THE MONDAY QUIZ

1) WHO was recently named the new CEO of mid-cap information technology firm Cyient?

2) WHICH digital payments co partnered Perplexity to integrate a real-time AI search in its app?

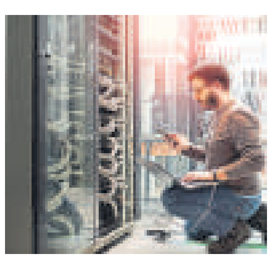
3) WHICH company partnered Amazon Web Services last week on enhanced GPU and AI services for India?

4) WHAT did ChatGPT maker OpenAI announce last week, close to 2 years after launch of GPT-4.0?

5) WHICH company announced the launch of its AI-hub data centre in Lucknow last week?

GLOSSARY

Multi-token prediction: This is a technique used in large language models (LLMs) to improve their efficiency and performance. Instead of predicting one token at a time, these models are trained to predict multiple tokens simultaneously. A token is a basic unit of data, usually a word or a piece of text, that is used as input for a machine learning model. Predicting multiple tokens at once allows for faster text generation, making the model more efficient.



Load balancing: A crucial technique in modern computing, especially for applications and services that need to handle a large number of users or requests. It is the practice of distributing network traffic or workload across multiple servers or resources. Instead of one server handling all the requests, the work is spread out, preventing any single point of failure.

Content delivery network: Abbreviated as CDN, this is a system of servers that store and deliver content to users. A CDN stores copies of data such as images, videos and web pages in data centres across the world. When a user requests content, the CDN delivers it to the user from the closest server, reducing the distance data needs to travel. This reduces time to load content.

Vulnerability brokering: This involves the discovery and sale of software vulnerabilities that can be potentially exploited by attackers. Most of the time, these vulnerabilities are zero-day vulnerabilities. After the purchase, these exploits are shared with vendors or third-parties like security firms, government agencies or even criminal organizations.

THE MONDAY QUIZ ANSWERS:
1) Sukamal Banerjee 2) Paytm 3) Orient Technologies
4) GPT-4.5 5) Sify Infinit Spaces

Cognizant delays salary hike to Aug again, for second year

CEO S. Ravi Kumar's early proclamation of a hike is possibly being done to arrest attrition

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Cognizant Technology Solutions Corp. will give annual salary increases to its employees from August this year, making it the second time the Nasdaq-listed company has delayed salary hikes by at least five months. In a town hall at the company's refurbished Kolkata office on Thursday, Cognizant chief executive S. Ravi Kumar promised salary hikes from 1 August though bonuses to eligible employees will be rolled out in March.

"Cognizant will award bonuses in March. Associates will receive e-letters with the bonus details during the week of 10 March," read Cognizant's internal memo shared with employees and seen by *Mint*. The company instructed managers to communicate the bonuses to their team members by 11 March. The Teaneck, New Jersey-based company typically gives hikes and bonus around March, but since Ravi Kumar took over as chief executive, bonuses are given in March while hikes are given in August. Cognizant last announced hikes ranging between 1% and 5% last August.

Kumar's early proclamation of a hike this year is possibly being done to arrest attrition. Voluntary attrition in tech services arm, which makes up the bulk of the company's workforce, was up to 15.9% at 2024-end from 13.8% a year-ago. Attrition refers to the number of people who have left a company.

As of December, Cognizant's voluntary attrition is higher than peers such as Tata Consultancy Services Ltd, Infosys Ltd and HCL Technologies Ltd, which reported attrition of 13%, 13.7%, and 13.2%, respectively, over the last 12 months. Attrition for TCS and Infosys includes attrition for their IT services vertical, whereas HCLTech excludes digital process automation wing.

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Kumar, since taking over the corner office, is in the midst of turning its fortune around. Cognizant's full-year revenue declined in 2023, but in 2024, full-year revenue grew 1.98% to $19.74 billion. Still, most of this growth was on the back of acquisitions.

Cognizant noted in its fourth-quarter earnings that its recently completed acquisitions of Belcan and Thirdera made up 200 basis points, or 2%, of its 2024 revenue growth. This implies its business, discounting its acquisitions, declined last year.

Cognizant acquired Belcan last September for $1.3 billion to strengthen its position in the engineering research and development (ER&D) sector. In January 2024, it acquired Thirdera for $430 million to build an artificial intelligence offering.

Indian IT services companies follow an April-March financial year, whereas Cognizant follows a January-December one. Another reason for high attrition is Kumar's policy of going after redundancies. Four months after he joined as CEO, Cognizant said it would sack 3,500 employees in 2023. The firm even announced its plans to close 45% of its office space in India, which had about 73% of 355,300 employees. Its earlier policies of eliminating middle-to senior-level talent make it challenging to retain talent.

The delay in rolling out hikes aligns with industry practice as the largest homegrown software service providers are looking to combat uncertain macroeconomic condition and shore up operating margins. "It is unusual the firm announced hikes this early," said an employee. "This announcement is probably about retaining employee confidence."

"The fact that Kumar announced the hikes five months before it would be effective is a cause for concern," said a former executive seeking anonymity.

An email sent to Cognizant on Saturday remained unanswered.

For an extended version of the story go to livemint.com

COMEBACK PLAYBOOK

COGNIZANT'S full year revenue fell in 2023, but in 2024 revenue grew 1.98% to $19.74 billion

Q4 earnings show acquisitions drove 2% of 2024 growth, indicating a decline in its core business

IT bought Thirdera for $430 mn in Jan 2024 for AI growth & Belcan for $1.3 bn in Sept to boost ER&D

DELAYED hikes align with industry norms as top local IT firms tackle uncertainties to protect margins

Ex-VH exec fund eyes greenshoe option

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A Junior VC (AJVC), a fund launched by former Venture Highway–now acquired by General Catalyst–executive Aviral Bhatnagar in August 2024, has been oversubscribed by investors and is likely to tap the greenshoe option.

Bhatnagar, who previously led investments in software-as-a-service, consumer and AI sectors at a VC firm until April last year, had launched the firm in August, aiming to raise a corpus of nearly ₹100 crore.

"We're oversubscribed and we are very actively considering exercising our green shoe option," Bhatnagar said.

The AJVC fund has a greenshoe option of ₹50 crore. It had received approval from Securities and Exchange Board of India for a category II vehicle in August last year. The fund's limited partners include domestic family offices, large-scale tech founders, business leaders and a few American and European family offices as well, he said.

VCCiRCLE

Bhatnagar is the solo-general partner for the fund managing investments to portfolio. Now, a venture firm, he previously set it up as a blog that offered insights on the ecosystem. The fund, while being sector agnostic, will focus on backing early-stage startups, primarily in pre-seed stage. These include startups in pre-revenue stage, with paper plans, working prototype and early revenue, he added. "We plan to do 12 to 15 investments every year. That's the goal."