of the Act and Regulation 17 of the Listing Regulations, the Board has carried out evaluation of its own performance, the performance of committees of the Board, namely, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.



## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

The details of the familiarization programme as above are also disclosed on the Company's website at <https://www.cigniti.com/familiarization-programme>.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Cigniti, we believe, a sound corporate governance is critical to enhance and retain investor trust. The goal of corporate governance is to ensure fairness information about the Company for every stakeholder. Our disclosures seek to attain the best practices in international Corporate Governance. A separate section on Corporate Governance for fiscal 2016 forms part of this Annual 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.

## BOARD MEETINGS

During the year 2015-16, seven Board meetings were held, the details of which are given in the Corporate Governance Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mrs. K. Krishna Priya was appointed as Additional Director in the category of Independent Director w.e.f 06.11.2015 to hold office up to the ensuing Annual General meeting of the Company. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint existing additional director as Independent Director on the Board of the Company for a term up to five consecutive years. A brief profile of proposed Independent Director, including nature of her expertise, is mentioned below.

Notice has been received from a Member proposing candidature of the Director namely Mrs. K. Krishna Priya for the office of Independent Director of the Company. In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Director of the Company.

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

Details of appointment/re-appointment of the director:

Name of the Director	Mrs. K. Krishna Priya	Mr. C. Srikanth
Date of Appointment	06/11/2015	16/09/2013
Qualifications	B.Tech	MS in computer science
No. of Shares held in the Company	Nil	25,00,000
Directorships held in other companies (excluding foreign companies)	Bhavitha Techsolutions Private Limited	1. Gallop Solutions Private Limited 2. Aasaanpay Solutions India Private Limited 3. Tvarita Capital Private Limited
Positions held in mandatory committees of other companies	Nil	Nil

## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

## CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

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



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

#### LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited.

#### DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had 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.

#### STATUTORY AUDITORS

At the Annual General Meeting held on September 19, 2014, M/s. P. Murali & Co, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year

2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. P. Murali & Co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

#### INTERNAL AUDIT

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

The Company has its own corporate internal audit function to monitor and assess the adequacy and effectiveness of the internal controls and system across all key processes covering various locations. Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board.

#### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial personnel) Rules 2014, the Board had appointed Mr. S. Sarveswar Reddy, Practicing Company Secretary to undertake the secretarial audit of the Company for the year 2015-16. The report of the Secretarial Auditor is enclosed as Annexure and forms part of this report.

#### AUDIT REPORTS

##### (a) Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

##### (b) Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and there are no qualifications in the report.

#### SECRETARIAL STANDARDS

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.



## **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 Outgo**

Foreign Exchange Earnings: ₹ 1,08,71,23,808/-

Foreign Exchange Outgo: ₹ 40,12,51,052/-

Attention of the members is drawn to Note No. 30 & 31 of Notes on financial statements.

## **PUBLIC DEPOSITS**

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

## **INSURANCE**

The properties and assets of your Company are adequately insured.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans, guarantees or security in connection with loans or made any investments falling within the ambit of Section 186 of the Companies Act, 2013.

## **REGULATORY ORDERS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## **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 a budget outlay of ₹ 31,00,000/- Lakhs has been approved by the Board of Directors. As per the programme, the Company has started implementation of CSR activities. However, during the year it was practical to spend ₹ 31,03,780/-.

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.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures and Annexure A to this report.

## **DISCLOSURE ABOUT COST AUDIT**

Cost Audit is not applicable to your Company.

## **PARTICULARS OF EMPLOYEES**

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

A statement containing the name of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1.02 crore or more, or employed for part of the year and in receipt of ₹ 8.5 Lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure C to this report.

## **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

#### EMPLOYEES STOCK OPTION SCHEME

The Company has various stock option scheme for the benefit of the employees and there are no material changes in the schemes during the year under review. The schemes are in compliance with the SEBI regulations and the disclosures required to be made are enclosed as an Annexure D to this report.

#### ACKNOWLEDGEMENTS

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, and other government agencies for their support, and look forward to their continued support in the future.

Your Directors also wish to place on record their appreciation of business constituents like SEBI, BSE, NSE, NSDL, CDSL etc. for their continued support for the growth of the Company.

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

Place: Hyderabad  
Date: September 03, 2016

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



## Annexure A – Particulars of contracts/arrangements made with related parties

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

Name of related party	Nature of relationship	Duration of Contract	Salient terms	Amount (in ₹ crore)
Cigniti Inc., USA	100% WOS	1 Year	<b>All type of support services at cost incurred by the holding Company:</b> <ul style="list-style-type: none"><li>Testing Services</li><li>Human resources services</li><li>Financial &amp; accounting support services</li><li>Legal &amp; Compliance</li><li>Other: Provision of any other services as may be agreed in writing between the Parties from time to time</li></ul>	7.88
Gallop Solutions Inc., USA	100% WOS	1 Year		18.50
Cigniti Technologies (UK) Limited	100% WOS	1 Year		6.03
Cigniti Technologies (Australia) Pty Ltd.	100% WOS	1 Year		1.25
Cigniti Technologies Inc., USA	100% WOS	1 Year		40.36
Cigniti Technologies (Canada) Inc.	100% WOS	1 Year		1.03



**ANNEXURE B – INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sl. No	Disclosure Requirement	Disclosure Details	
i.	Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Executive Directors	Ratio to median remuneration
		Mr. C. V. Subramanyam	31.25
		Mr. C. Srikanth	31.25
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors, Chief Executive Officer, Company Secretary and Manager</b>	<b>% increase in remuneration in the financial year</b>
		Mr. C. V. Subramanyam	Nil
		Mr. C. Srikanth	Nil
		Mr. Krishnan Venkatachary*	Nil
		Mrs. A. N. Vasudha	Nil

\*Joined during the year hence comparison is not possible

**iii. Percentage increase/(decrease) in the median remuneration of employees in the financial year: (1.17)%**

**iv. Number of permanent employees on the rolls of the company as on March 31, 2016: 1,400**

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

The average increase in employee remuneration effected during the year 2015-16 was 3.33%. The individual increments are based on individual and company's performance during the previous financial year viz., 2014-15. The other factors considered for revision in remuneration in the industry standards, functional expertise standards, etc.

The net revenue from the operations of the Company for the year 2015-16 increased by 76%, the profits after tax increased by 700% and the market capitalization increased by 0.08% compared to the previous year 2014-15.

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

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

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2015-16 (₹ in Crore)	2.99
Revenue (₹ in Crore)	204.49
Remuneration of KMPs (as % of revenue)	1.46
Profit before Tax (PBT) (₹ in Crore)	43.45
Remuneration of KMP (as % of PBT)	6.88

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

Particulars	March 31, 2016	March 31, 2015
Market Capitalization of the Company (₹ in Crores)	1,069.18	1,066.38
Closing Price at the National Stock Exchange Ltd.	419.30	431.05
Price Earnings Ratio as at the closing date	32.76	279.90

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

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

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

The average annual increase in salaries of employees was around 3.33%. Increase in the managerial remuneration for the year was Nil.



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

	<b>Mr. C. V. Subramanyam</b> Managing Director	<b>Mr. C. Srikanth</b> Whole-time Director	<b>Mr. Krishnan Venkatachary</b> Chief Financial Officer	<b>Mrs. A. N. Vasudha</b> Company Secretary
Remuneration in FY 2015-16 (₹ in Crore)	1.20	1.20	0.57	0.02
Revenue (₹ in Crore)	204.49	204.49	204.49	204.49
Remuneration as % of revenue	0.59	0.59	0.27	0.01
Profit before Tax (PBT) (₹ in Crore)	43.45	43.45	43.45	43.45
Remuneration (as % of PBT)	2.76%	2.76%	1.31	0.05

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

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

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

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

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

The Company is in compliance with its remuneration policy.



**ANNEXURE C – INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

There are no employees drawing remuneration aggregating to ₹ 1.02 Crores per annum employed during the year 2015-16 and no employees drawing remuneration amounting to ₹ 8.5 Lakhs per month employed for the part of financial year.



## ANNEXURE D TO THE DIRECTORS' 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 March 31, 2016 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	4,17,000
B	Pricing formula	N.A	N.A	N.A
C	Options vested during the year	6,49,280	7,60,000	71,710
D	Options exercised during the year	NIL	7,60,000	Nil
E	Total number of shares arising as a result of exercise of options	NIL	7,60,000	Nil
F	Options lapsed during the year	2,03,200	21,810	17,500
G	Variation in terms of options	N.A	N.A	N.A
H	Money realized by exercise of options during the year	Nil	76,00,000	Nil
I	Total number of options in force	6,47,520	2,18,190	3,27,800
J	Employee wise details of options granted during the year to:	N.A	N.A	N.A
(i)	Senior managerial personnel	N.A	N.A	N.A
(ii)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil	Nil	Nil
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil	Nil
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

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Cigniti Technologies Limited is set out below

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

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

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is backed by principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. Cigniti Technologies Limited'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 March 31, 2016. 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 March 31, 2016, 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 March 31, 2016 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 30.09.2015	Board meetings '15-16'	
							held	attended
1.	Mr. C. V. Subramanyam	Promoter Chairman & Managing Director	2	-	-	Yes	7	7
2.	Mr. C. Srikanth	Promoter & Executive Director	3	-	-	Yes	7	7
3.	Mr. P. Sudhakar	Promoter & Non-Executive Director	2	-	-	Yes	7	3
4.	Mr. K. Ch. Subba Rao	Independent & Non-executive Director	2	-	-	Yes	7	7
5.	Mr. Mani Subramanian	Independent & Non-executive Director	3	-	-	Yes	7	7



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 30.09.2015	Board meetings '15-16'	
							held	attended
6.	Mr. K. Nageswara Rao	Independent & Non-executive Director	-	-	-	Yes	7	7
7.	Mrs. K. Krishna Priya*	Independent & Non-executive Director	1	-	-	NA	2	2
8.	Ms. M. Amala#	Independent & Non-executive Director	-	-	-	NA	2	2

\*Appointed w.e.f 06.11.2015

# Resigned w.e.f 29.08.2015

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

## B. MEETINGS DURING THE YEAR

The Board of Directors duly met 7 (Seven) times on 30.05.2015, 12.08.2015, 24.08.2015, 30.09.2015, 29.10.2015, 06.11.2015 and 13.02.2016 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 13.02.2016, to discuss:

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

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

## D. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new independent directors inducted into the Board attend an orientation program. The details of the familiarization programme as above are also disclosed on the Company's website at <https://www.cigniti.com/familiarization-programme>. Further, at the time of the appointment of an independent

director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The terms and conditions of appointment is available on our website (<https://www.cigniti.com/investors/terms-and-conditions-for-appointment-of-independent-director.pdf>).

## 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 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	30.05.2015
Mr. K. Nageswara Rao (Member)	Independent Non-Executive	4	12.08.2015
Mr. Mani Subramanian (Member)	Independent Non-Executive	4	29.10.2015 13.02.2016

- C. Previous Annual General Meeting of the Company was held on September 30, 2015 and Mr. K. Ch. Subba Rao, Chairman of the Audit Committee, attended previous AGM.

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.

### 3. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of three non-executive independent Directors as on March 31, 2016

#### 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

#### 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 Subramanian (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 Regulation 19 of SEBI (LODR) Regulations, 2015.

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

### 3. Policy

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 endeavor to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- Shall abide by the code of Conduct established by the company for Directors and Senior Management personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant laws.

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

### 3.2 Criteria of independence

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

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

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

### 3.3 Other directorships/committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public



limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he 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 Regulation 19 of SEBI (LODR) Regulations, 2015.

#### **3. Policy**

- 3.1 Remuneration to Executive Director and key managerial personnel.
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- i Basic pay
  - ii Perquisites and Allowances
  - iii Stock Options
  - iv Commission (applicable in case of Executive Directors)
  - v Retrial benefits
  - vi Annual performance bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

#### **3.2 Remuneration to Non-Executive Directors**

- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- 3.2.2 Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

#### **3.3. Remuneration to other employees**

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



**D. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2015-16 AND OTHER DISCLOSURES**

Name of the Director	Salary(₹) P.A	Sitting fees(₹)	Number of shares held
Mr. C. V. Subramanyam	1.20 Crores	Nil	29,58,485
Mr. C. Srikanth	1.20 Crores	Nil	25,00,000
Mr. P. Sudhakar	Nil	Nil	7,70,027
Mr. K. Ch. Subba Rao	Nil	Nil	25,000
Mr. Mani Subramanian	Nil	Nil	Nil
Mr. K. Nageswara Rao	Nil	Nil	Nil
Mrs. K. Krishna Priya*	Nil	Nil	Nil
Ms. M. Amala#	Nil	Nil	1000

\*Appointed w.e.f. 06.11.2015

#Resigned w.e.f. 29.08.2015

**E. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees of the Board. Structured questionnaires were prepared after taking in to consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

**4. STAKEHOLDER'S RELATIONSHIP COMMITTEE****A. COMPOSITION**

Name of the Member	Position	Category
Mr. Mani Subramanian	Chairman	Independent Non-Executive
Mr. K. Ch. Subba Rao	Member	Independent Non-Executive
Mrs. K. Krishna Priya	Member	Independent Non-Executive

**B. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

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

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16**

During the financial year 2015-16, 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 Director	Position	Category
Mr. K. Ch. Subba Rao	Chairman	Independent Non-Executive
Mr. P. Sudhakar	Member	Executive
Mr. C. V. Subramanyam	Member	Executive

Ms. A. N. 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 thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR policy.
- To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or appropriate for performance of its duties.

S. No.	CSR Project or Activity Identified	Location	Amount Outlay (Budget)	Amount spent on the programs	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
1	Project 511*	Hyderabad	₹ 31 Lakhs	₹ 31.03 Lakhs	₹ 49.48 Lakhs	Direct

**6. RISK MANAGEMENT COMMITTEE****A) COMPOSITION**

The details of composition of the Committee are given below:

Name of the Director	Position	Category
Mr. Mani Subramanian	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 minimization
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed

**7. GENERAL BODY MEETINGS****A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THEREAT AS UNDER:**

NO. OF AGM AND FY	DATE OF MEETING	VENUE	TIME	SPECIAL RESOLUTION PASSED
17 <sup>th</sup> AGM 2014-15	30.09.2015	"The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	11.00 A.M.	yes
16 <sup>th</sup> 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 <sup>th</sup> 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



During the year under review, the Company has convened an Extra-Ordinary General meeting of the Company on October 28, 2015 and the special resolution was passed by the shareholders approving the proposal to raise funds through Qualified Institutional Placement.

## 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 arms length basis.

Transactions with the Related Parties as required under Accounting Standard-18 are disclosed in Note No.29 of the standalone financial statements forming part of this Annual Report.

### B. COMPLIANCES

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

### C. WHISTLE BLOWER POLICY

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 conformance 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. POLICIES

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

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



**E. CODE OF CONDUCT**

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

**Declaration on Code of Conduct for the year 2015-16**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2016 as envisaged in Regulation 26(3) of the Listing Regulations.

Place: Hyderabad

Date: September 03, 2016

**C. V. Subramanyam**

Chairman & Managing Director

**F. DISCLOSURE OF ACCOUNTING TREATMENT**

The Company follows the guideline of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with early adoption of Accounting Standard (AS30) 'Financial Instruments Recognition and measurement and the consequential limited revisions to certain Accounting Standards issued by the Institute of Chartered Accountants of India.

**G. 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.

**H. CEO/CFO CERTIFICATION**

The Managing Director and CEO/CFO certification of the financial statements for the year 2015-16 is provided elsewhere in this Annual Report.

**I. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

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

**9. MEANS OF COMMUNICATION**

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz., on [www.listing.bseindia.com](http://www.listing.bseindia.com), and Neaps portal. The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com), and [www.nseindia.com](http://www.nseindia.com).

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](http://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) EIGHTEENTH ANNUAL GENERAL MEETING

Date and Time : September 28, 2016, 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 : 2015-16

Financial calendar : 2016-17

#### Adoption of Quarterly results for the Quarter ending

- June 30, 2016 : August 12, 2016
- September 30, 2016 : 1<sup>st</sup>/2<sup>nd</sup> Week of November, 2016
- December 31, 2016 : 1<sup>st</sup>/2<sup>nd</sup> Week of February, 2017
- March 31, 2017 : on or before May 30, 2017

Annual General Meeting (Next year) : August/September, 2017

### C) BOOK CLOSURE DATE

September 22, 2016 to September 29, 2016 (both days inclusive)

### D) LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd. The Company has paid the listing fees for the year 2015-16 to both the Stock Exchanges.

### E) STOCK CODE

EXCHANGE	CODE
National Stock Exchange of India	CIGNITITEC
BSE Ltd	534758

### F) ELECTRONIC CONNECTIVITY

Demat ISIN number: INE675C01017

#### NATIONAL SECURITIES DEPOSITORY LIMITED

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

#### CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor,  
Dalal Street, Mumbai – 400 023.

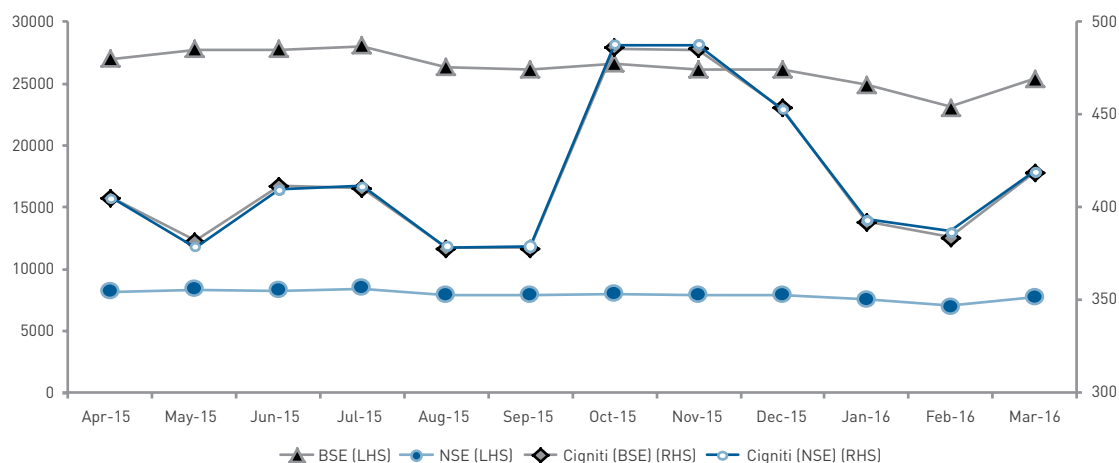


**G) MARKET PRICE DATA**

a) The monthly high/low prices of shares of the Company from April, 2015 to March, 2016 at BSE and NSE:

MONTH	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	478.00	398.00	479.75	397.80
May 2015	420.00	365.00	419.80	364.95
June 2015	440.00	286.10	440.00	285.50
July 2015	428.00	375.10	427.75	369.90
August 2015	465.00	305.00	464.90	306.25
September 2015	406.40	352.80	406.80	325.10
October 2015	517.00	380.00	515.05	379.50
November 2015	508.00	461.10	508.00	461.50
December 2015	506.00	448.00	494.00	447.00
January 2016	470.00	386.00	472.90	386.30
February 2016	431.00	369.00	431.00	368.10
March 2016	430.00	376.00	431.50	371.60

b) Performance in comparison with Stock Exchanges

**H) REGISTRARS AND TRANSFER AGENTS**

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

**I) SHARE TRANSFER SYSTEM**

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

**J) SHAREHOLDING PATTERN AS ON MARCH 31, 2016**

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	82,57,230	32.38	--	--



Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others:	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	<b>Sub-Total (A)(1)</b>	<b>82,57,230</b>	<b>32.38</b>	<b>--</b>	<b>--</b>
(2)	Foreign				
a.	Individuals (Non Resident Individuals/ Foreign Individuals)	48,68,027	19.08	--	--
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others:	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	<b>Sub-Total (A)(2)</b>	<b>48,68,027</b>	<b>19.08</b>	<b>--</b>	<b>--</b>
	<b>Total Shareholding of Promoter and Promoter Group</b>				
	<b>(A)=(A)(1)+(A)(2)</b>	<b>1,31,25,257</b>	<b>51.47</b>	<b>--</b>	<b>--</b>
<b>(B)</b>	<b>Public Shareholding</b>				
(1)	Institutions				
a.	Mutual Funds/UTI	0	0	0	0
b.	Financial Institutions/Banks	0	0	0	0
c.	Central Government/State Government(s)	9,240	0.04	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	28,477	0.11	0	0
	Others:	0	0	0	0
h.	Foreign Companies				
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2)	Non-Institutions				
a.	Bodies Corporate	37,717	0.15	0	0
b.	Individuals	15,88,648	6.23	0	0
	i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	34,39,987	13.49		
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	69,21,150	27.14		
c.	Any Others:				
	i) Non Resident Individuals	25,117	0.10	0	0
	ii) Overseas Corporate Bodies	0	0	0	0
	iii) Trusts	11	0	0	0



Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
	iv) Employees	0	0	0	0
	v) Clearing Members	3,51,868	1.38	0	0
	vi) Foreign Nationals	0	0	0	0
	<b>Sub-Total (B)(2)</b>	<b>1,23,36,245</b>	<b>48.38</b>	<b>0</b>	<b>0</b>
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,23,73,962	48.53	0	0
	<b>Total (A)+(B)</b>	<b>2,54,99,219</b>	<b>100.00</b>	<b>0</b>	<b>0</b>
<b>(C)</b>	<b>Shares held by Custodians and against Depository Receipts have been Issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>2,54,99,219</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

**K) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016**

Range (₹)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	2,382	67.52	3,26,078	1.28
5001 - 10000	323	9.16	2,60,770	1.02
10001 - 20000	215	6.09	3,28,858	1.29
20001 - 30000	132	3.74	3,35,949	1.32
30001 - 40000	74	2.1	2,64,069	1.04
40001 - 50000	73	2.07	3,41,231	1.34
50001 - 100000	128	3.63	8,95,678	3.51
100001 & Above	201	5.7	2,27,46,586	89.21
<b>TOTAL</b>	<b>3,528</b>	<b>100</b>	<b>2,54,99,219</b>	<b>100</b>

**L) DEMATERIALIZATION & LIQUIDITY OF SHARES**

Trading in Company's shares is permitted only in dematerialized 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 and hence have good liquidity.

Particulars	No. of Shares	% Share Capital
NSDL	1,64,15,726	64.37737
CDSL	86,53,463	33.93619
PHYSICAL	4,30,030	1.68644
<b>Total</b>	<b>2,54,99,219</b>	<b>100.00</b>

**M) ADDRESS FOR CORRESPONDENCE**

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

**On behalf of the Board**  
**Cigniti Technologies Limited**

Place: Hyderabad  
 Date: September 03, 2016

**C. V. Subramanyam**  
 Chairman & Managing Director



## COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATION, 2015

To The Board of Directors

Cigniti Technologies Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Cigniti Technologies Limited ("the Company"), to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2016 and to the best of our knowledge and belief, we state that:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- D. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- E. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (1) significant changes, if any, in the internal control over financial reporting during the year;
  - (2) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date: September 03, 2016

**C. V. Subramanyam**  
Managing Director

**Krishnan Venkatachary**  
Chief Financial Officer



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Cigniti Technologies Limited**  
Hyderabad

We have examined the compliance of conditions of corporate governance by **CIGNITI TECHNOLOGIES LIMITED** ('the Company') for the year ended March 31, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with BSE Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Place: Hyderabad  
Date: September 03, 2016

**P. Murali Mohana Rao**  
Partner  
Membership No: 023142



## MGT 9

### Extract of Annual Return

as on the Financial Year March 31, 2016

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

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	<b>Gallop Solutions Private Limited</b>	U72400TG2005PTC045529	Subsidiary (Wholly Owned)	100%	2 (87)
2.	<b>Cigniti Software Services Private Limited</b>	U72200TG2006PTC052180	Subsidiary (Wholly Owned)	100%	2 (87)
3.	<b>Cigniti Inc, USA</b>	---	Foreign Subsidiary (Wholly Owned)	100%	2 (87)
4.	<b>Gallop Solution Inc., USA</b>	---	Foreign Subsidiary (Wholly Owned)	100%	2 (87)
5.	<b>Cigniti Technologies (Canada) Inc.</b>	---	Subsidiary (Wholly Owned)	100%	2 (87)
6.	<b>Cigniti Technologies (UK) Limited, UK</b>	---	Subsidiary (Wholly Owned)	100%	2 (87)
7.	<b>Cigniti Technologies Inc., USA</b>	---	Subsidiary (Wholly Owned)	100%	2 (87)
8.	<b>Cigniti Technologies (Australia) Pty. Limited, AUS</b>	---	Subsidiary (Wholly Owned)	100%	2 (87)
9.	<b>Cigniti Technologies (New Zealand) Limited, New Zealand</b>	---	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	
A. Promoters									
(1) Indian									
Individual/HUF	65,85,788	-	65,85,788	26.62	82,57,230	-	82,57,230	32.38	5.76
Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-Total (A) (1) :-	65,85,788	-	65,85,788	26.62	82,57,230	-	82,57,230	32.38	5.76
(2) Foreign									
a) NRIs -Individuals	65,68,027	-	65,68,027	26.55	48,68,027	-	-	19.09	(7.46)
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):-	65,68,027	-	65,68,027	26.55	48,68,027	-	-	19.09	(7.46)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,31,53,815	-	1,31,53,815	53.17	13125,257	-	-	51.47	(1.7)
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	3,65,000	-	3,65,000	1.48	-	--	-	-	(1.48)
b) Banks/FI	1,509	--	1,509	0.01	14,471	--	14,471	0.06	0.05
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	14,730	0	14,730	0.06	0.06
Sub-Total	3,66,509	--	3,66,509	1.48	29,201	--	29,201	0.11	(1.37)
2. Non Institutions									
a) Bodies Corp.									
i) Indian	8,01,899	--	8,01,899	3.24	15,17,263	1000	15,18,263	5.94	2.70
ii) Overseas	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to ₹ Lakh	25,07,355	1,20,660	26,28,015	10.62	35,17,795	62,530	35,80,325	14.01	3.39
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	69,95,942	4,29,380	74,25,322	30.01	64,71,996	3,64,000	68,35,996	26.76	(3.25)
<b>c) Others (specify)</b>									
Clearing Members	1,63,177	--	1,63,177	0.66	4,19,825	--	4,19,825	1.64	0.98
Non Resident Indians	2,00,482	--	2,00,482	0.81	37,022	--	37,022	0.14	(0.67)
NBFC	-	-	-	-	3,019	-	3,019	0.01	0.01
Trust	-	-	-	-	11	-	11	0	0
<b>Sub-Total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,10,35,364</b>	<b>5,50,040</b>	<b>1,15,85,404</b>	<b>46.83</b>	<b>1,19,96,132</b>	<b>4,27,530</b>	<b>1,24,23,662</b>	<b>48.63</b>	<b>1.80</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>241,89,179</b>	<b>5,50,040</b>	<b>247,39,219</b>	<b>100%</b>	<b>2,51,21,389</b>	<b>4,27,530</b>	<b>2,55,48,919</b>	<b>100%</b>	<b>0</b>

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1.	Pennam Sapna	37,69,000	0	37,69,000	15.23	37,69,000	0	37,69,000	14.78	(0.45)
2.	Chakkilam Venkata Subramanyam	29,58,485	0	29,58,485	11.96	29,58,485	0	29,58,485	11.60	(0.30)
3.	Chakkilam Srikanth	25,00,000	0	25,00,000	10.11	25,00,000	0	25,00,000	9.80	(0.31)
4.	Kukunuru Kumar Bapuji	20,29,000	0	20,29,000	8.20	3,29,000	0	20,29,000	1.29	(6.91)
5.	C Rajeswari	11,27,303	0	11,27,303	4.56	11,27,303	0	11,27,303	4.42	(0.14)
6.	Pennam Sudhakar	7,70,027	0	7,70,027	3.11	7,70,027	0	7,70,027	3.02	(0.09)
7.	Kukunuru Sambhasiva Rao	-	-	-	-	16,71,442	0	16,71,442	6.55	6.55



## (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.	<b>Pennam Sapna</b>				
	<b>At the beginning of the year</b>	37,69,000	15.23	37,69,000	14.78
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	There is no change in the total shareholding between 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	<b>At the End of the year</b>	<b>37,69,000</b>	<b>15.23</b>	<b>37,69,000</b>	<b>14.78</b>
2.	<b>C. V. Subramanyam</b>				
	<b>At the beginning of the year</b>	29,58,485	11.96	29,58,485	11.60
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	There is no change in the total shareholding between 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	<b>At the End of the year</b>	<b>29,58,485</b>	<b>11.96</b>	<b>29,58,485</b>	<b>11.60</b>
3.	<b>Chakkilam Srikanth</b>				
	<b>At the beginning of the year</b>	25,00,000	10.11	25,00,000	9.80
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	There is no change in the total shareholding between 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	<b>At the End of the year</b>	<b>25,00,000</b>	<b>10.11</b>	<b>25,00,000</b>	<b>9.80</b>
4.	<b>K. Kumar Bapuji</b>				
	<b>At the beginning of the year</b>	20,29,000	8.20	3,29,000	1.29
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	There is no change in the total shareholding between 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	<b>At the End of the year</b>	<b>20,29,000</b>	<b>8.20</b>	<b>3,29,000</b>	<b>1.29</b>
5.	<b>C. Rajeswari</b>				
	<b>At the beginning of the year</b>	11,27,303	4.56	11,27,303	4.42
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	There is no change in the total shareholding between 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	<b>At the End of the year</b>	<b>11,27,303</b>	<b>4.56</b>	<b>11,27,303</b>	<b>4.42</b>



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
6.	Pennam Sudhakar				
	<b>At the beginning of the year</b>	7,70,027	3.11	7,70,027	3.02
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	There is no change in the total shareholding between 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	<b>At the End of the year</b>	<b>7,70,027</b>	<b>3.11</b>	<b>7,70,027</b>	<b>3.02</b>
7.	Kukunuru Sambha Siva Rao				
	<b>At the beginning of the year</b>	-	-	16,71,442	6.55
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase	Pursuant to Inter-se transfer of shares from immediate relative i.e. Son Mr. K. Kumara Bapuji			
	<b>At the End of the year</b>	<b>-</b>	<b>-</b>	<b>16,71,442</b>	<b>6.55</b>

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of The company
	At the beginning of the year				
1.	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	-	-
	Datewise Increase/Decrease in Promoters Share Holding 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
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. and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. C. V. Subramanyam</b>				
<b>At the beginning of the year</b>	29,58,485	11.96	29,58,485	11.60
Datewise Increase/Decrease in Directors and Key Managerial Personnel 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 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
<b>At the End of the year</b>	<b>29,58,485</b>	<b>11.60</b>		
<b>2. C. Srikanth</b>				
<b>At the beginning of the year</b>	25,00,000	10.11	25,00,000	9.80
Datewise Increase/Decrease in Directors and Key Managerial Personnel 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 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
<b>At the End of the year</b>	<b>25,00,000</b>	<b>9.80</b>		
<b>3. P. Sudhakar</b>				
<b>At the beginning of the year</b>	7,70,027	3.11	7,70,027	3.02
Datewise Increase/Decrease in Directors and Key Managerial Personnel 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 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
<b>At the End of the year</b>	<b>7,70,027</b>	<b>3.02</b>		
<b>4. K. CH. Subba Rao</b>				
<b>At the beginning of the year</b>	25,000	0.01	25,000	0
Datewise Increase/Decrease in Directors and Key Managerial Personnel 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 01-04-2015 to 31-03-2016. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
<b>At the End of the year</b>	<b>25,000</b>	<b>0</b>		

## V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				



Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year	-	-	-	-
Addition	2,00,00,000	18,27,10,259	-	20,27,10,259
Reduction	4,09,507	-	-	4,09,507
Net Change	1,95,90,493	18,27,10,259	-	20,23,00,752
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	1,95,90,493	18,27,10,259		20,23,00,752
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1,95,90,493</b>	<b>18,27,10,259</b>		<b>20,23,00,752</b>

## 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 x12	₹ 10,00,000 x12	-	₹ 2,40,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	=1,20,00,000	=1,20,00,000		
	(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	1,20,00,000		2,40,00,000
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 Subramanian	Mr. K. Nageswara Rao	
3.	Independent Directors	--	--	--	--
	• Fee for attending board /committee meetings • Commission • Others, please specify				
	Total (1)	--	--	--	--
4.	Other Non-Executive Directors • Fee for attending board/committee meetings • Commission • Others, please specify	--	--	--	--



Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. K. Ch. Subba Rao	Mr. Mani Subramanian	Mr. K. Nageswara Rao	
	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/WT**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary		₹ 20,000 X 12 months=	₹ 6,00,000	₹ 74,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2,40,000	X12 months	
	(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.	<b>Total</b>		<b>2,40,000</b>	<b>72,00,000</b>	<b>74,40,000</b>

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 Regulation 25 of SEBI (LODR) Regulation, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

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

Thanking You.

Yours Faithfully,

Place: Hyderabad  
Date: May 30, 2016

**K. Ch. Subba Rao**  
(Independent director)



## ANNEXURE II

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

**M/s. Cigniti Technologies Limited**

Dear Sir,

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

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

Thanking You.

Yours Faithfully,

Place: Hyderabad

Date: May 30, 2016

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

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

Thanking You.

Yours Faithfully,

Place: Hyderabad  
 Date: May 30, 2016

**Mani Subramanian**  
 (Independent director)



## ANNEXURE II

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

**M/s. Cigniti Technologies Limited**

Dear Sir,

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

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

Thanking You.

Yours Faithfully,

Place: Hyderabad

Date: May 30, 2016

**K. Krishna Priya**  
(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 MARCH 31, 2016**

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"). The 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 April 01, 2015 and ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Cigniti Technologies Limited ("The Company") for the financial year ended on March 31, 2016, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from September 12, 2013 and sections and Rules notified and came into effect from April 01, 2014;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2015-16
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable. Except yearly and event based disclosures.
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable.
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable.
  - 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; Not Applicable.
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 Not Applicable.
  - vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; During the year the company has allotted 7,60,000 equity shares to the eligible employees pursuant to exercise of options. Further the said shares were listed on the stock exchanges.
  - vii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; The Company has framed code of conduct for regulating & reporting trading by Insiders and for fair disclosure, 2015 and displayed the same on company's Website i.e www.cigniti.com and all required disclosures from time to time as and when applicable are complied with.



- viii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
- The Company has signed uniform listing agreement with BSE Limited and National Stock Exchange Ltd.
  - The Company has framed the policies as mentioned below and displayed the same on the Company's website i.e www.cigniti.com
  - Board Diversity Policy
  - Policy on preservation of Documents
  - Risk Management Policy
3. During the year the company has conducted 7 Board meetings, 4 Audit committee meetings, 4 Stakeholders committee meetings and 1 Independent Directors Committee meeting. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
  - ii. Listing Agreements signed with the stock exchanges from time to time.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, and the Rules, Regulations, Guidelines, Standards, etc., subject to the following observations.

#### OBSERVATIONS

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- i. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the Company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - ii. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
- (b) We further report that:-
- i. The Company has a Company Secretary and Chief Financial Officer.
  - ii. The Company has in house internal auditors in compliance with the provisions of the Companies Act.
5. I have relied on the Management Representation made by the Managing Director for systems and mechanism formed by the Company to ensure the compliances under other applicable Acts, Laws and Regulations which are listed below:
- a. Information Technologies Act 2000
  - b. Software Technology Park of India Rules and Regulations
  - c. Labour laws and Incidental laws related to Labour and Employees appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund, ESIC, Compensation, etc.
  - d. Acts prescribed under Direct and Indirect Taxes
  - e. Clearance from Various Local Authorities.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**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, 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.

We further report that based on the review of the compliance/certificates of the Company Secretary which were taken on record by the Board of Directors, 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.

We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**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 ₹ 31,00,000/- against which the Company has spent ₹ 31.03 Lakhs in the field of education.

Place: Hyderabad  
Date: September 03, 2016

**S. Sarveswar Reddy**  
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 records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Whereever 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.

Place: Hyderabad  
Date: September 03, 2016

**S. Sarveswar Reddy**  
Practicing Company Secretary  
C. P. No: 7478



# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of M/s. Cigniti Technologies Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. **Cigniti Technologies Limited** ("the Holding Company"), its subsidiaries, its jointly controlled entities, and associated companies, together referred to as "the Group" comprising the Consolidated Balance Sheet as on March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended; and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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. The Board of Directors of the Company is responsible for 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made thereunder including the accounting standards and matters which are required to be included in audit report.

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

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

## Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the Company, as on March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;



- c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated financial statements;
- d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- g) 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 consolidated financial statements do not have any pending litigations which could have impact on its financial position.
  - ii. The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary company incorporated in India.

#### Other Matter

We did not audit the financial statements of seven subsidiary companies included in the consolidated financial results, whose financial statements/financial information reflect total assets of ₹ 2,58,64,91,724/- as on March 31, 2016, total revenue of ₹ 3,80,51,70,563/- for the year ended March 31, 2016. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and Associate companies and our report in terms of sub section (3) of section 143 of the Act insofar as it relates to the aforesaid subseries, jointly controlled entities and associates, is based on solely on the reports of the other Auditors.

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

**P. Murali Mohana Rao**  
Partner  
M.No 023412

Place: Hyderabad  
Date: May 30, 2016



## **Annexure A to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

In conjunction with our Audit of the consolidated financial statements of the Company as of, and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of CIGNITI TECHNOLOGIES LIMITED ('the Holding Company') and its subsidiary companies which are incorporated in India, as of date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**



In our opinion, The Holding Company and its subsidiary company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Hyderabad  
Date: May 30, 2016

**P. Murali Mohana Rao**  
Partner  
M.No 023412



# Consolidated Balance Sheet

as on March 31, 2016

(₹)

Particulars	Note No.	As on March 31, 2016	As on March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	25,49,92,190	24,73,92,190
Reserves and Surplus	3	3,34,12,48,587	2,44,33,71,833
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	-	3,61,98,524
Deferred Tax Liabilities (Assets)	5	2,18,28,669	33,30,608
Long Term Provisions	6	1,62,94,157	1,42,94,157
<b>Current Liabilities</b>			
Short Term Borrowings	7	96,56,54,933	38,26,11,579
Trade Payables	8	64,56,65,056	36,02,60,534
Other Current Liabilities	9	33,69,50,097	10,18,35,354
Short-Term Provisions	10	77,66,56,950	25,14,63,817
<b>Total</b>		<b>6,35,92,90,639</b>	<b>3,84,07,58,596</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
(i) Tangible assets		86,53,93,984	16,26,09,893
(ii) Intangible assets		54,86,22,298	54,86,22,298
(iii) Capital work-in-progress		64,34,29,317	55,04,24,931
Long Term Loans and Advances	12	1,28,73,98,120	16,01,32,573
Other Non-Current Assets	13	20,20,51,627	30,77,928
<b>Current assets</b>			
Trade Receivables	14	1,75,81,50,353	1,34,70,27,771
Cash and Bank Balances	15	4,17,02,277	33,89,35,817
Short-Term Loans and Advances	16	31,57,08,810	44,59,43,238
Other Current Assets	17	69,68,33,853	28,39,84,147
<b>Total</b>		<b>6,35,92,90,639</b>	<b>3,84,07,58,596</b>

The accompanying notes are an integral part of the 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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**A. Naga Vasudha**  
Company Secretary



## Consolidated Profit and Loss Statement

for the Year ended March 31, 2016

(₹)

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Operations	18	5,94,83,55,254	3,78,87,64,843
Other Income	19	3,41,30,177	1,55,67,313
<b>Total Revenue</b>		<b>5,98,24,85,431</b>	<b>3,80,43,32,156</b>
Employee Benefit expenses	20	3,08,74,93,974	2,20,50,41,081
Other Operating Expenses	21	1,27,97,43,732	75,66,85,922
Administrative Expenses	22	60,17,10,303	44,64,81,463
Financial costs	23	6,03,34,475	2,94,18,829
Depreciation and amortization expense		11,28,85,758	5,42,48,530
<b>Total Expenses</b>		<b>5,14,21,68,242</b>	<b>3,49,18,75,825</b>
<b>Profit Before Tax</b>		<b>84,03,17,189</b>	<b>31,24,56,331</b>
Tax Expenses			
(1) Current tax		31,63,40,791	5,78,70,542
(2) Deferred tax		2,72,16,352	(24,27,631)
<b>Profit After Tax</b>		<b>49,67,60,046</b>	<b>25,70,13,420</b>
Prior Period Expenses			35,05,748
Profit/(Loss) Carried forward to Balance Sheet		<b>49,67,60,046</b>	<b>25,35,07,672</b>
Earning per equity share:			
(1) Basic		19.89	11.04
(2) Diluted		19.89	11.04

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

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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**A. Naga Vasudha**  
Company Secretary



# Consolidated Cash Flow Statement

for the Year ended March 31, 2016

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary Items	84,03,17,189	31,24,56,331
<b>Adjustments for:</b>		
Depreciation	11,28,85,758	5,42,48,530
Interest Expenses	6,03,34,475	2,94,18,829
Foreign Currency Translation Reserve	5,93,64,982	(4,04,50,381)
Cost of ESOP	34,17,51,726	29,73,15,902
Prior Period Expenses	-	(35,05,748)
<b>Operating Profit before working capital changes</b>	<b>1,41,46,54,130</b>	<b>64,94,83,463</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Trade Receivables	(41,11,22,582)	(70,83,94,278)
(Increase)/Decrease in Short-Term Loans and Advances	13,02,34,428	(52,39,67,664)
Increase/(Decrease) in Trade Payables	28,54,04,522	23,10,98,872
Increase/(Decrease) in Other Current Liabilities	23,51,14,743	(2,99,84,820)
(Increase)/Decrease in Other Current Assets	(41,28,49,706)	(2,82,73,039)
(Increase)/Decrease in Other Non Current Assets	(19,89,73,699)	(4,49,000)
Increase/(Decrease) in Short-Term Borrowings	58,30,43,354	13,06,08,611
Increase/(Decrease) in Short Term Provisions	20,01,34,051	(11,88,578)
<b>NET CASH FLOW OPERATING ACTIVITIES</b>	<b>1,82,56,39,241</b>	<b>(28,10,66,433)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(90,86,74,234)	(53,94,80,827)
(Increase)/Decrease in Long term Loans & Advances	(1,12,72,65,547)	2,78,51,917
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,03,59,39,781)</b>	<b>(51,16,28,910)</b>



Particulars	[₹]	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Equity Shares/Share Premium	76,00,000	1,10,72,02,652
Share application money against preferential allotment	-	(4,18,50,000)
Increase/(Decrease) in Long Term Liabilities	(3,61,98,524)	3,42,98,266
Increase/(Decrease) in Long Term Provisions	20,00,000	48,87,837
Interest paid	(6,03,34,475)	(2,94,18,829)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(8,69,32,999)</b>	<b>1,07,51,19,926</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(29,72,33,539)</b>	<b>28,24,24,582</b>
<b>Cash and Cash equivalents as at (Opening Balance) March 31, 2015</b>	<b>33,89,35,817</b>	<b>5,65,11,235</b>
<b>Cash and Cash equivalents as at (Closing Balance) March 31, 2016</b>	<b>4,17,02,278</b>	<b>33,89,35,817</b>

The accompanying notes are integral part of financial statements.

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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**A. Naga Vasudha**  
Company Secretary



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

for the Year ended March 31, 2016

## 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 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 relate to Cigniti Technologies Limited and its wholly owned Indian subsidiaries as on March 31, 2016, 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 such as 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)
  - 9. Cigniti Technologies (NZ) Limited, (Holding 100%, incorporated in New Zealand)

### 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 realized in respect of liquidated damages and 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 April 01, 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 amortized 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 recognised in Profit & Loss Account.
- ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as on the 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.



## 2. SHARE CAPITAL

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>a. Equity Share Capital</b>		
(i) Authorized	36,00,00,000	32,00,00,000
(No. of Shares 3,60,00,000 Current Year)		
(No. of Shares 3,20,00,000 Previous Year)		
(ii) Issued	25,49,92,190	24,73,92,190
(No. of Shares 2,54,99,219 Current Year)		
(No. of Shares 2,47,39,219 Previous Year)		
(iii) Subscribed & Fully Paid Up	25,49,92,190	24,73,92,190
(No. of Shares 2,54,99,219 Current Year)		
(No. of Shares 2,47,39,219 Previous Year)		
(iv) Subscribed & not fully paid up	-	-
(v) Par Value per share ₹ 10/-		
<b>b. A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>		
<b>Equity Shares of ₹ 10/- Each, Fully paid up</b>		
At the Beginning	2,47,39,219	2,08,15,000
Issued during the year - Cash Issue (Refer Notes below)	7,60,000	39,24,219
At the End	2,54,99,219	2,47,39,219
<b>c. Details of Shareholder holding more than 5% shares of the Company:</b>		
<b>Equity Shares of ₹ 10/- each Held By</b>		
P. Sapna - No. of Shares (C.Y) 37,69,000 (P.Y) 37,69,000	14.78%	15.23%
C. V. Subramanyam - No. of Shares (C.Y) 29,58,485 (P.Y) 29,58,485	11.60%	11.96%
C. Srikanth - No. of Shares (C.Y) 25,00,000 (P.Y) 25,00,000	9.80%	10.11%
Kumar Bapuji - No. of Shares (C.Y) 20,29,000 (P.Y) 20,29,000	0.00%	8.20%
Kukunuru Sambasiva Rao - No. of Shares (C.Y) 16,71,442 (P.Y) NIL	6.55%	0.00%
<b>Notes:</b>		
(i) During the year, the Company allotted 709,110 Equity Shares on November 25, 2015, and allotted 50,890 Equity Shares on March 08, 2016, under the 2013 ESOP Scheme.		
(ii) During the previous year, the Company allotted 20,21,538 Equity Shares on May 07, 2014 and allotted 84,707 Equity Shares on May 08, 2014 on preferential basis to promoters and others @ ₹ 10/- per share with a premium of ₹ 208.40/- and allotted 17,89,292 Equity Shares on December 09, 2014 and 28,682 Equity Shares on December 10, 2014 on preferential basis to promoters and others @ ₹ 10/- per share with a premium of ₹ 346/-.		



**3. RESERVES AND SURPLUS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
a) Capital Reserve	22,40,000	22,40,000
b) Investment Subsidy Reserve	12,50,000	12,50,000
c) Securities Premium Reserve		
Opening Balance	1,61,54,27,072	54,74,66,610
Addition during the year	30,73,74,400	1,06,79,60,462
	<b>1,92,28,01,472</b>	<b>1,61,54,27,072</b>
d) Employees Stock Units Reserve		
Employees stock options outstanding	72,58,43,303	53,38,96,960
Less: Deferred employee compensation expenses	(39,41,50,074)	(23,65,81,058)
	<b>33,16,93,229</b>	<b>29,73,15,902</b>
e) Foreign Currency Translation Reserve		
Opening Balance	(6,34,08,439)	(2,29,58,058)
During the year	5,93,64,982	(4,04,50,381)
	<b>(40,43,457)</b>	<b>(6,34,08,439)</b>
f) Surplus		
Balance brought forward from previous year	59,05,47,298	34,61,58,635
Add: Profit & (Loss) for the year	49,67,60,046	25,35,07,672
Less: Depreciation Adjusted as per Companies Act 2013	-	(91,19,009)
	<b>1,08,73,07,344</b>	<b>59,05,47,298</b>
<b>TOTAL</b>	<b>3,34,12,48,587</b>	<b>2,44,33,71,833</b>

**4. LONG TERM BORROWINGS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Term Loans - Secured		
- From HDFC Bank	-	3,61,98,524
	<b>-</b>	<b>3,61,98,524</b>

**5. DEFERRED TAX LIABILITY (NET)**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Opening Deferred Tax Liability</b>	33,30,608	81,81,977
<b>Add:</b>		
Due to SLM and WDV Difference	4,20,20,466	46,28,288
DTL Reversal	(2,35,22,405)	-
<b>Deferred Tax Assets for the year</b>		
Provision for Gratuity	-	94,79,657
	<b>2,18,28,669</b>	<b>33,30,608</b>

**6. LONG TERM PROVISIONS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Provision for Gratuity	1,62,94,157	1,42,94,157



**7. SHORT TERM BORROWINGS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
a) Cash Credit Limit with Banks	2,20,20,940	1,80,97,382
b) Loans & Advances from Related Parties	84,13,16,181	3,04,69,724
c) Others	10,23,17,812	33,40,44,473
	<b>96,56,54,933</b>	<b>38,26,11,579</b>

**8. TRADE PAYABLE**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Trade Payables	64,56,65,056	36,02,60,534

**9. OTHER CURRENT LIABILITIES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
a) Current maturities of Long term debt	-	1,19,59,742
b) Outstanding Expenses	3,21,30,176	1,01,19,185
c) Other Current Liabilities	30,48,19,921	7,97,56,427
	<b>33,69,50,097</b>	<b>10,18,35,354</b>

**10. SHORT TERM PROVISIONS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
a) Provisions for Employee Benefits		
PF Payable	2,87,29,811	38,69,203
Salaries Payable	22,38,07,712	16,64,90,420
b) Others		
Statutory Liabilities	14,95,62,702	1,23,48,165
Audit and Other Certification Fees	43,25,025	50,000
Provision for Income Tax	37,02,31,700	6,87,06,029
	<b>77,66,56,950</b>	<b>25,14,63,817</b>



## 11. CONSOLIDATED TANGIBLE & INTANGIBLE ASSETS SCHEDULE

11. CONSOLIDATED TANGIBLE & INTANGIBLE ASSETS SCHEDULE											(₹)
Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015		
		As on 01.04.2015	Additions during the year	Adj. / Deletions during the year	As on 31.03.2016	Acc. Dep. As on 01.04.2015	Dep. For the year 2015-2016			Prior Period Depreciation Adj.	Total Depreciation
1	Buildings	2,55,26,560	-	-	2,55,26,560	57,47,619	4,26,294	-	61,73,913	1,93,52,647	1,97,78,941
2	Electrical Equipments	1,35,09,304	14,01,697	-	1,49,11,001	27,71,029	13,48,065	-	41,19,094	1,07,91,907	1,07,38,275
3	Air Conditioners	63,36,148	-	-	63,36,148	57,71,273	5,64,875	-	63,36,148	-	5,64,875
4	Interiors & Civil Works	3,01,78,172	-	-	3,01,78,172	1,69,28,441	30,17,817	-	1,99,46,258	1,02,31,914	1,32,49,731
5	Computer	22,36,97,673	20,42,80,462	-	42,79,78,135	13,95,69,482	9,31,71,009	-	23,27,40,491	19,52,37,644	8,41,28,191
6	Furniture & Fixtures	2,24,13,121	2,73,36,714	-	4,97,49,834	1,09,57,624	22,67,644	-	1,32,25,268	3,65,24,566	1,14,55,497
7	Office Equipments	1,67,27,590	37,53,539	-	2,04,81,129	1,03,54,634	38,77,442	-	1,42,32,076	62,49,053	63,72,956
8	Software Licenses	98,75,754	2,16,83,320	-	3,15,59,074	87,240	68,06,184	-	68,93,424	2,46,65,650	97,88,514
9	UPS	51,48,226	10,85,070	-	62,33,296	7,30,050	11,06,321	-	18,36,371	43,96,925	44,18,176
10	Vehicle	47,43,811	-	-	47,43,811	26,29,074	3,00,107	-	29,29,181	18,14,630	21,14,737
11	Software Tools	-	55,61,29,048	-	55,61,29,048	-	-	-	-	55,61,29,048	-
12	Intangible Fixed Assets	54,86,22,298	-	-	54,86,22,298	-	-	-	-	54,86,22,298	54,86,22,298
13	Capital Work In Progress	55,04,24,931	55,82,50,640	46,52,46,254	64,34,29,317	-	-	-	-	64,34,29,317	55,04,24,931
	<b>TOTAL</b>	<b>1,45,72,03,588</b>	<b>1,37,39,20,490</b>	<b>46,52,46,254</b>	<b>2,36,58,77,823</b>	<b>19,55,46,466</b>	<b>11,28,85,758</b>	<b>-</b>	<b>30,84,32,224</b>	<b>2,05,74,45,599</b>	<b>1,26,16,57,122</b>
	Previous Year	26,80,99,790	50,61,12,496	-	77,42,12,286	12,23,54,779	4,51,11,963	91,19,009	17,65,85,751	59,76,26,535	14,57,45,011



**12. LONG TERM LOANS AND ADVANCES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Security Deposit	3,81,70,337	3,20,23,814
Loans & Advances to related parties	1,16,65,84,557	-
Advances Recoverable in Cash or in kind	8,26,43,226	12,81,08,759
	<b>1,28,73,98,120</b>	<b>16,01,32,573</b>

**13. OTHER NON CURRENT ASSETS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Preliminary Expenses to the extent not written off	20,20,51,627	30,77,928
	<b>20,20,51,627</b>	<b>30,77,928</b>

**14. TRADE RECEIVABLES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Sundry Debtors	1,75,81,50,353	1,34,70,27,771
	<b>1,75,81,50,353</b>	<b>1,34,70,27,771</b>

**15. CASH AND BANK BALANCES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Balances with Banks	3,94,69,685	10,69,58,130
Fixed Deposits	19,56,198	23,16,92,839
Cash in hand	2,76,394	2,84,848
	<b>4,17,02,277</b>	<b>33,89,35,817</b>

**16. SHORT TERM LOANS AND ADVANCES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Security Deposit	50,80,273	78,88,737
Other Receivables	3,37,05,510	4,39,626
Staff Advance	8,24,81,022	1,33,58,954
Advances Recoverable in Cash or in kind	19,44,42,005	42,42,55,921
	<b>31,57,08,810</b>	<b>44,59,43,238</b>

**17. OTHER CURRENT ASSETS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Pre-Paid Expenses	63,74,71,841	23,12,47,024
Advance Tax Paid	7,11,179	1,64,42,329
TDS Receivable	2,41,79,024	1,54,29,135
Service Tax	3,44,71,809	2,08,65,659
	<b>69,68,33,853</b>	<b>28,39,84,147</b>



**18. REVENUE FROM OPERATIONS**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Managed services	5,94,83,55,254	3,78,87,64,843
	<b>5,94,83,55,254</b>	<b>3,78,87,64,843</b>

**19. OTHER INCOME**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Net Gain (Loss) on Foreign Currency Transactions	(32,80,997)	39,73,521
Interest on Fixed Deposits	42,83,865	-
Other Income	3,31,27,309	1,15,93,792
	<b>3,41,30,177</b>	<b>1,55,67,313</b>

**20. EMPLOYEE BENEFIT EXPENSES**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Employees Cost	2,97,88,55,054	2,12,11,21,240
Contribution to Provident Fund & Other	7,43,92,440	5,04,34,241
Managerial Remuneration	3,42,46,480	3,34,85,600
	<b>3,08,74,93,974</b>	<b>2,20,50,41,081</b>

**21. OTHER OPERATING EXPENSES**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Admin & Non-delivery Salaries	84,96,70,509	50,54,62,577
(b) Software Licensing Cost	1,94,32,375	1,05,43,604
(c) Power & Fuel	1,80,530	1,82,00,786
(d) Rent	13,62,96,752	8,19,80,319
(e) Legal & Consultancy	10,98,59,691	10,17,96,498
(f) Insurnace	9,24,73,429	62,32,509
(g) Rates & Taxes	7,18,30,446	3,24,69,629
	<b>1,27,97,43,732</b>	<b>75,66,85,922</b>

**22. ADMINISTRATIVE EXPENSES**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Telephone & IT Costs	5,63,66,449	3,97,19,537
(b) Business Promotion Expenses	5,66,61,405	4,94,02,970
(c) Travelling & Conveyance	40,39,57,442	28,96,28,369
(d) Office Maintenance	3,20,83,121	3,42,09,975
(e) Postage, Printing & Stationery	70,03,738	55,34,629
(f) General Expenses	4,25,41,399	37,86,259
(g) Bad Debts	-	2,29,86,803
(h) Audit and Other Certification Fees	30,96,749	12,12,921
	<b>60,17,10,303</b>	<b>44,64,81,463</b>



**23. FINANCE COST**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on WCL	64,56,128	12,48,173
Interest on CC & OD	57,43,027	2,13,89,741
Interest on Term Loan	1,47,26,470	6,69,279
Interest on Other Loan	54,62,643	25,26,150
Finance Charges	2,79,46,207	35,85,486
	<b>6,03,34,475</b>	<b>2,94,18,829</b>

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

- Term Loan Sanction by the bank on December 06, 2014 of ₹ 200 Lakhs repayable in 60 monthly equal installments of ₹ 4,60,197/- @13.5% interest. Outstanding balance as on March 31, 2016 is ₹ Nil (Previous Year ₹ 1,95,26,966/-)
- WCTL Sanction by the Bank on December 06, 2014 of ₹ 300 Lakhs repayable in 36 monthly equal installments of ₹ 10,18,059/- @13.5% interest. Outstanding balance as on March 31, 2016 is ₹ Nil (Previous Year ₹ 2,86,31,229/-)
- Cash Credit limit sanctioned by the bank is ₹ 2,00,00,000/- Outstanding balance as on March 31, 2016 is ₹ 2,20,20,940/- (Previous Year ₹ 1,80,97,382/-)

The above loans are secured by the following:

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

**From Other Banks:**

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

**25. 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 March 31, 2016	Year Ended March 31, 2015
Remuneration	3,42,46,480	3,34,85,600
Perquisites & Allowances	NIL	NIL

**26. AUDITOR'S REMUNERATION**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Statutory Audit Fees	28,46,749	11,62,921
Tax Audit Fees	2,50,000	50,000

- 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.



**28. 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 amortized on a straight line basis over the total vesting period. The total stock option cost outstanding is ₹ 72,58,43,303/- (Previous Year ₹ 53,38,96,960/-) and deferred employee compensation expense is ₹ 39,41,50,074/- (Previous Year ₹ 23,65,81,058/-) for the year ended March 31, 2016, the Company has recorded stock compensation expense of ₹ 34,17,51,726/- (Previous Year ₹ 29,73,15,902/-).
- 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	6,49,280	NIL	NIL	2,03,200	6,47,520
Scheme 2013	10,00,000	10,00,000	7,60,000	7,60,000	NIL	21,810	2,18,190
Scheme 2014 - 1	20,00,000	4,17,000	71,710	NIL	NIL	17,500	3,27,800
Scheme 2014 - 2	5,00,000	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>50,00,000</b>	<b>29,17,000</b>	<b>14,80,980</b>	<b>7,60,000</b>	<b>NIL</b>	<b>2,42,510</b>	<b>11,93,510</b>

**29. RELATED PARTY TRANSACTION****(a) Related Parties**

S. No.	Particulars	Nature of Relationship
1	Cigniti Inc., USA	100% Wholly Owned Subsidiary
2	Cigniti Software Services Pvt. Ltd.	100% Wholly Owned Subsidiary
3	Gallop Solutions Inc., USA	100% Wholly Owned Subsidiary
4	Gallop Solutions Pvt. Ltd.	100% Wholly Owned Subsidiary
5	Cigniti Technologies (UK) Limited, UK	100% Wholly Owned Subsidiary
6	Cigniti Technologies (Australia) Pty. Ltd., AUS	100% Wholly Owned Subsidiary
7	Cigniti Technologies Inc., USA	100% Wholly Owned Subsidiary
8	Cigniti Technologies (Canada) Inc., Canada	100% Wholly Owned Subsidiary
9	Mr. C. V. Subramanyam	Chairman and Managing Director
10	Mr. Sudhakar Pennam	Director
11	Mr. C. Srikanth	Whole-time Director
12	Mr. K. Ch. Subba Rao	Director
13	Mr. Mani Subramanian	Director
14	Mr. K. Nageswara Rao	Director
15	Mrs. K. Krishna Priya	Woman Director



**(b) Related Parties Transactions during the Financial Year 2015-16:** (₹)

Particulars	Nature of Relationship	Nature of Transaction	Year Ended March 31, 2016	Year Ended March 31, 2015
Mr. C. V. Subramanyam	Managing Director	Remuneration	1,20,00,000	1,20,00,000
Mr. C. Srikanth	Whole-time Director	Remuneration	1,20,00,000	1,20,00,000
Pennam Sudhakar	Director	Remuneration	1,10,85,600	1,10,85,600
Kairos Technologies Inc.	Related party	Payable	1,82,07,460	1,12,87,406

**30. FOREIGN CURRENCY OUTFLOW**

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

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Foreign Travel	11,17,36,699	6,19,60,478
Others	95,126,303	17,13,57,590

**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 March 31, 2016	Year Ended March 31, 2015
Foreign Currency Inflow	1,08,71,23,808	41,75,25,446

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

The Company has not obtained Actuarial Valuation report for Gratuity and leave encashment for the financial year 2015-16. Provisional amount has been provided in the books of accounts for the same.  
(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Gratuity	1,62,94,157	1,42,94,157

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

Calculation of EPS

Particulars	2015-16	2014-15
Profit after tax during the year (₹)	49,67,60,046	25,70,13,420
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	49,67,60,046	25,70,13,420
Weighted Average Number of Shares taken for Computation of EPS	2,49,79,830	2,32,76,020
<b>Earning per Share:</b>		
-Basic (₹)	19.89	11.04
-Diluted (₹)	19.89	11.04
Face Value of the Share (₹)	10.00	10.00



**34. CORPORATE SOCIAL RESPONSIBILITY**

Amount spent by the Company towards CSR: for the Current Year ₹ 31,03,780/- For the Previous Year ₹ 18,44,890/-.

Amount spent by the Company towards CSR for the year ₹ 31,03,780/- included in the General Expenses of ₹ 4,25,41,399/-

**35. DUES TO MICRO & SMALL ENTERPRISES**

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as on March 31, 2016.

**36. CONFIRMATION OF CLOSING BALANCES**

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

**37.** Previous year's figures have been regrouped wherever necessary.

**38.** The figures have been rounded off to the nearest rupee.

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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**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 standalone financial statements of Cigniti Technologies Limited ("the Company"), which comprises the Balance Sheet as on March 31, 2016, 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 Standalone 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 and presentation of these standalone 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 standalone 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 there under.

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 or not 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. 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 on March 31, 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, 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 standalone 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Place: Hyderabad  
Date: May 30, 2016

**P. Murali Mohana Rao**  
Partner  
M.No 023412



## Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Cigniti Technologies Limited on the standalone financial statements for the year ended March 31, 2016, 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. In our opinion, the frequency of verification is reasonable.  
(c) According to the information and explanations given to us, and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is a service Company, primarily rendering software testing services. Accordingly, it does not hold any physical inventories. Thus, this clause is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b), and (iii)(c) of the said order are not applicable to the Company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- 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 generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, except few delays in payment with the appropriate authorities in India;  
(b) There are undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as on March 31, 2016 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, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- viii. 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 or banks or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.



- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

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

Place: Hyderabad  
Date: May 30, 2016

**P. Murali Mohana Rao**  
Partner  
M.No 023412



# Annexure B to the Independent Auditor's Report

## Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of Cigniti Technologies Limited ('the Company') as of March 31, 2016 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the Company's internal financial control system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitation of Internal Financial Controls over Financial Reporting

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



**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Hyderabad  
Date: May 30, 2016

**P. Murali Mohana Rao**  
Partner  
M.No 023412



# Balance Sheet

as on March 31, 2016

(₹)

Particulars	Note No.	As on March 31, 2016	As on March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	25,49,92,190	24,73,92,190
Reserves and Surplus	3	2,74,37,28,435	2,06,79,20,375
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	-	6,51,98,438
Deferred Tax Liabilities (Assets)	5	(17,44,626)	57,76,051
Long Term Provisions	6	1,62,94,157	1,42,94,157
<b>Current Liabilities</b>			
Short Term Borrowings	7	20,23,00,752	4,75,80,389
Trade Payables	8	27,06,00,236	8,70,32,969
Other Current Liabilities	9	1,23,54,474	1,32,59,792
Short-Term Provisions	10	31,10,73,680	9,76,67,558
<b>Total</b>		<b>3,80,95,99,298</b>	<b>2,64,61,21,919</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
(i) Tangible assets		52,27,21,873	12,78,92,817
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		20,82,16,511	46,97,33,718
Non-current investments	12	69,79,65,943	66,76,23,743
Long Term Loans and advances	13	1,57,00,77,036	52,19,15,422
Other Non-Current Assets	14	6,99,000	6,99,000
<b>Current assets</b>			
Trade receivables	15	50,84,92,234	42,48,63,518
Cash and Bank Balances	16	1,14,99,574	24,80,84,186
Short-Term Loans and Advances	17	23,40,45,164	14,55,88,871
Other Current assets	18	5,58,81,963	3,97,20,644
<b>Total</b>		<b>3,80,95,99,298</b>	<b>2,64,61,21,919</b>

The accompanying notes are an integral part of the 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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**A. Naga Vasudha**  
Company Secretary



## Profit and Loss Statement

for the Year ended March 31, 2016

(₹)

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Operations	19	2,04,48,97,332	1,14,28,59,572
Other Income	20	1,42,00,915	1,53,84,552
<b>Total Revenue</b>		<b>2,05,90,98,247</b>	<b>1,15,82,44,124</b>
Employee Benefit expenses	21	77,59,62,958	47,28,08,578
Other Operating Expenses	22	41,91,76,877	31,20,30,164
Administrative Expenses	23	32,94,14,449	26,42,38,355
Financial costs	24	1,78,73,893	72,04,631
Depreciation and amortization expense		8,21,81,050	4,51,11,963
<b>Total Expenses</b>		<b>1,62,46,09,227</b>	<b>1,10,13,93,691</b>
Profit Before Tax :		<b>43,44,89,020</b>	<b>5,68,50,433</b>
Tax Expenses			
(1) Current tax		12,23,66,690	1,98,57,620
(2) Deferred tax		(75,20,677)	(24,05,378)
<b>Profit After Tax</b>		<b>31,96,43,007</b>	<b>3,93,98,191</b>
Prior Period Expenses			35,05,748
Profit/(Loss) Carried forward to Balance Sheet		<b>31,96,43,007</b>	<b>3,58,92,443</b>
Earning per equity share:			
(1) Basic		12.80	1.54
(2) Diluted		12.80	1.54

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

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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**A. Naga Vasudha**  
Company Secretary



# Cash Flow Statement

for the Year ended March 31, 2016

Particulars	[₹]	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary Items	43,44,89,020	5,68,50,433
<b>Adjustments for:</b>		
Depreciation	8,21,81,050	4,51,11,963
Interest Expenses	1,78,73,893	22,23,000
Foreign Currency Translation Reserve	1,44,13,327	-
Cost of ESOP	34,17,51,726	16,67,57,000
Prior Period Expenses	-	(35,05,748)
<b>Operating Profit before working capital changes</b>	<b>89,07,09,016</b>	<b>26,74,36,648</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Trade Receivables	(8,36,28,716)	(20,00,26,480)
(Increase)/Decrease in Short-Term Loans and Advances	(8,84,56,293)	(5,49,78,844)
Increase/(Decrease) in Trade Payables	18,35,67,267	5,89,61,612
Increase/(Decrease) in Other Current Liabilities	(9,05,318)	(9,76,12,929)
(Increase)/Decrease in Other Current Assets	(1,61,61,319)	(1,94,25,056)
(Increase)/Decrease in Other Non Current Assets	-	(4,39,000)
Increase/(Decrease) in Short-Term Borrowings	15,47,20,363	-
Increase/(Decrease) in Short Term Provisions	9,10,39,433	(15,79,62,711)
<b>NET CASH FLOW OPERATING ACTIVITIES</b>	<b>1,13,08,84,432</b>	<b>(20,40,46,760)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(21,54,92,898)	(50,61,12,496)
(Increase)/Decrease in Long term Loans & Advances	(1,04,81,61,614)	(41,12,24,003)
(Increase)/Decrease in Investment in Subsidiaries	(3,03,42,200)	(13,63,12,117)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,29,39,96,712)</b>	<b>(1,05,36,48,616)</b>



Particulars	[₹]	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Equity Shares/Share Premium	76,00,000	1,10,72,03,000
Share application money against preferential allotment	-	(4,18,50,000)
Increase/(Decrease) in Long Term Liabilities	(6,51,98,439)	9,84,90,000
Increase/(Decrease) in Long Term Provisions	20,00,000	30,22,94,000
Interest paid	(1,78,73,893)	(22,23,000)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(7,34,72,331)</b>	<b>1,46,39,14,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(23,65,84,612)</b>	<b>20,62,18,624</b>
<b>Cash and Cash equivalents as at (Opening Balance) March 31, 2015</b>	<b>24,80,84,186</b>	<b>4,18,65,562</b>
<b>Cash and Cash equivalents as at (Closing Balance) March 31, 2016</b>	<b>1,14,99,574</b>	<b>24,80,84,186</b>

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

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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**A. Naga Vasudha**  
Company Secretary



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT

for the Year ended March 31, 2016

## 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 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 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 realized 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 in the Straight Line Method. Effective April 01, 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 the 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 amortized 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) Realized gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.
- ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

**Borrowing Costs (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.



## 2. SHARE CAPITAL

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>a. Equity Share Capital</b>		
(i) Authorized	36,00,00,000	32,00,00,000
(No. of Shares 3,60,00,000 Current Year)		
(No. of Shares 3,20,00,000 Previous Year)		
(ii) Issued	25,49,92,190	24,73,92,190
(No. of Shares 2,54,99,219 Current Year)		
(No. of Shares 2,47,39,219 Previous Year)		
(iii) Subscribed & Fully Paid Up	25,49,92,190	24,73,92,190
(No. of Shares 2,54,99,219 Current Year)		
(No. of Shares 2,47,39,219 Previous Year)		
(iv) Subscribed & not fully paid up	-	-
(v) Par Value per share ₹ 10/-		
<b>b. A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>		
<b>Equity Shares of ₹10/- Each, Fully paid up</b>		
At the Beginning	2,47,39,219	2,08,15,000
Issued during the year - Cash Issue (Refer Notes below)	7,60,000	39,24,219
At the End	2,54,99,219	2,47,39,219
<b>c. Details of Shareholder holding more than 5% shares of the Company:</b>		
<b>Equity Shares of ₹ 10/- each Held By</b>		
P. Sapna - No. of Shares (C.Y) 37,69,000 (P.Y) 37,69,000	14.78%	15.23%
C. V. Subramanyam - No. of Shares (C.Y) 29,58,485 (P.Y) 29,58,485	11.60%	11.96%
C. Srikanth - No. of Shares (C.Y) 25,00,000 (P.Y) 25,00,000	9.80%	10.11%
Kumar Bapuji - No. of Shares (C.Y) 20,29,000 (P.Y) 20,29,000	0.00%	8.20%
Kukunuru Samba Siva Rao - No. of Shares (C.Y) 16,71,442 (P.Y) NIL	6.55%	0.00%
<b>Notes:</b>		
(i) During the year, the Company allotted 7,09,110 Equity Shares on November 25, 2015, and allotted 50,890 Equity Shares on March 08, 2016, under the 2013 ESOP Scheme.		
(ii) During the previous year, the Company allotted 20,21,538 Equity Shares on May 07, 2014 and allotted 84,707 Equity Shares on May 08, 2014 on preferential basis to promoters and others @ ₹ 10/- per share with a premium of ₹ 208.40/- and allotted 17,89,292 Equity Shares on December 09, 2014 and 28,682 Equity Shares on December 10, 2014 on preferential basis to promoters and others @ ₹ 10/- per share with a premium of ₹ 346/-		



**3. RESERVES AND SURPLUS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
a) Capital Reserve	22,40,000	22,40,000
b) Investment Subsidy Reserve	12,50,000	12,50,000
c) Securities Premium Reserve		
Opening Balance	1,61,54,27,072	54,74,66,610
Addition during the year	30,73,74,400	1,06,79,60,462
	<b>1,92,28,01,472</b>	<b>1,61,54,27,072</b>
d) Employees Stock Units Reserve		
Employees stock options outstanding	72,58,43,303	53,38,96,960
Less: Deferred employee compensation expenses	(39,41,50,074)	(23,65,81,058)
	<b>33,16,93,229</b>	<b>29,73,15,902</b>
e) Foreign Currency Translation Reserve		
Opening Balance	-	-
During the year	1,44,13,327	-
	<b>1,44,13,327</b>	<b>-</b>
f) Surplus		
Balance brought forward from previous year	15,16,87,401	12,49,13,967
Add: Profit & (Loss) for the year	31,96,43,007	3,58,92,443
Less: Depreciation Adjusted as per Companies Act 2013	-	(91,19,009)
	<b>47,13,30,408</b>	<b>15,16,87,401</b>
<b>TOTAL</b>	<b>2,74,37,28,435</b>	<b>2,06,79,20,375</b>

**4. LONG TERM BORROWINGS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
i) Term Loans - Secured		
- From HDFC Bank	-	3,61,98,524
ii) Loans & Advances to related parties	-	2,89,99,914
	<b>-</b>	<b>6,51,98,438</b>

**5. DEFERRED TAX LIABILITY (NET)**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Opening Deferred Tax Liability</b>	57,76,051	81,81,429
<b>Add:</b>		
Due to SLM and WDV Difference	-	(7,90,319)
DTL Reversal	(75,20,677)	-
<b>Gross Deferred Tax Liability</b>	<b>(17,44,626)</b>	<b>73,91,110</b>
<b>Deferred Tax Assets for the year</b>		
Provision for Gratuity	-	16,15,059
<b>Gross Deferred Tax Assets</b>	<b>-</b>	<b>16,15,059</b>
<b>Deferred Tax Liability (Assets) - Net</b>	<b>(17,44,626)</b>	<b>57,76,051</b>



<b>6. LONG TERM PROVISIONS</b>		(₹)
Particulars	As on March 31, 2016	As on March 31, 2015
Provision for Gratuity	1,62,94,157	1,42,94,157
<b>7. SHORT TERM BORROWINGS</b>		(₹)
Particulars	As on March 31, 2016	As on March 31, 2015
a) Cash Credit Limit with Banks	1,95,90,493	1,80,97,382
b) Demand Loan against FD with Banks	-	98,45,031
c) Loans & Advances from Related Parties	18,27,10,259	29,99,914
d) Other Current Liabilities	-	1,66,38,062
	<b>20,23,00,752</b>	<b>4,75,80,389</b>
<b>8. TRADE PAYABLE</b>		(₹)
Particulars	As on March 31, 2016	As on March 31, 2015
Trade Payables	27,06,00,236	8,70,32,969
<b>9. OTHER CURRENT LIABILITIES</b>		(₹)
Particulars	As on March 31, 2016	As on March 31, 2015
a) Current maturities of Long term debt	-	1,19,59,742
b) Outstanding Expenses	47,50,765	13,00,050
c) Other Current Liabilities	76,03,709	-
	<b>1,23,54,474</b>	<b>1,32,59,792</b>
<b>10. SHORT TERM PROVISIONS</b>		(₹)
Particulars	As on March 31, 2016	As on March 31, 2015
a) Provisions for Employee Benefits		
PF Payable	2,56,62,273	38,69,203
Salaries Payable	7,82,64,534	6,34,29,437
b) Others		
Statutory Liabilities	8,37,49,689	1,04,61,298
Audit and Other Certification Fees	10,30,494	50,000
Provision for Income Tax	12,23,66,690	1,98,57,620
	<b>31,10,73,680</b>	<b>9,76,67,558</b>



## 11. CONSOLIDATED TANGIBLE &amp; INTANGIBLE ASSETS SCHEDULE

(₹)

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	Adj. / Deletions during the year	As on 31.03.2016	Acc. Dep. As on 01.04.2015	Dep. For the year 2015-2016		
1	Buildings	2,55,26,560	-	-	2,55,26,560	57,47,619	4,26,294	1,93,52,647	1,97,78,941
2	Electrical Equipments	1,34,46,786	14,01,697	-	1,48,48,483	27,65,742	13,48,065	1,07,34,676	1,06,81,044
3	Air Conditioners	63,36,148	-	-	63,36,148	57,71,273	5,64,875	-	5,64,875
4	Interiors & Civil Works	3,01,78,172	-	-	3,01,78,172	1,69,28,441	30,17,817	1,02,31,914	1,32,49,731
5	Computer	17,70,15,438	2,16,75,260	-	19,86,90,697	12,32,51,270	6,32,95,922	1,21,43,505	5,37,64,167
6	Furniture & Fixtures	2,02,01,204	-	-	2,02,01,204	1,08,17,197	20,20,120	73,63,887	93,84,007
7	Office Equipments	1,62,55,400	23,47,361	-	1,86,02,761	1,02,87,879	35,33,592	47,81,290	59,67,521
8	Software Licenses	98,75,754	2,16,83,320	-	3,15,59,074	87,241	68,06,184	2,46,65,649	97,88,513
9	UPS	51,48,226	10,85,070	-	62,33,296	7,30,050	11,06,321	43,96,925	44,18,176
10	Vehicle	4,94,880	-	-	4,94,880	1,99,038	61,860	2,33,982	2,95,842
11	Software Tools	-	42,88,17,398	-	42,88,17,398	-	-	42,88,17,398	-
12	Capital Work In Progress	46,97,33,718	12,30,37,834	38,45,55,041	20,82,16,511	-	-	20,82,16,511	46,97,33,718
<b>TOTAL</b>		<b>77,42,12,286</b>	<b>60,00,47,940</b>	<b>38,45,55,041</b>	<b>98,97,05,184</b>	<b>17,65,85,750</b>	<b>8,21,81,050</b>	<b>73,09,38,384</b>	<b>59,76,26,535</b>
Previous Year		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



**12. NON-CURRENT INVESTMENTS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Investment in Subsidiaries		
Cigniti Inc. USA	22,23,00,000	22,23,00,000
Cigniti Software Services Pvt. Ltd.	39,00,000	39,00,000
Gallop Solutions Inc. USA	33,25,83,811	33,25,83,811
Gallop Solutions Pvt. Ltd.	1,10,00,000	1,10,00,000
Cigniti Technologies (UK) Limited	8,39,57,485	6,82,07,392
Cigniti Technologies (Australia) PTY Ltd.	4,42,24,647	2,96,32,540
	<b>69,79,65,943</b>	<b>66,76,23,743</b>

**13. LONG TERM LOANS AND ADVANCES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Unsecured, Considered Good</b>		
Security Deposit	3,37,42,050	3,08,13,492
Loans & Advances to related parties	1,45,36,91,761	40,33,89,091
Advances Recoverable in Cash or in kind	8,26,43,225	8,77,12,839
	<b>1,57,00,77,036</b>	<b>52,19,15,422</b>

**14. OTHER NON CURRENT ASSETS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Preliminary Expenses to the extent not written off	6,99,000	6,99,000
	<b>6,99,000</b>	<b>6,99,000</b>

**15. TRADE RECEIVABLES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Sundry Debtors	50,84,92,234	42,48,63,518
	<b>50,84,92,234</b>	<b>42,48,63,518</b>

**16. CASH AND BANK BALANCES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Balances with Banks	93,25,467	1,64,37,733
Fixed Deposits	19,56,198	23,14,34,839
Cash in hand	2,17,909	2,11,614
	<b>1,14,99,574</b>	<b>24,80,84,186</b>

**17. SHORT TERM LOANS AND ADVANCES**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Security Deposit	1,04,119	-
Other Receivables	32,155	2,69,988
Staff Advance	7,97,31,208	49,98,475
Advances Recoverable in Cash or in kind	15,41,77,682	14,03,20,408
	<b>23,40,45,164</b>	<b>14,55,88,871</b>



**18. OTHER CURRENT ASSETS**

(₹)

Particulars	As on March 31, 2016	As on March 31, 2015
Pre-Paid Expenses	1,60,20,609	37,77,700
Advance Tax Paid	-	1,25,00,000
TDS Receivable	53,89,545	29,89,878
Service Tax	3,44,71,809	2,04,53,066
	<b>5,58,81,963</b>	<b>3,97,20,644</b>

**19. REVENUE FROM OPERATIONS**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Sales of Services		
Domestic	7,93,49,556	2,92,35,163
Export	1,96,55,47,776	1,11,36,24,409
	<b>2,04,48,97,332</b>	<b>1,14,28,59,572</b>

**20. OTHER INCOME**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Net Gain (Loss) on Foreign Currency Transactions	[18,13,418]	39,73,521
Interest on Fixed Deposits	39,87,770	-
Other Income	1,20,26,562	1,14,11,031
	<b>1,42,00,914</b>	<b>1,53,84,552</b>

**21. EMPLOYEE BENEFIT EXPENSES**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Employees Cost	72,27,74,057	43,02,86,263
Contribution to Provident Fund & Other	2,91,88,901	1,97,80,665
Managerial Remuneration	2,40,00,000	2,27,41,650
	<b>77,59,62,958</b>	<b>47,28,08,578</b>

**22. OTHER OPERATING EXPENSES**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Admin & Non-delivery Salaries	28,47,89,729	17,15,22,270
(b) Software Licensing Cost	8,68,708	46,57,451
(c) Power & Fuel	1,03,87,034	1,57,53,350
(d) Rent	6,73,81,655	5,13,67,433
(e) Legal & Consultancy	2,47,13,185	5,09,33,606
(f) Insurnace	90,90,100	-
(g) Rates & Taxes	2,19,46,465	1,77,96,054
	<b>41,91,76,877</b>	<b>31,20,30,164</b>



**23. ADMINISTRATIVE EXPENSES**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Telephone & IT Costs	4,28,23,852	2,76,24,169
(b) Business Promotion Expenses	3,75,30,626	1,76,08,345
(c) Travelling & Conveyance	21,02,01,332	19,83,88,237
(d) Office Maintenance	2,92,03,891	1,70,44,230
(e) Postage, Printing & Stationery	26,49,784	32,36,374
(f) General Expenses	63,01,364	36,01,748
(g) Miscellaneous Expenses Written Off	-	1,91,000
(h) Audit Fees	7,03,600	50,000
	<b>32,94,14,449</b>	<b>26,77,44,103</b>

**24. FINANCE COST**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on WCL	24,17,383	12,48,173
Interest on CC & OD	57,43,027	25,37,580
Interest on Term Loan	17,29,674	6,69,279
Interest on Other Loan	29,75,465	9,75,051
Finance Charges	50,08,344	17,74,548
	<b>1,78,73,893</b>	<b>72,04,631</b>

**25. BORROWINGS****From HDFC Bank: (By Cigniti Technologies Limited)**

- Term Loan Sanction by the bank on December 06, 2014 of ₹ 200 Lakhs repayable in 60 monthly equal installments of ₹ 4,60,197/- @13.5% interest. Outstanding balance as on March 31, 2016 is ₹ Nil (Previous Year ₹ 1,95,26,966/-)
- WCTL Sanction by the Bank on December 06, 2014 of ₹ 300 Lakhs repayable in 36 monthly equal installments of ₹ 10,18,059/- @13.5% interest. Outstanding balance as on March 31, 2016 is ₹ Nil (Previous Year ₹ 2,86,31,229/-)
- Cash Credit limit sanctioned by the bank is ₹ 2,00,00,000/- Outstanding balance as on March 31, 2016 is ₹ 2,20,20,940/- (Previous Year ₹ 1,80,97,382/-)

The above loans are secured by the following:

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

**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 March 31, 2016	Year Ended March 31, 2015
Remuneration	2,40,00,000	2,40,00,000
Perquisites & Allowances	NIL	NIL



**27. AUDITOR'S REMUNERATION**

(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Statutory Audit Fees	5,00,000	25,000
Tax Audit Fees	2,00,000	25,000

28. 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.

**29. 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 ₹ 72,58,43,303/- (Previous Year ₹ 53,38,96,960/-) and deferred employee compensation expense is ₹ 39,41,50,074/- (Previous Year ₹ 23,65,81,058/-) for the year ended March 31, 2016, the Company has recorded stock compensation expense of ₹ 34,17,51,726/- (Previous Year ₹ 29,73,15,902/-).
- 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	6,49,280	NIL	NIL	2,03,200	6,47,520
Scheme 2013	10,00,000	10,00,000	7,60,000	7,60,000	NIL	21,810	2,18,190
Scheme 2014 - 1	20,00,000	4,17,000	71,700	NIL	NIL	NIL	3,27,800
Scheme 2014 - 2	5,00,000	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>50,00,000</b>	<b>29,17,000</b>	<b>14,80,980</b>	<b>7,60,000</b>	<b>NIL</b>	<b>2,42,510</b>	<b>11,93,510</b>

**30. RELATED PARTY TRANSACTION****(a) Related Parties**

S No.	Particulars	Nature of Relationship
1	Cigniti Inc., USA	100% Wholly Owned Subsidiary
2	Cigniti Software Services Pvt. Ltd.	100% Wholly Owned Subsidiary
3	Gallop Solutions Inc., USA	100% Wholly Owned Subsidiary
4	Gallop Solutions Pvt. Ltd.	100% Wholly Owned Subsidiary
5	Cigniti Technologies (UK) Limited, UK	100% Wholly Owned Subsidiary
6	Cigniti Technologies (Australia) Pty Ltd, AUS	100% Wholly Owned Subsidiary
7	Cigniti Technologies Inc., USA	100% Wholly Owned Subsidiary
8	Cigniti Technologies (Canada) Inc., Canada	100% Wholly Owned Subsidiary
9	Mr. C. V. Subramanyam	Chairman and Managing Director
10	Mr. Sudhakar Pennam	Director
11	Mr. C. Srikanth	Whole-time Director
12	Mr. K. Ch. Subba Rao	Director
13	Mr. Mani Subramanian	Director
14	Mr. K. Nageswara Rao	Director
15	Mrs. K. Krishna Priya	Woman Director



**(b) Related Parties Transactions during the Financial Year 2015-16**

(₹)

Particulars	Nature of Relationship	Nature of Transaction	Year Ended March 31, 2016	Year Ended March 31, 2015
Mr. C. V. Subramanyam	Managing Director	Remuneration	1,20,00,000	1,20,00,000
Mr. C. Srikanth	Whole-time Director	Remuneration	1,20,00,000	1,20,00,000
Cigniti Technologies (UK) Ltd.	100% Wholly Owned Subsidiary	Investment	1,57,50,093	6,82,07,392
Cigniti Technologies (Australia) PTY Ltd.	100% Wholly Owned Subsidiary	Investment	1,45,92,106	2,96,32,540
Gallop Solutions Inc.	100% Wholly Owned Subsidiary	Investment	Nil	3,84,72,184
Cigniti Inc.	Related Party	Payable	(47,98,62,648)	NIL
Gallop Solutions Inc.	Related Party	Receivable	6,65,96,034	NIL
Cigniti Technologies Inc.	Related Party	Receivable	50,50,12,656	NIL
Cigniti Technologies Canada Inc.	Related Party	Payable	(59,98,094)	NIL
Gallop Solutions Pvt. Ltd.	Related Party	Receivable	1,27,16,808	NIL
Cigniti Technologies (Australia) PTY Ltd.	Related Party	Receivable	2,20,51,711	NIL
Cigniti Technologies (UK) Ltd.	Related Party	Receivable	5,04,43,485	NIL
Cigniti Technologies (NZ) Ltd.	Related Party	Payable	2,75,074	NIL

**31. FOREIGN CURRENCY OUTFLOW**

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

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Foreign Travel	11,17,36,699	6,19,60,478
Others	95,126,303	17,13,57,590

**32. FOREIGN CURRENCY INFLOW**

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

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Foreign Currency Inflow	1,08,71,23,808	41,75,25,446

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

The Company has not obtained Actuarial Valuation report for Gratuity and leave encashment for the financial year 2015-16. Provisional amount has been provided in the books of accounts for the same.  
(₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Gratuity	1,62,94,157	1,42,94,157



**34. EARNINGS PER SHARE (EPS) (AS-20)**

Calculation of EPS

Particulars	2015-16	2014-15
Profit after tax during the year (₹)	31,96,43,007	3,58,92,443
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	31,96,43,007	3,58,92,443
Weighted Average Number of Shares taken for Computation of EPS	2,49,79,830	2,32,76,020
<b>Earning per Share</b>		
-Basic (₹)	12.80	1.54
-Diluted (₹)	12.80	1.54
Face Value of the Share (₹)	10.00	10.00

**35. CORPORATE SOCIAL RESPONSIBILITY**

Amount spent by the Company towards CSR: for the Current Year ₹ 31,03,780/- For the Previous Year ₹ 18,44,890/-.

Amount spent by the Company towards CSR for the year ₹ 31,03,780/- included in the General Expenses of ₹ 63,01,364/-

**36. SEGMENT REPORTING**

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

**37. INTRA BRANCH TRANSACTION**

Intra Branch Transaction have been eliminated while preparing the Financial Statement.

**38. DUES TO MICRO & SMALL ENTERPRISES**

There are overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as on March 31, 2016.

**39. CONFIRMATION OF CLOSING BALANCES**

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

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

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

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**  
Chairman & Managing Director  
DIN: 0071378

**K. Ch. Subba Rao**  
Director  
DIN: 01685123

Place: Hyderabad  
Date: May 30, 2016

**Krishnan Venkatachary**  
Chief Financial Officer

**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 : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, September 28, 2016 at "The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081 and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Resolution No.

1. Approval of financial statements for the year ended March 31, 2016.
2. Appointment of Mr. C. Srikanth (DIN: 06441390) 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. Appointment of Mrs. K. Krishna Priya as Independent Director of the Company.
5. Raising of funds through Qualified Institutions Placement (QIP)

Signed this ..... day of ..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

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







## CIGNITI TECHNOLOGIES LIMITED

SUIT NO. 106 &107, 6-3-456/C, MGR ESTATES, DWARAKAPURI COLONY, PANJAGUTTA,  
HYDERABAD- 500082. TELANGANA STATE.

### ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the members of the Company to be held on Wednesday, September 28, 2016 at "The V (Ascendas) 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.









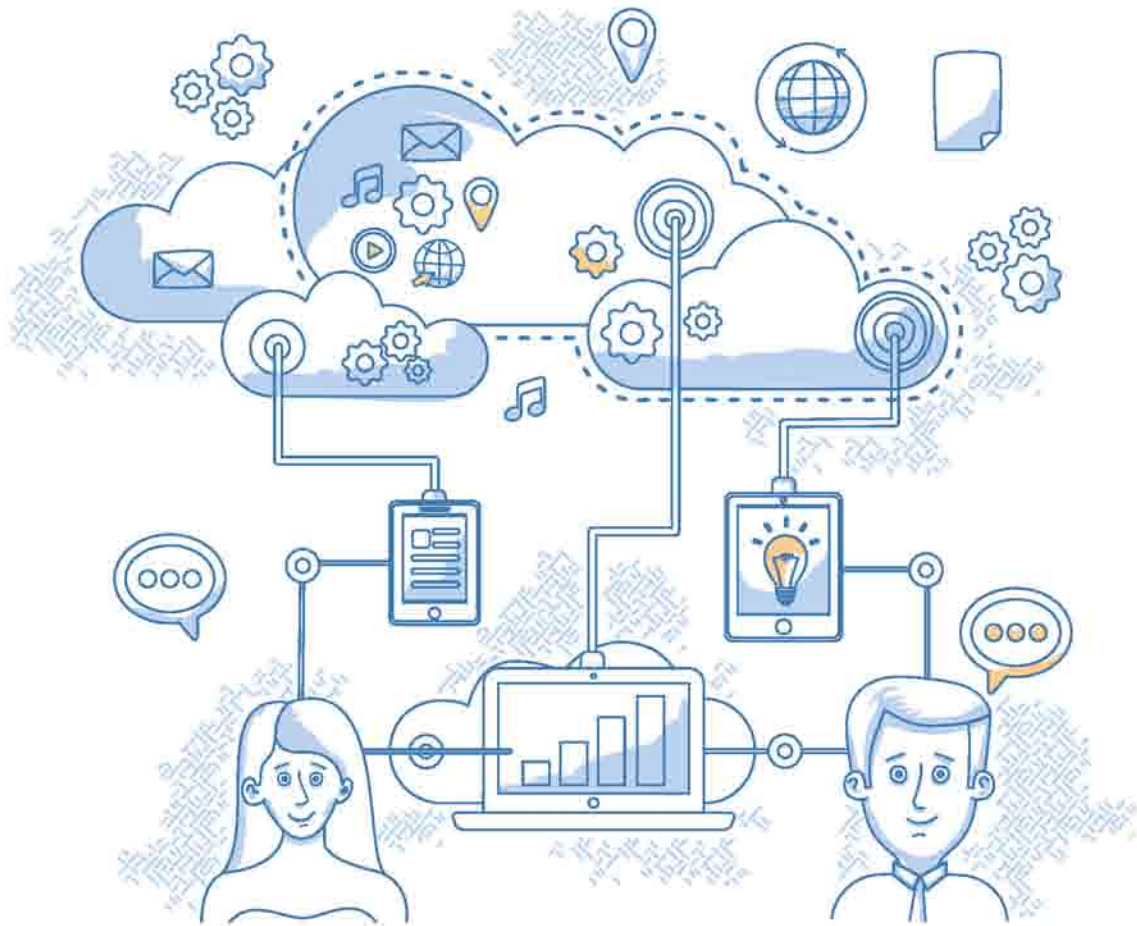












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