

10th May 2021

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Name of Scrip: CIGNITITEC

Scrip code: 534758

Dear Sir / Madam,

Sub: Transcript: Cigniti Q4 FY 2021 Result conference call on 30th April 2021- Reg

Ref: Company's letter dated 28th April 2021 regarding Intimation for Earnings call under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find the attached herewith Transcript of Cigniti Technologies Limited for Q4 FY 2021 Result conference call held on 30th April 2021. The same was displayed at our company's website: www.cigniti.com.

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

Thanking you.

Yours Faithfully,
For Cigniti Technologies Limited

A. Nagavasudha



A.N.Vasudha
Company Secretary

Encl: as above

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Cigniti Technologies Limited
Q4 & FY'21 Results Conference Call
April 30, 2021

Moderator: Ladies and gentlemen, good day and welcome to the Investor Call of Cigniti Technologies Limited to discuss the Q4 & FY'21 Results. Today, we have with us from the management, Mr. Srikanth Chakkilam, Chief Executive Officer and Non-Executive Director and Mr. Krishnan Venkatachary, Chief Financial Officer. As a reminder, all participant lines will be in the listen-only mode. I now hand the confidence over to Mr. Snighter Albuquerque from Adfactors. Thank you, and over to you.

Snighter Albuquerque: Thanks, Rituja. A very good evening to everyone. Before the call, we would like to point out that certain statements made in today's call maybe forward-looking in nature and a disclaimer to this effect has been included in the "Earnings Presentation" shared with you earlier. This call contains forward-looking statements based on the currently held beliefs and assumptions of the management of the company, which are expressed in good faith and in their opinion reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the company or industry results to differ materially from the results financial condition, performance or achievements expressed or implied by such forward-looking statements. The risks and uncertainties related to these statements include, but are not limited to risks and risks of expansion plans, benefits from fluctuations in our earnings, our ability to manage growth and implement strategies, competition in our business, including those factors, which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals and our ability to win new contracts, changes in technology, availability of financing, our ability to successfully compete and integrate our expansion plans, liabilities, political instability, and general economic conditions affecting our industry. Unless otherwise indicated, the information contained herein is preliminary indicated, and it's based on the management information, current plan, and estimate.

I now hand the conference over to Mr. Srikanth Chakkilam for the opening remarks. Over to you, sir.

Srikanth Chakkilam: Thank you. Welcome to the Earnings Call of Q4. And I hope all of you are keeping well and staying safe while the COVID pandemic is at rapid speed in India.

So let me start with some "Highlights for the Quarter." So this quarter we closed 22 new logos and we've been able to start these logos in February and March while some have spilled over into April and May. Breakup of these logos in terms of verticals include Healthcare, Pharma, BFSI, Technology, Consumer Goods, ISC and a few government entities as well. 50% of these

logos come from the North American region, remaining 50% comes from areas such as UK, Australia and Middle East. You may be following some of the developments, most of BUs is on an accelerated path towards normalcy due to the wellness and vaccination program and we hope that this becomes a trend in other regions as well.

And in terms of revenues, we clocked about INR233 crores, which is close to 5% uptick from the previous quarter, and the EBITDA is about 14.3% which is the same levels of the previous quarter. For the overall year, we've been able to significantly claw to back where we are today, considering tremendous exposure to travel and hospitality of 27% last year, and the current mix is, I would say, a healthy balance between BFSI, Retail, Technology and Healthcare being the core verticals as opposed to a big skew towards travel, transport and hospitality last year. Travel, transport and hospitality at least in our experiences still yet to come up to normalcy in terms of IT budgets and spending. We see a few positive trends here and there, but in the larger scheme of things, there is still have a lot of room to come back to normalcy.

We have proactively used last year's situation to see the future growth in areas outside of quality engineering, as I mentioned in the last earnings call, and we started to see a few green shoots in the areas of RPA and 5G experience. We've also identified a few other areas closer to testing. But our core competency still continues to be quality engineering. And within the quality engineering space, 46% accounts to test automation. And in the overall scheme of things, less than 10% of the revenues come from areas outside of quality engineering.

And to this effect, we have made structural changes to be more focused on growth. I mentioned last time that we hired, new Chief Revenue Officer, Mr. Ganesh Ramamoorthy. And in that context, we made a few structural changes. These changes in investment will certainly give favorable outcomes in the months and years to come. We will continue to invest this year as well to ensure stability and build momentum for the upcoming years.

Coming to some "Key Focus Area." At this point, attrition is an area we are closely monitoring and we are seeing that this is an industry-wide trend we are witnessing. We are keeping a close tab to ensure the talent retention, talent acquisition, learning and development, growth opportunities and increments to be on the right track for the execution of our plans. Also in the current times, some of our employees have been affected by the pandemic and we are on top of the situation to ensure the wellbeing of our employees and also ensure zero impact for our clients. So, proactive communication with both stakeholders internally and the external community is a process we have adopted in these times to ensure zero impact.

And lastly, "Key Development." As some of you may have noticed is with regards to dividend. Our board of directors have recommended a final dividend of Rs.2.5 per share of Rs.10 subject to approval of the shareholders of the company and also framed dividend policy to this effect.

So with this, I hand over the stage to Krishnan, our CFO, post which we are open to Q&A.

K Venkatachary:

Good afternoon to each one of you and wishing you a safe stay wherever you are. It has been a challenging year. We started with a scare and we are ending with a scare in some part of the world due to the global pandemic. We did definitely as Srikanth mentioned take a hit in terms of the travel and hospitality sector, but we have put up the challenge and we have neutralized the revenue compared to what it was last year. In terms of dollar terms from \$123 million, we have made about \$122 million this year, which is marginally about a percentage or two low but on the rupee terms probably we have scored marginally higher for the year. The quarter has seen a healthy trend in terms of a 5% uptick in terms of sequential growth, from October to December and we have finished with a healthy run rate of about \$12 million in March with a good order book position of about \$130 million to take us through exponential growth in the coming year. We did a very elaborate estimate and re-estimate during the mid of the year to reach about \$118 million, about 15% EBITDA. We have ended the year with about \$122 million with about 16.4% EBITDA which is commendable and achievable and which has factored that we have reinvested back into the business in terms of trying to do what best can be done for the future of the business. The next year also looks promising. We have also priced in terms of employee retention program by way of appraisals and also to move ahead and do our investment in sales and marketing. While during the year, the investments have taken place in terms of appointment of the CRO, but we have also moved in and partnered with top companies, and carried out a few marketing initiatives with nature to move up. Net comparing to previous years, we have done exceptionally well and our profit after tax would have moved up in realities by about 2%, 2.5% or 250 basis points. The reason is that if I have to neutralize the software export incentives which has been claimed in the last year was about Rs.11.5 crores and to the tune of other income and exchange, whatever it is netted off. So probably out of the net grown in the year of pandemic.

In terms of the numbers, top-20 continue to be healthy at 49%. During the quarter we catered to 22 customers and the last nine months we realized a great margin and push through rate from \$71.5 to about close to \$74 with a gross margin of about 44% in the overall scheme of things. This is the visibility where all these projects will kick in in the coming year and a full blown proposition there. And while the top-20 contributes 49% and the rest contributes about 41%, I think the offshore and onsite revenue holds back at about 47% to 53% with the employees count in terms of the resource mixture holding back at about 30% onsite and 70% offshore. We have successfully waded on a couple of things; we did a 5% wage cut in the first six months to all the employees, which the employees cooperated with. This is restored from October 1st and appraisal processes also have re-initiated post this initiation. And while doing that, we have been careful except for contract employees, which has necessitated to get separated post the reduction of projects. We have not really done any kind of retrenchment for our size of the company and we have withstood and we have moved ahead and managed to be able to bring a lot of new verticals in terms of the business. The new business in terms of the current year as a composition contributed about 6% of the total billing and about close to

70% of the businesses came through automatic renewals and the rest we have done through external mining.

And the last wins, especially in the last quarter has been, a multi-million dollar account and ranging from 18 to 24 months and 36 months. We see an increasing trend in terms of such wins on account of our transformational initiatives. Net-net on the cost front, we have tried to retain the cost reasonably well. And while we are monitoring, hedging is a policy in terms of the natural hedge coming through, I think we have not yet taken a specific hedging cover, because we know that at this point of time, it's not that economical to move for hedging.

The heartening part is that as against comparison to last year, we have generated about Rs.145 crores of cash from the operations and the net balance of the cash and cash equivalents as displayed to the investors, we stand at about 192 crores, which will be used for expansion of both organic and inorganic in the year to come to spare in the growth curve.

Overall, I think we have a very strong balance sheet with a debt-free and cash available in cut-free and then we also have a good order book position, and we have the teams in place, we're taking a transformation journey in terms of moving it to be at a pace which is quite accelerated and we are very excited to be part of it. And above all, I think as a part of corporate governance, we have come ahead and declared a dividend policy which has been posted on the website and the exchanges. We will be declaring about 25% to 35% of the payout which is distributable profit on a year-on-year basis to the investors by way of policy which are subject to the caveat where the board can review the situation in terms of the economic impact. To commence with that, probably, yes, first ever maiden dividend, all the eligibility has been recommended and subject to the shareholders' approval.

With this, I think we are marching ahead in terms of a good territory to move ahead for positive growth. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. First question is from the line of Hasmukh Gala from Finvest Advisors.

Hasmukh Gala:

Congratulations to the Cigniti management group for delivering decent result. Looking to the current COVID situation in which we are, the travel, tourism vertical, has not done well, and you will try to recover it through some other verticals. From this perspective, I would just like to draw your attention to the slide #9 of your presentation, where you have given the revenue percentage breakup between different verticals. I find that the percentages given do not appear to be of 2021, they are the same as given in the annual report of '19-20. So maybe if there is any connection to be made, you can send a new presentation? We just wanted to know that in these challenging times you said you have got a varied pending order book position, so how do you see quarter-over-quarter run rate of revenue growth setting in FY'22?

K Venkatachary: The point is well taken and we will correct that error. The Q4 revenue by vertical will give you an indication about the BFSI.

Hasmukh Gala: Q4 numbers were correct. And then I compared them with Q3. Overall for the year we know, Q4 will indicate what the indication of the different verticals.

K Venkatachary: Absolutely, that is the run rate moving forward. This will remain the same because we see the bulk of the contract coming through in a big way and that is where I see retail, commerce and the healthcare picking up which will supplement the travel vertical, which has dropped down from 27% to 14%.

Hasmukh Gala: What kind of quarterly revenue run rate growth do we expect now?

K Venkatachary: If you look at things in terms of quarterly run rate, I think it is healthy and we are looking at a buoyant growth for the coming quarters. In the next year plan our plan will be coming out to the market and also plan to get a half million journey. So keeping that in mind, I think we have a good amount of order book position to really take us to more than double-digit growth.

Hasmukh Gala: So it will not be just restricted to single 2% to 3%- 4% type?

K Venkatachary: Yeah, you can be rest assured because that is what we are trying from an overall perspective for the year. Don't want to get into the specifics about the quarter, however for the year it will be a more than double digit growth.

Hasmukh Gala: What is the size of the pending order as on 31st March?

K Venkatachary: My order book position for April to March is 133 million. This includes the new wins which have been signed to be executable over a period of 12 to 14 months.

Hasmukh Gala: You said that you're getting into the newer areas, newer verticals, new partnerships, and you continue to invest in developing new tools. So just to understand the revenue implications what kind of investment will you be making?

K Venkatachary: I am reiterating that we don't capitalize anything in terms of the investment. What we make, either it's going to be rolled out as a semi-product, or it's going to be rolled over as a tool to be deployed in any kind of a service that we offer. This can get monetized, by way of the billable rates when it comes to the earnings ability. I would quantify this in terms of the investment we are looking at 4% -5% of the total revenue and the fact that some investments have already moved in and this has helped us ascertain the figure of 4% to 5% of the total revenue. However this comes in phases, because as we start investing, we will ensure the right checks and balances. Also, there will be a roadmap to guide us from investment stages, the marketing material to be used for campaigning and details regarding customer. Currently we are offering these services to the existing set of customers, which are around 70-80. These customers which

are global corporations are benefitted immensely from our services, where we leverage our expertise on the debt and IT budgets to really extract and provide our services as a one-stop solution. Providing a one-stop solution is actually easy and in overall scheme of things, we're trying to target around 4% - 5% of the revenue for the immediate next year. We have constructed a five year-plan as we start to earn money and take into consideration factors such as how much as a percentage will we be start investing into the venture considering both the top line and bottom line growth.

Hasmukh Gala: I couldn't catch another statistic which you announced earlier. How much revenue will be coming from the offshore and how much will be coming from onsite in terms of services?

K Venkatachary: My revenue which through the offshore is about close 47% and 53% is accounted from onsite. In terms of the resource deployment, is the number stands at 30% from onsite and 70% from the offshore.

Hasmukh Gala: Do you see this revenue composition mix changing such that you can leverage and gain some more revenue from offshore?

K Venkatachary: In terms of newer technologies, at least for a year we are on optimal level. Though the pandemic has helped us to really consolidate and move up from 43%- 44% to 47%, I strongly feel that it will remain at these level for another year, maybe move 1%-2% ahead. With newer offerings and newer projects are built near to customer's explanation near shore. Its important right being near the customer because things like implementation, and gathering of data and having an understanding with the manager is imperative. Newer technologies and the DevOps will run smoothly only if we are onsite. So it's a chicken and egg story that while we are trying to balance in terms of offshore, but I think to say that in three years' time we could achieve high or drastic changes would be wishful. We however plan to take the percentages to 55-45 in-favor of offshore. Compared to any of the mid cap indices we are on the better side, with more or less reasonable balance between offshore and onsite.

Hasmukh Gala: Your billing cycle is on per hour basis?

K Venkatachary: Time and material.

Hasmukh Gala: What will be the margin driver now? We have earned about 16% margin in FY'21 not considering the other income.

K Venkatachary: We still have a lot of work to do in the pyramid mix. My average rates close to \$71 in onsite and \$21 in offshore, but I think over the last quarter the offering what we're trying to do, it has moved up to about close to 74 in terms of billable. This I attribute to digital transformation, the newer technologies, and our offering-led services which are coming through for us, I think that'll contribute a sizable amount in terms of increasing my EBITDA and margin. And back

home, 1% or 2%, skewing funds coming through will help me out under resource mix and pyramid mix. And with pandemic, there is a lot of amount of cost optimization which we are trying to do. Fortunately, with the expansion, we don't need to invest into the facilities. Additionally we are also optimizing on the existing facilities that will bring in some amount of variation. But I think we also have to keep in mind about the customer touch point which we're trying to do as the regions are picking up clearly. Overall, because of our offerings, I'm able to demand a slightly premium rates from our existing customers. Our focus will be trying to sign more clients who are looking for management of complete QA as whole and sole. We have the leverage to mix and match and try our combinations that will help us contribute the max going forward.

Moderator: Thank you. Next question is from the line of Piyush Chheda from Serendipity. Please go ahead.

Piyush Chheda: You described earlier that you're beginning on a journey to move away from being a pure testing company into having a broader footprint that encompasses both user requirement generation, actual usability, user acceptance, series of digital initiatives, etc., Supposing we were to look at revenue this year and next year, how much would these new initiatives bring in?

Srikanth Chakkilam: Yes, we have commenced the journey and it's a cycle and a process by itself, where the fulfillment is 100% - 90% or 70%. I would say we have completed 60%- 70%, so far, in the current year in terms of the newer preference, which has contributed close to 5%- 6% of the total revenue in terms of transportation; however, the whole digital initiatives have contributed about close to 36%. These newer initiatives which we are trying have contributed close to 5%- 6%. We are targeting about 15% in the next year however, the whole digital transformation and the newer age technologies have contributed around 40%- 42% overall.

Piyush Chheda: Our basic approach now, would it be to gather more logos or to demine the existing logos deeper. What is the strategy for this year?

Srikanth Chakkilam: our focus remains to expand within the logos that we have already opened and get more out of these logos.

Piyush Chheda: Would it be fair to track your revenue from the top 50 or 100 customers in terms of effectiveness??

Srikanth Chakkilam: Yes, top 75.

Moderator: Thank you. The next question is from the line of Bhavik Mehta from Roots Venture Investors. Please go ahead.

Bhavik Mehta: I have few questions around the entire business. Has one of the new businesses primarily listed as IP beyond services? I wanted to understand what part of the revenue can you attribute towards your platform-based testing systems and is there a way to segregate revenues or they're totally embedded? Could you also elaborate on the entire capability in the investor presentation I? Currently the presentation looks very generic however, your website aids quite detailed.

Srikanth Chakkilam: Every project that we have taken up, there is some level of IP and platform involved. They're not two separate entities at this point, we don't have product revenues as such, so whatever IP and platform revenue involved is combined revenue. We are not segregating or tracking it that way, but largely, the projects that we are doing, have some component of the IP and platform that is involved. Answering the second question, we track in terms of adding more capabilities in the investor deck. Our R&D team and innovation team continuously enhances the platform, so as to always add more capabilities going forward.

Bhavik Mehta: My second question is about the annual revenue. – Is it revenue structure recurring based on long-term contracts? And how does the entire billing cycle work??

K Venkatachary: Out of the total revenue of 125 million, 6%, comes from new accounts, which have been won during the year. These projects are typically multi-year contracts which are renewable in nature. Normally, when you sign an MSA for five years, these contracts are signed within 12 to 18 months and are renewable. If you look at a pattern here, close to 70% of the contracts have come through renewals. We have done about 6% renewal revenue and about 25% has come through mining yearly. To give an idea, from the 210 accounts that have been services, we have about close to 140- 150 accounts which are legacy accounts. And that shows that we have time and material, leading to a healthy renewal business as per the break-up.

Bhavik Mehta: Given the current situation, the EBITDA margin generally has been higher for most of the companies. Do you think this is sustainable going in future based on your growth path? Also, we have a reasonable amount of cash on our balance sheet. So have we evaluated any growth acquisition opportunities in some domains which we help us strengthen our capabilities?

K Venkatachary: To answer your second question, yes, it's a continuous process, and it is in the radar of the board and the management. We will get back to the investors once we are closer to a decision, but we are on the affirmative as it's an essential part of the business. To answer your first question about EBITDA, from a conservative estimate we are reinvesting back in the business. This helps us to sustain high growth potential. In terms of growth we have delivered 15% and now we are moving to 16% - 17% margins and focusing on a three year target to really make substantial progress. The kind of efforts and the kind of value services we are driving makes it possible for us to move up the value chain, which in turn keeps us pretty confident on our figures.

Moderator: Thank you. The next question is from the line of Supratim Basu from Americorp Capital. Please go ahead.

Supratim Basu: So, two or three different buckets of questions. Given the bulk of your business is really project revenues and your order book stands at \$133 million how do you actually arrive at that number?

K Venkatachary: These are backed by contracts which has already been renewed and kept with us for billability between April-March periods, backed by sales force.

Supratim Basu: So this is an estimate given by sales force?

K Venkatachary: No, the figure \$133 million is there. So if you look at our cycle our renewals invariably always pick up in Jan-Feb-March predominantly. During the October- November period, we have very few renewals. We categorize \$20 million as routine revenue. . To answer your question even though these are projects, they are long term projects which require continuous testing. The revenue from these projects comes through on a clear and regular basis. So we know these contracts get renewed as these are with big clients such as Walmart etc. Overall we have a fair estimate in terms of our book for the year.

Supratim Basu: What was your average project duration currently?

K Venkatachary: Currently, our project duration has inched up on all the new wins to about 18 months ...

Supratim Basu: That seems like a very long period for me. , If you are doing testing and DevOps for new launches on the client side, which has an 18-month long application development timeframe today, they are dead in the water typically in today's scenario time-frames span from 3-6 months. It could be a mega project, but if the mega project gets boiled down into small milestone and each of those milestones is deliverable from the vendor side. All in all 18-months timeframe might be your overall general contract, but that can't be the average project duration.

K Venkatachary: Over the last six months what we have won are contracts from the existing SI's which now moved out from the existing projects. You will have consider this into two parts; one in terms of a Devops project. When we are getting various other projects, which will have a duration of about six months or so. However in this pandemic over the last six months, what we have won; out is from the existing SI in terms of the existing projects. . This is the point I am trying to make in terms of where we are currently.

Supratim Basu: My next question is for Srikanth on a completely different tangent. We've been discussing your platform development and IP over the last 18 - 24 months, but the commentary that you made to an earlier question seems to suggest that the platform side of it has not really picked up.

There has not been a clear distinction between automated delivery and product delivery as was originally discussed

Srikanth Chakkilam: The platform development is an ongoing activity. We have to ultimately make a decision if we want to spin it off and then count revenues, but at this point we intend to use it as a differentiator to try to win businesses. Having said that, we are certainly not been slow.

Supratim Basu: Let me try to quantify this in another way. What percentage of your revenues actually are fixed deliverable project revenues?

K Venkatachary: The total fixed deliverable is 3%.

Supratim Basu: Balance, everything is T&M?

K Venkatachary: Yes.

Supratim Basu: Effectively, today you're a services company, the movement towards becoming more of a product enabled or a platform enabled company is still a work-in progress?

Srikanth Chakkilam: Yes.

Supratim Basu: When I look at your FY'21 margin versus FY'20, the margin improvement seems to be the differential of the currency, otherwise margin seems to be flat, given the currencies actually done much more than your differential?

K Venkatachary: Marginally we remain flat or positive. Every industry had a challenge and we as an enterprise share those challenges with the industry. Given the current situation, we have tried to remain floating around.

Supratim Basu: So, are you saying that is the possibility for future productivity gains without taking the currency into effect for FY'22?

K Venkatachary: Yes that is what the entire think tank is at currently.

Supratim Basu: Was it the first half that COVID hit dropping the overall margins?

K Venkatachary: There are two things to look at; first while doing the capability building of the business, it dropped on the field sectoral areas. , We have accommodated the bench, and the set of people for the transformation to increase the opportunity. But in terms of the investment, which is needed towards the transformation journey(trying to take the talent out from the market and build the capabilities on quick fix basis).When you compare dollar-dollar basis, I have the numbers which increased by about 100 basis points compared to the last year. This is why this will get neutralized as we start moving up for the year, when the volumes start picking up.

Moderator: Thank you. The next question is from the line of Hasmukh Gala from Finvest Advisors. Please go ahead.

Hasmukh Gala: Talking about these different finer aspects will require a very deep discussion. On the management bandwidth, you hired a new chief revenue officer additionally. In you talked about addition of one Mr. Nath and then we have Mr Phaneesh Murthy as well as a consultant. I wanted to know wouldn't a veteran like Phaneesh Murthy carry a lot of weight if hired on a full-time basis rather than a consultant?

Srikanth Chakkilam: His focus remains will continue to remain an advisor to the company. There is a lot of talent available in the market today, in the IT world which we can leverage if need be.

K Venkatachary: I understand where you are coming from when you say veterans like Phaneesh need to come in on a full time, however it's an individual's choice Moreover, and the tagline more than protect his contribution with the company. In terms of our sales we have a solid foundation- the team guide, the entire sales management to enable the sales in our transformation journey. So it is with his efforts and the management efforts that that have brought in a new set of leaders like Phaneesh, CRO now a few more things are on the offering. So it doesn't make much difference to bring in a person because he is already with us and working on key focus areas for the company.

Hasmukh Gala: How are the management roles defined between Ramamoorthy, Mr Nath? And what kind of differentiation and consultation does Mr Phaneesh Murthy bring to the table?

Srikanth Chakkilam: Mr. Phaneesh Murthy is on advisory role and he helps enhance the processes of the company. The chief revenue officer, I and others are more on a hands-on and executive role within the company in terms of operations and execution. We oversee day-to-day aspects of the company such as, revenue, sales, partnerships, delivery, innovation etc., while Mr. Phaneesh Murthy's has a slightly broader role to play.

Hasmukh Gala: As Sudhakar holds 12% odd equity does he also contribute towards the company's decisions?

Srikanth Chakkilam: He's not involved in the business anymore.

Moderator: Thank you. The next question is from the line of Supratim Basu from Americorp Capital. Please go ahead.

Supratim Basu: The transformation of the company started in FY'18 where you essentially got rid of all the staffing and low value- and negative margin clients. Would you say at the end of FY'21, this transformation is now complete and that there is no more client rationalization to be done?

Srikanth Chakkilam: It's not as black and white. In 2018 this process started but during the year of COVID we obviously faced a setback in the travel and hospitality vertical. Due to Covid a lot of our plans

changed. We have been dynamic in terms of adapting to those changes, and the overall transformation is in a great shape and we are proceeding right direction.

- Supratim Basu:** Do you mean during FY'21 due of COVID you actually picked up the staffing business?
- Srikanth Chakkilam:** No. Overall, the revenues from staffing has come down quite significantly from before. In terms of staffing transformation, we are almost completed the cycle. Regarding the new areas that we picked up, primarily areas beyond quality engineering, are still work-in progress and needs customer work.
- Supratim Basu:** That is a new initiative, right, that is we will wait to see that...?
- Srikanth Chakkilam:** Pure staffing related thing, we are almost out of way at this point.
- K Venkatachary:** Adding to the point the total revenue in terms of staffing has been contributed from the total \$121.7 million, about \$ 3.2 million which should fade away in the coming year. However considering this was a year of pandemic, we do take the renewals that we get and move on., In terms of the client rationalization, the total client service is around 210, which is rationalized about 90%, For us wishful thinking would be that to bring it down that down to 180. I think there's no point in just throwing out business now as we need to float around this year and we are trying to take a call as we go through our transformation journey. That would mean about 90% completed innermost rationalization and about 10% to be done yet.
- Supratim Basu:** Phaneesh is such a bear for front end sales driven organizations. Do you think that the process for creating your sales organization is now complete, now that you have the sales organization that you wanted?
- Srikanth Chakkilam:** Yes, this process is 100% complete.
- Supratim Basu:** Would we see this being leveraged into revenues in the next FY'22?
- Srikanth Chakkilam:** Absolutely.
- Moderator:** Thank you. The next question is from the line of Devan Karani from Karani Spices. Please go ahead.
- Devan Karani:** The cash flow that we have generated this year is about Rs.145 crores and last year we had cash and bank balances to the tune of Rs.87 crores. So if we add that 87 and 145 comes up to about 232. How are we reflecting this in the balance sheet? Is it Rs 127 crores?
- K Venkatachary:** No the figure is reflected as Rs.192 crores. This has been presented in the deck under applications. If you look at bank FD and everything put together in the presentation about it reflects Rs192 crores or Rs 193 crores.

Devan Karani: Also, cash flow is generally to be added to the last year balances, s however there still is a difference of 40-odd crores?

K Venkatachary: If you look at the break up in terms of bank FD, investment and CTE put together, it's about 193 crores and we have reflected the same cash flow figures in the publication as well. I'll be more than happy to clarify each line item offline, as these are audited numbers.

Moderator: Thank you. As this was the last question, I would now like to hand the conference over to Mr. Srikanth Chakkilam for closing comments. Thank you and over to you, sir.

Srikanth Chakkilam: Thanks for your time, everyone. I wish that all of you stay safe and be well- in this current pandemic situation. I look forward for the next conference call in the next quarter. Thank you.

K Venkatachary: Thank you.

Moderator: Thank you. On behalf of Cigniti Technologies Limited, we conclude this conference. Thank you for joining us and you may now disconnect your lines.