



# CyberTech

Systems and Software Ltd.

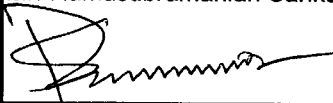
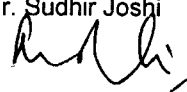
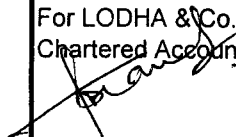
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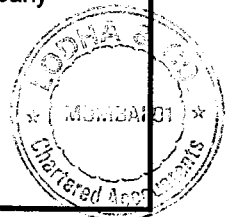
Email [cssi.investors@cybertech.com](mailto:cssi.investors@cybertech.com)

Website <http://india.cybertech.com>

REGD. OFFICE : 'CyberTech House', Plot No. B-63/64/65, Road # 21/34, J.B.Sawant Marg, MIDC, Wagle Estate, Thane - 400 604.

• Tel.: 91-22-2583 4643 / 44 / 45 • Fax : 91-22-2583 2574

FORM A ( Pursuant to Clause 31(a) of Listing Agreement)		
No.	Particulars	Details
1	Name of the Company	CYBERTECH SYSTEMS AND SOFTWARE LIMITED
2	Annual Consolidated Financial Statements for the year ended	31st March, 2014
3	Type of Audit observation	Unqualified
4	Frquency of observation	Not Applicable
5	To be signed by : 1. Executive Director and CFO	Mr. Ramasubramanian Sankaran 
	2. Audit Committee Chairman	Mr. Sudhir Joshi 
	3. Auditors of the Company	Refer our Audit Report dated May 29, 2014 on the Consolidated Financial Statements of the Company For LODHA & Co. Chartered Accountants  A.M. Hariharan Partner





# CyberTech

Systems and Software Ltd.

CIN: L22100GJ1998PT10054788

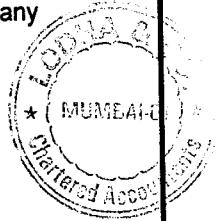
Email: [cs@investors.cybertech.com](mailto:cs@investors.cybertech.com)

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• Tel.: 91-22-2583 4643 / 44 / 45 • Fax : 91-22-2583 2574

FORM A ( Pursuant to Clause 31(a) of Listing Agreement)		
No.	Particulars	Details
1	Name of the Company	CYBERTECH SYSTEMS AND SOFTWARE LIMITED
2	Annual Standalone Financial Statements for the year ended	31st March, 2014
3	Type of Audit observation	Emphasis of Matter - Paragraph inserted in Auditor's Report of Standalone Financial Statements - Without qualifying, we draw attention to Note No. 36 of financial statements regarding investment of Rs.10.63 Crores made in CyberTech Systems & Software Inc., the Wholly Owned Subsidiary. Being a long term and strategic investment , there is a reasonable certainty that there will be no diminution in the value of the investment and therefore no provisioning has been considered necessary.
		Note No. 36 - The Company has invested Rs.106,303,250/- in its Wholly Owned Subsidiary viz. CyberTech Systems and Software Inc., USA, which has incurred losses incurred during the current year as well as in the previous year. However, being a long term and strategic investment, there is a reasonable certainty that there will be no diminution in the value of this investment., and therefore no provisioning has been considered necessary.
4	Frequency of observation	Second Year
5	To be signed by : 1. Executive Director and CFO	Mr. Ramasubramanian Sankaran 
	2. Audit Committee Chairman	Mr. Sudhir Joshi 
	3. Auditors of the Company	Refer our Audit Report dated May 29, 2014 on the Standalone Financial Statements of the Company For LODHA & Co. Chartered Accountants  A.M. Nariharan Partner





# **CyberTech**

Systems and Software Limited

***19<sup>th</sup> Annual Report 2013 - 2104***

**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

**Viswanath Tadimety**  
Chairman

**Ramasubramanian Sankaran**  
Executive Director

**Steven Jeske**  
Director

**Prakash Kenjale**  
Director

**Sudhir Joshi**  
Director

**M. P. Bharucha**  
Director

**Dr. Shreepad Karmalkar**  
Director

**Dr. N.L. Sarda**  
Director

**COMPANY SECRETARY**  
Sateesh Wadagbalkar

**AUDITORS**  
Lodha & Co.,  
Chartered Accountants, Mumbai

**SOLICITORS & ADVOCATES**  
Bharucha & Partners, Mumbai

**BANKERS**  
ICICI Bank Limited

**REGISTRAR & SHARE TRANSFER AGENT**  
(COMMON AGENCY)  
Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.

**REGISTERED OFFICE**  
"CyberTech House",  
Plot No. B-63/64/65, Road No. 21/34,  
J. B. Sawant Marg, MIDC, Wagle Estate,  
Thane (West) – 400 604.

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## LETTER TO FELLOW SHAREHOLDERS

### LETTER TO FELLOW SHAREHOLDERS

Dear Fellow Shareholders,

I am pleased to provide you detailed information on the performance of our Company for the financial year April 2013 through March 2014. For the year ending March 31, 2014, we achieved consolidated revenue of ₹ 731 million and net profit of ₹ 76 million. This compares against a consolidated top line revenue and net profit from last fiscal year (ending March 2013) of ₹ 752 million and ₹ 88 million respectively. On a standalone basis, our revenue has increased to ₹ 460 million from ₹ 448 million (ending March 2013). On a standalone basis, our net profit was ₹ 87 million versus prior year's ₹ 112 million.

Before I proceed further in discussing CyberTech's business and current market conditions, I am pleased to announce that we inaugurated our new 25,000 square feet GeoSpatial Center of Excellence on March 03 2014. This new fourth floor addition to the "CyberTech House" will seat an additional 250 engineers and increases our floor space to over 90,000 square feet. This Center of Excellence is a physical vision of our world-class GIS capabilities and commitment to rapidly growing field of GeoSpatial technologies and Location services. Designed exclusively as CyberTech's and India's 1st private GeoSpatial Technology Center, it will connect GIS at a cultural level to the Indian markets.

On March 3, 2014, Honorable Aseem Kumar Gupta, Municipal Commissioner of Thane attended inauguration as our Chief Guest and toured the facility. We thank Mr. Gupta and Thane Municipal Corporation staff and management for their continued support. CyberTech Board of Directors, Employees and outside guests attended the inauguration function.

### **New CyberTech's Esri and ArcGIS Center of Excellence**

On March 3, 2014 evening, Jack Dangermond, President of Esri formally launched CyberTech's Esri and ArcGIS Center of Excellence in the new fourth floor. I thank Mr. Damian Spangrud, Director of Esri Solutions, for participating in the events with Jack.

Esri is the world leader in Geospatial Information Systems Software. Esri's visionary mapping products define the science of GIS and increase understanding our world. Esri inspires and enables people to positively impact the future through a deeper, geographic understanding of the changing world around them.

Under Jack Dangermond's leadership Esri have proven that geography is at the heart of a more resilient and sustainable future. Various countries across the globe use Esri software as the de-facto standard of managing geographic information. Governments, industry leaders, academics, and non-governmental organizations (NGOs) trust Esri™ and ArcGIS™ platform to connect them with the analytic knowledge they need to make these critical decisions that shape the planet.

Our long term partnership with Esri and deep ArcGIS technical expertise has led to multiple mission critical client engagements that utilize ArcGIS platform for Cloud, Server and mobile solutions.

CyberTech is an Esri Gold Partner. As an Esri strategic partner, CyberTech shares Esri's commitment to solve Earth's most pressing challenges with geographic expertise and rational resolve. CyberTech has won multiple awards for technical excellence from Esri. Most recently, Esri has named CyberTech as their Industry Specialty Partner for ArcGIS for Local Government' and 'ArcGIS for Online'.

### **Changing Technology and Market conditions:**

We have stabilization in the US and Global financial markets and client purchasing trends. However, IT spend continues to move from On Premise Computing to Cloud and Hybrid Models. Newer solution delivery models are moving services from traditional IT vendors to Cloud based service providers. CyberTech has started delivering a larger portion of our services on the Cloud.

We now have a successful India Business that has completed over 3 full years of operation. However, majority of the Company's revenues are generated in the United States and the North American geography continues to be our key market. The India diversification of revenues and the improving US business conditions will increase our overall growth. During the 1st two fiscal quarters of 2014, the Indian Market spending was curtailed because of concerns of economy and change in government at the Center and many states. This led to slower growth of India operations.

CyberTech has now become a significant player in the area of mapping solutions and GeoSpatial Applications. This segment of information technology has become an attractive and growing part in an otherwise stagnant IT landscape of Enterprises and Public Government organizations. The strength of our Esri relationship has allowed us to harness this developing mapping market potential which we clearly see growing over the next several years. This is a positive trend in favor of CyberTech with several hosted and cloud based implementations.

New implementations of complex ERP solutions such as SAP continues to be at a standstill and SAP is trying to refocus itself in newer areas such as Business Analytics, In-memory Computing, Application Life Cycle Management and Mobile Applications. While these cloud based trends are new areas for SAP growth, they hardly replace big ERP implementations. CyberTech has directed its focus on these newer SAP trends and build expertise in the emerging area.

Cost Reduction and Application Management Services continue to be a key component of revenue for all the leading Indian IT service providers. CyberTech continues our Application Management and Support Services focus and a large percentage of our clients depend on CyberTech for their mission critical IT support.

All these trends prove that IT infrastructure and management is rapidly moving to Cloud based, pay by use services. CyberTech is positioning itself by migrating most of our clients to a more managed service oriented delivery platform. All Application Development services have moved from complex 'Waterfall' model to rapidly implementable 'Agile Scrum' approaches. In recognition of these ongoing market trends, CyberTech continues to evolve its Service Offerings, Client Management approach and Solution Delivery Platforms.

I encourage my fellow shareholders to visit our newly redesigned website [www.cybertech.com](http://www.cybertech.com) that clearly identifies our market alignment and client approach.

## **CyberTech Business operations:**

Our number one focus in the Company during the current fiscal year has been to strengthen our Technical Solutions and Business Approach in our core solution areas to adapt to cloud and pay by use models:

- **Geo2.0 and GeoServe Platforms:** To leverage the opportunity in the market in GeoSpatial areas, CyberTech has developed a rapidly evolving Geo2.0 platform. CyberTech simply believes the approach of developing new and complex GIS applications is dead. Using our Geo2.0 approach, Clients can implement new mapping and Geospatial applications at a fraction of the cost, reduce the time to market and eliminate risk. The Geo2.0 platform is an ongoing and continuously increasing set of CyberTech owned mapping components (Geo2.0 components), which are like building blocks. Using these Geo2.0 building blocks, like a Lego TM set, our clients can quickly assemble their solutions. Please see our microsite for Geo2.0, [www.appmaps.com](http://www.appmaps.com) that describes our platform.
- **Public Safety and GeoShield:** Our GeoShield Product Platform is now available in 3 product versions- (i) Law Enforcement (ii) Investigations and (iii) Prisons and Corrections. We have several new wins in State and Local Governments for the above products.
- **CyberSupport and Application Management Platform:** CyberTech has been involved in Application Management and Support Services for over 8 years. Our initial focus has been to provide SAP post implementation and support services in the areas of SAP BASIS, ABAP programming and Functional Module Support. We continue to expand and revamp our Support offering with a newly branded Application Management Platform, CyberSupport 2. Each client gets a unique support portal through which they interact with CyberTech. All support metrics and Service Level Agreements (SLAs) are clearly visible and clients can measure CyberTech performance quantitatively. This increases Client Satisfaction, provides transparency and reduces cost. We believe this platform is transformative for CyberTech as our future vision is to make this the Platform of Interaction for all clients. CyberSupport is a shared services platform that pulls down client cost and delivers dependable service with measurable performance metrics.
- **GeoCivic and India Business:** GeoCivic brand has continued to develop in this year. We have done prestigious work at Bengaluru, Thane, Mumbai in the areas of revenue growth and property tax management. GeoCivic has several pieces of mission critical software that Cities and Local Governments need, such as Property Tax assessment and collections, Emergency Management, Public Health and Election Results Management. I am expecting rapid growth in GeoCivic and this trend to lead to increased India revenues.
- **SAP and S2 Platforms:** In alignment with SAP's focus around mobility and Cloud, we have created a major focus on SAP Next Generation platforms. This includes Business Intelligence (Business Objects), SAP Mobility, Application Life Cycle Management and In Memory computing (HANA).
- **Client Focus:** I continue to invest my time personally with all clients, travel extensively, building client and executive relationships. Steve Jeske or I own executive relationships with almost all our clients in the US. CyberTech US continues to be our front-end providing sales and client partner management thereby driving deeper offshore focus in our Company.
- **Development of Company Intellectual Property:** We continue to make substantial progress in the area of IP Development and Solution building. We have won several more Public Safety, Police and Emergency Response implementations. Our GeoShield offering is being embraced by clients in US and India. We have also developed a SAP GIS Integration Architecture, CyberSERVE that has gained considerable market traction and excitement. I thank our friend and partner, Joseph Vanek Esq. of Vanek Vickers P.C. for pushing us on the trail of IP development.
- **Long Term Annuity Contracts:** I can state that 90% of the CyberTech offshore contracts are long-term annuity oriented. This gives us visibility of the pipeline and has reduced revenue risk. It is our preference to build this book of annuity contracts over lumpy project business.



## CyberTech Systems and Software Limited

As I state in all my letters, my core value has been to do the right thing for CyberTech for long period of time. Our goal is to do well in good markets but to do better in bad markets while aiming for sustainable growth. CyberTech continues to focus on the long term objectives that I have laid out in all my prior communications:

- Continue to focus on off shore oriented annuity engagements
- Focus on business growth
- Manage our assets and Property to optimum returns

Steven Jeske and I are fiscally conservative and consider CyberTech from a long term business holding perspective. The Company's assets and liquidity, cash strength give us comfort. Mr. Ramasubramanian our Executive Director has become a true partner who shares our vision and values.

I am pleased to inform you that your Directors have recommended a dividend of Re one per share (10% of face value) for the eighth year in a row since Steve and I took over the management of the company. We continue to enjoy the confidence of our customers resulting in opportunities that are adjacent in nature.

The focus on quality of services has ensured continued customer loyalty. Many of our customers have been working with us for a period ranging from 6 to 15 years. We have created a good client base that will allow us to have sustainable growth with deeper focus.

### **Business Outlook:**

CyberTech will grow, focus and excel in mapping solutions, SAP implementation and CyberSupport Services. I am excited about our Public Safety and GeoSpatial Platform development that leverages our expertise as a core GIS player. For the next year, I expect our offshore revenues to trend upward while US will be win more recurring revenue projects.

I am grateful to our Executive Director and the Sales, Delivery and Financial Leaders of the Company for their unstinted support to our efforts to enhance shareholder value. Our employees are our biggest asset and I wish to record my sincere appreciation to their dedicated efforts.

The Company adheres to high level of transparency and corporate governance. We have an eminent Board of Directors. I am grateful for their association with CyberTech and me. I thank Dr. Shreepad Karmalkar (IIT Chennai), Dr. N.L. Sarda (IIT Mumbai) for their help to CyberTech in several technical areas.

I would like to thank my dedicated Board of Directors and our US Board representatives for their involvement, counsel and support. I thank Bansi S Mehta & Co, Chartered Accountants, Mr. Farook Irani Esq and Vispi Patel and Associates, Chartered Accountants for their valuable help. I thank Mr. M. P. Bharucha Esq. of Bharucha & Partners for his friendship, help and counsel. I am grateful to Shri. B. V. Goud, Special Advisor to the Chairman for his substantial help in many matters and for his tireless efforts to help our Company.

On behalf of the entire organization I thank you, my fellow shareholders, for your continued support.

With regards,

**Viswanath Tadimety**

Mumbai  
August 6, 2014



## NOTICE

Notice is hereby given that Nineteenth Annual General Meeting of CyberTech Systems and Software Limited will be held on Tuesday, September 30, 2014 at CyberTech House, Plot No. B-63/64/65, Road No. 21/34, J.B. Sawant Marg, MIDC, Wagle Estate, Thane – 400 604 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year 2013-14.
3. To appoint a Director in place of Mr. Viswanath Tadimety (DIN 00008106), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors

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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Lodha & Company, Chartered Accountants (Firm Registration No. 301051E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Second AGM of the Company to be held in the year 2017 (subject to ratification of its appointment at every AGM), at such remuneration, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

5. **Appointment of Mr. Prakash Sitaram Kenjale 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Prakash Sitaram Kenjale (DIN 00202324), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years from 30th September, 2014 to 29th September, 2019."

6. **Appointment of Mr. Sudhir Joshi 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Sudhir Joshi (DIN 00349597) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years from 30th September, 2014 to 29th September, 2019."

7. **Appointment of Dr. N.L. Sarda 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Dr.N.L. Sarda (DIN 00147782), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years from 30th September, 2014 to 29th September, 2019."

8. **Appointment of Dr. Shreepad Karmalkar 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013

(Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Dr. Shreepad Karmalkar (DIN 03273896), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years from 30th September, 2014 to 29th September, 2019.”

9. **Appointment of Ms. Amogha Tadimety as a 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 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Amogha Tadimety (DIN 06952042), in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

10. **Approval for holding the office of profit by Mr. Steven Jeske as Director in CyberTech Systems and Software Inc. U.S.A.**

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

“Resolved that pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions, if any, consent of the Company be and is hereby accorded to Mr. Steven Lloyd Jeske holding the office of Director, of CyberTech Systems and Software Inc. U.S.A., the wholly owned subsidiary of the Company, on a remuneration as may be approved by the Board of Directors of CyberTech Systems and Software Inc.USA from time to time, such remuneration not to exceed \$250,000 per annum, for a period of three years ending September, 2017.”

11. **Approval for holding the office of profit by Mr. Viswanath Tadimety as Director in CyberTech Systems and Software Inc. U.S.A.**

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

“Resolved that pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions, if any, consent of the Company be and is hereby accorded to Mr. Viswanath Tadimety, a director of the Company, holding the office of Director of CyberTech Systems and Software Inc. U.S.A., the wholly owned subsidiary of the Company, on a remuneration as may be approved by the Board of Directors of CyberTech Systems and Software Inc.USA from time to time, such remuneration not to exceed \$300,000 per annum, for a period of three years ending September, 2017.”

12. **Issue of Securities under Employee Stock Option Scheme**

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

“Resolved that pursuant to Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any modification or re—enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements executed with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other rules and regulations, prescribed by the Securities and Exchange Board of India (“SEBI”) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to introduce and implement the CyberTech Employee Stock Option Scheme 2014 as detailed in the explanatory statement to this Notice and to create, grant, offer, issue and allot, to or for the benefit of such person(s) who are in the permanent employment of the Company. its holding/subsidiary companies, whether working in India or out of India and the Directors (including whole-time Directors) of the Company and its holding/subsidiary companies. (hereinafter collectively referred to as the “Employees”) but excluding Independent Directors of the Company or subsidiary Companies, Promoters and persons belonging to Promoter group of the Company and Director who either himself or through relative or through any body corporate, directly or indirectly, holding more than 10% of the outstanding equity shares of the Company, equity shares of the Company and/or Options giving right to purchase or subscribe such number of equity shares/equity Linked instruments including any depository receipts, which could give rise to the issue of equity shares (hereinafter collectively referred to as the “Securities”) of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide”.

"Resolved further that the maximum number of Securities issued/granted in terms of this resolution, to any single Employee (including any non executive or Independent Director) during any one year shall be less than 1 % of the issued and paid up equity shares of the Company i.e. upto 2,65,21,343 equity shares, provided however that the aggregate Securities issued/granted to all the Employees/other persons under the ESOS shall not exceed (5%) five per cent of the existing paid-up share capital of the Company as on September 30, 2014, i.e. up to 13,26,067 equity shares of the Company.

"Resolved further that the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as contained in the Explanatory Statement to this item in the Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the SOS from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS."

"Resolved further that the Securities may be allotted in accordance with, the ESOS either directly and/or through an existing trust or a trust which may be set up and/or in any other permissible manner and that the ESOS may also envisage for providing any financial assistance to the trust to enable the trust to acquire, purchase or subscribe the Securities of the Company as per the ESOS."

"Resolved further that subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respects rank *pari passu* inter se with the then existing equity shares of the Company."

"Resolved further that the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under ESOS on the Stock Exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable."

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

"Resolved further that the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors or the Chairman of the Company with a power to further delegate to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard".

### 13. **Issue of Securities under Employee Stock Option Scheme (ESOS) to the employees and directors of holding and subsidiary companies and other persons**

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

"Resolved that pursuant to Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company the Listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other rules and regulations, prescribed by the Securities and Exchange Board of India (SEBI) or any other relevant authority from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to extend the benefits of the CyberTech Employee Stock Option Scheme (ESOS) 2014 referred to in the resolution under Item No. 12 of this Notice and duly passed by the Members, subject to the overall Limit specified under the said ESOS, to such permanent employees of the holding company and subsidiary companies of the Company whether working in India or out of India and Directors of the holding company and subsidiary companies whether whole time Directors but excluding Independent Directors of the Company or subsidiary Companies, Promoters and persons belonging to Promoter group of the Company and Director who either himself or through relative or through any body corporate, directly or indirectly, holding more than 10% of the outstanding equity shares of the Company, or otherwise and/or such other persons, as may from time to time, be allowed to enjoy the benefits of ESOS under prevailing laws and regulations on such terms and conditions as may be decided by the Board."

"Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary expedient or proper and to settle any questions,



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

“Resolved further that the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors or the Chairman of the Company with a power to further delegate to any executive officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard”.

## Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 13 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 3 and Item Nos. 5 to 8 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Monday September 22, 2014 to Tuesday, September 30, 2014, both days inclusive.
4. If the Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or after Saturday, October 25, 2014 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, September 19, 2014;
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, September 19, 2014 whose name appeared on the Company's Register of Members on Tuesday, September 30, 2014.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited (LIIP) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIIP.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIIP for assistance in this regard.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or LIIP, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to section 124 (5) and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company

have been transferred to the IEPF established by the Central Government.

No claim shall lie against the IEPF or the Company for the amounts so transferred, nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) pertaining to the Dividend for the financial year 2007-08 onwards for the Company are requested to make their claims without any delay to Company or LIIP. It may be noted that the unclaimed Final Dividend for the financial year 2006-07 declared by the Company on August 24, 2007 can be claimed by the shareholders by August 23, 2014 and Members' attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.

11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with LIIP /Depositories.
13. In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
14. The Company's Equity Shares are listed on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited. The Company has paid the annual listing fee for the financial year 2014-15 to these stock exchanges.

**The instructions for e-voting are as under:**

**A. In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

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 last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <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 number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>



(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **B. In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

(B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **C. Other Instructions:**

i. The e-voting period commences on Wednesday, September 24, 2014 (9.00 a.m. IST) and ends on Friday, September 26, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, September 19, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 19, 2014.

iii. Mr. Rohit Ghaisas Practicing Company Secretary (Membership No. ACS 30073), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two 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.

v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Rohit Ghaisas, Practicing Company Secretary, (Membership No. ACS 30073), at the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [cssl.investors@cybertech.com](mailto:cssl.investors@cybertech.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://india.cybertech.com> and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the resolutions at the Nineteenth AGM of the Company on September 30, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

## By Order of the Board of Directors

### **Sateesh Wadagbalkar** **GM and Company Secretary**

Thane, August 6, 2014

Corporate Identification Number (CIN) : L72100MH1995PLC084788

### **Registered Office:**

CyberTech Systems and Software Limited,

CyberTech House, Plot No. B-63/64/65,

Road No. 21/34, J.B. Sawant Marg,

MIDC, Wagle Estate

Thane (West) – 400 604

Tel: 91 22 25834643/44/45 Fax: 91 22 25832574

E-mail: [cssl.investors@cybertech.com](mailto:cssl.investors@cybertech.com),

Website: <http://india.cybertech.com>

### **Explanatory Statement** **(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement gives all material facts relating to the business mentioned under Item Nos. 4 to 13 of the accompanying Notice:

#### **Item No. 4:**

This explanatory statement is provided though strictly not required as per section 102 of the Companies Act, 2013.

M/s. Lodha & Co. (ICAI Firm Registration No. 301051E), Chartered Accountants (CAs), Mumbai was appointed as the statutory auditor of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on September 30, 2013.

M/s. Lodha & Co. has been the Auditor of the Company since 2001 and has completed a term of 14 years. Prior to this, M/s. PRICE WATERHOUSE was the Auditor of the Company from the financial year 97-98 till financial year ending June 2001. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. Lodha & Co., being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on August 6, 2014, proposed the appointment of M/s. Lodha & Co. as the statutory auditor of

the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Twenty Second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 for approval by the Members.

#### **MEMORANDUM OF INTEREST**

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

#### **Item Nos. 5 to 13:**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of Directors has recommended the appointment of these directors as Independent Directors in the ensuing Annual General Meeting.

Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A brief profile of the Independent Directors to be appointed is given below:

#### **Mr. Prakash Sitaram Kenjale**

Mr. Prakash Sitaram Kenjale is a Non-Executive Independent Director of the Company in terms of Listing Agreement with the Stock Exchanges. Mr. Prakash Sitaram Kenjale joined the Board of Directors of the Company on 28.09.2006.

Mr. Prakash Kenjale did his M.Tech. from IIT, Kanpur in 1974. Soon after, he joined Tata Consultancy Services Ltd. (BSE, NSE: TCSCONS) as Trainee and has risen to senior management level. Held several concurrent positions, including CEO, Tata-Intraco Systems Pte. Ltd., Singapore. Helped it grow from 300 to 3,000 people company. He was with TCS Group till 1988. He joined Syntel Inc. (NASDAQ: SYNT) a US listed company in 1988. He helped grow the Company from a mere 70 people to 5,000 strong by 2005. He was one of the top 5 corporate officers and held positions of Chief Technology Officer (CTO) and Chief Delivery Officer. He was director and CEO of SkilBay.com, Inc., USA, and director of Textile Online Marketplaces Ltd., UK, and Convergent Systems Ltd., UK. He has managed up to 3,500 people directly. He has widely traveled and worked for 31 years in US, UK, France, The Netherlands, Switzerland, Spain, Portugal, India, Singapore, Malaysia, Australia and New Zealand. Positively impacted bottom-line results for Syntel Inc. and Tata Consultancy Services Ltd. in very competitive environments. Mr. Prakash Kenjale is a US Citizen of Indian Origin. He currently stays in Michigan

#### **Mr. Sudhir Joshi**

Mr. Sudhir Joshi is a Non-Executive Independent Director of the Company in terms of Listing Agreement with the Stock Exchanges. Mr. Sudhir Joshi joined the Board of Directors of the Company on 30.09.2010. Mr. Sudhir Joshi was Advisor to National Stock Exchange (NSE) Mumbai, on interest rate products. Mr. Sudhir Joshi retired in August 2009 after 38 years in banking- the last 15 years in private sector banks as a member of the top management team. From 2000 to 2009 Mr. Sudhir Joshi was a Treasurer of HDFC Bank Ltd. During this period, he built a sophisticated treasury that has remained at the forefront in the use of latest technology for internal book management of the bank as well as delivery of treasury products to customers. Several customer surveys conducted by international organizations like Asiamoney



rated HDFC Treasury as the top provider of foreign exchange and derivative products, among Indian banks.

During 1995-99 he was an EVP treasury and international banking at Times Bank Ltd. The bank was later merged with HDFC Bank Ltd. From 1971-1995 he worked with State Bank of India in various capacities in India and abroad, the last 10 years being in wholesale banking, specializing in international banking and treasury. He Played an active role in broader market development activities. He was elected Director of Fixed Income, Money Market and Derivatives Association of India (FIMMDA) from 2000 to 2007 and its Chairman between 2003 and 2007. He took keen interest in standardizing market practices – published the handbook codifying market practices in domestic trading in govt securities and derivatives for the first time. He was a member of the technical advisory committee (TAC) of RBI on behalf of FIMMDA for three years. He was co-chairman of the Finance Committee of Bombay Chambers from 2004- 07. He served as director of the Clearing Corporation of India from its inception till his retirement in 2009.

Currently he is a Director on the Board of Directors of The Federal Bank Limited, The Clearing Corporation of India Limited and National Securities Clearing Corporation Limited.

## **Dr. Shreepad Karmalkar**

Dr. Shreepad Karmalkar is a Non-Executive Independent Director of the Company in terms of Listing Agreement with the Stock Exchanges. Dr. Shreepad Karmalkar joined the Board of Directors of the Company on 30.09.2010. Dr. Shreepad Karmalkar is a Professor of Electrical Engineering at IITM. He received the B. Tech and accelerated PhD degrees in Electrical Engineering from the Indian Institute of Technology Madras (IITM), in 1983 and 1989, respectively. He has held visiting research / teaching assignments at several US universities, namely, University of California, Santa Barbara; Rensselaer Polytechnic Institute, Troy, New York; and University of South Carolina, Columbia, USA. He has authored numerous articles in journals, conferences and books, and has been awarded several patents in the areas of semiconductor device modeling and process development. For his research contributions, he has received the 2005 Vikram Sarabhai Award and a 2007 IBM Faculty Award. His contributions in the field of education include a one semester video course on Solid State Devices hosted on Youtube and telecast nationwide on Ekalvya TV channel, and a lecture-cum-activity oriented course to foster research skills.

## **Dr. N.L. Sarda**

Dr. N.L. Sarda is a Non-Executive Independent Director of the Company in terms of Listing Agreement with the Stock Exchanges. Dr. N.L. Sarda joined the Board of Directors of the Company on 28.09.2012. Dr. N. L. Sarda is a Professor in the Department of Computer Science and Engineering at IIT Mumbai (Bombay). He received his Master's (M.Tech.) and PhD degrees from IIT Bombay, and joined as faculty at IIT Bombay, where he is teaching since 1972. He was a Visiting Associate Professor at University of New Brunswick, Canada from 1986 to 88. He was Head of the Computer Science & Engineering Department at IIT Bombay from 1994 to 1997. He was Head of Shailesh J. Mehta School of Management from Aug. 2006 till Feb. 2007. He was Dean of Academic Programmes, IIT Bombay, from October 2001 to September 2004.. In this capacity, he coordinated with IIT's Senate and its various Academic departments for creating, revising, operationalizing and supervising IIT's academic programmes. He served as Professor-in-Charge of Innovation and Entrepreneurship, from October 2004 to Feb. 2006, in which role he coordinated with the Society for Innovation and Entrepreneurship (SINE) hosted by IIT Bombay.

In terms of Section 149 and any other applicable provisions of the Companies Act 2013 ('the Act'), Mr.Sudhir Joshi Mr. Prakash Sitaram Kenjale, Dr. Shreepad Karmalkar and Dr. N.L. Sarda being eligible, offer themselves for appointment, as Independent Directors for a term of five years.

The Company has received a Notices in writing under Section 160 of the Act from a Member, proposing candidature of Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda for the Office of Directors of the Company.

The Board of Directors, at its meeting held on 6.8.2014, subject to approval of the members at the ensuing Annual General Meeting, has also approved their appointment as an Independent Directors of the Company.

Further Mr. Prakash Sitaram Kenjale, Mr.Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda do not hold by themselves or through any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Mr. Prakash Sitaram Kenjale, Mr.Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda fulfill the conditions specified in the Act and Rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letters for appointment of Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda as Independent Directors and setting out the terms and conditions for the said appointments would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and



Sundays.

The Board considers that Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda's continued association will be of immense benefit to the Company and it will be desirable to continue to avail their services as Independent Directors.

Accordingly the Board recommends the resolution Nos. 5 to 8 in relation to appointment of Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda as an Independent Director, for the approval by the Shareholders of the Company.

This Explanatory Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges with which the Company's equity shares have been listed.

## **MEMORANDUM OF INTEREST:**

Except Mr. Prakash Sitaram Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda being appointees, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution.

### **Item No. 9.**

Proviso to sub clause 1 of Section 149 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of directors) Rules, 2014 makes it mandatory to Listed Companies to have at least one woman director on the Board of Directors of the Company.

The Board of Directors at its meeting held on August 6, 2014 approved the proposal to appoint Ms. Amogha Tadimety as woman director retiring by rotation subject to the approval of members in the Nineteenth Annual General Meeting.

Ms. Amogha Tadimety earned her B.S.E. from Princeton University in 2014 in Chemical and Biological Engineering. She also holds additional certificates in Engineering Biology, Public Policy and Entrepreneurship from Princeton. Ms. Amogha has work and research experience at IDFC, Mumbai and Harvard University, Cambridge, MA. Her DIN No. is 06952042

Ms. Amogha Tadimety along with other relatives holds 254320 Equity Shares of the Company.

The Company has received a Notice in writing under Section 160 of the Act from a Member, proposing candidature of Ms. Amogha Tadimety for the Office of Director of the Company.

The Board considers that appointment of Ms. Amogha Tadimety on the Board of the Company will immensely benefit the Company.

Accordingly the Board recommends the resolution No. 9 in relation to appointment of Ms. Amogha Tadimety as a Director, for the approval by the Shareholders of the Company.

## **MEMORANDUM OF INTEREST:**

Except Mr. Viswanath Tadimety, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution.

### **Item No. 10 – Consent for Mr. Steven Jeske to continue to hold the office of Director in the subsidiary Company.**

**Mr. Steven Jeske** is a Director of CyberTech Systems and Software Inc., a 100 % subsidiary of the Company. He is paid a remuneration as may be approved by the Board of Directors of CyberTech Systems and Software Inc. USA from time to time, such remuneration not exceeding \$250,000 per annum for a period of three years ending March 2017. Section 188 of the Companies Act 2013 requires every Director of the Company to obtain consent of the shareholders for continuing to hold an office of profit in a subsidiary company and the remuneration payable to him. Accordingly the Board commends this resolution for the approval of the shareholders.

#### **Memorandum of Interest**

Except **Mr. Steven Jeske**, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution.

### **Item No. 11 – Consent for Mr. Viswanath Tadimety to continue to hold the office of Profit in the subsidiary Company.**

**Mr. Viswanath Tadimety** is a Director of CyberTech Systems and Software Inc., a 100 % subsidiary of the Company. He is paid a remuneration as may be approved by the Board of Directors of CyberTech Systems and Software Inc. from time to time, such remuneration not exceeding \$300,000 per annum for a period of three years ending March 2017. Section 188 of the Companies Act 2013 requires every Director of the Company to obtain consent of the shareholders for continuing to hold an office of profit in a subsidiary company and the

remuneration payable to him. Accordingly the Board commends this resolution for the approval of the shareholders.

## **Memorandum of Interest**

Except **Mr. Viswanath Tadimety**, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution.

## **Item No. 12 and 13:**

The Shareholders at the meeting held on August 24, 2007 had approved ESOP Plan 2007. The plan was valid for seven years from the date of the resolution. Hence the Company proposes to initiate ESOP Plan 2014. The salient features of the New ESOP Plan 2014 are as under:

1. No. of ESOP that could be granted during the entire period of seven years from the date of the new scheme will be 1323567 Equity shares.
2. The maximum number of shares which shall be offered under new plan shall not exceed 5% of the outstanding fully paid up Equity shares of the Company.
3. All the employees with a designation of senior manager and above shall be eligible for the grant after completion of six months employment of the Company. All other employees will become eligible after completion of twelve months of employment.
4. The options granted will vest at the rate of 25% of the options granted after the completion of first year, second year, third year and fourth year from the date of the grant
5. The options will be priced at the closing price on the applicable stock exchanges (where the volume of shares traded of the Company on the day of the grant is the higher.
6. The persons to whom the Options are granted may exercise all or part of the options vested before the expiry of seven years from the date of the grant.
7. The options will be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Board of Directors.
8. Nomination and Remuneration Committee of the Board shall decide the quantum of options to be granted to any eligible employee.
9. The Company agrees to follow the accounting standards as prescribed under clause 13.1 of the SEBI (Employees Stock Option) Guidelines 1999.
10. Eligible Employees mean permanent employees of CyberTech Systems and Software Limited (CSSL) and CyberTech Systems and Software Inc.U.S.A., 100% subsidiary including directors of the Company but does not include promoter of CyberTech Systems and Software Limited (CSSL) and CyberTech Systems and Software Inc. U.S.A., independent directors of these companies and any person holding more than 10% of equity shares of CyberTech Systems and Software Limited

## **Memorandum of Interest**

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution.

## **By Order of the Board of Directors**

**Sateesh Wadagbalkar**  
**GM and Company Secretary**

Thane, August 6, 2014

Corporate Identification Number (CIN) : L72100MH1995PLC084788

## **Registered Office:**

CyberTech Systems and Software Limited,  
CyberTech House, Plot No. B-63/64/65,  
Road No. 21/34, J.B. Sawant Marg,  
MIDC, Wagle Estate  
Thane (West) – 400 604  
Tel: 91 22 25834643/44/45 Fax: 91 22 25832574  
E-mail: [cssl.investors@cybertech.com](mailto:cssl.investors@cybertech.com),  
Website: <http://india.cybertech.com>

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2014. This report includes both standalone results for the Company (CyberTech Systems and Software Ltd.) as well as consolidated results for the Company and its subsidiary CyberTech Systems and Software Inc in the USA.

### FINANCIAL RESULTS

(₹ in million)

	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Gross Revenue	<b>459.51</b>	447.93	<b>730.83</b>	752.14
Profit before Interest & Depreciation	<b>125.86</b>	178.79	<b>125.48</b>	164.36
Interest	<b>4.76</b>	0.69	<b>4.76</b>	0.69
Depreciation	<b>14.48</b>	16.19	<b>24.64</b>	25.52
Profit/(Loss) before tax	<b>106.62</b>	161.91	<b>96.08</b>	138.15
Provision for tax	<b>19.74</b>	50.07	<b>19.74</b>	50.07
Profit/(Loss) after tax	<b>86.88</b>	111.84	<b>76.34</b>	88.08
Accumulated profit b/f from previous year	<b>207.66</b>	126.79	<b>112.94</b>	55.83
Provision for Dividend (includes dividend tax of ₹ 4.50 million)	<b>30.97</b>	30.97	<b>30.97</b>	30.97
Balance to be carried forward	<b>263.57</b>	207.66	<b>158.31</b>	112.93

### DIVIDEND

Your Directors have the pleasure of recommending Dividend at Rupee 1 per Equity share for the year under review.

### REVIEW OF THE COMPANY'S STAND ALONE PERFORMANCE

The Company's primary focus continues to be delivering offshore development and support services in the Company's core technology areas. We are happy to inform that during the year the Company has made an effort to develop a product suite that is useful for all Municipalities requirements. There was a steady growth in the Offshore and Domestic revenue compared to last year. The Company continued to receive income from surplus office premises that earn rental income.

The Company's performance for the year on standalone basis is as follows:

- Total revenue during the year 2013-14 amounted to ₹ 459.51 million as compared to ₹ 447.93 million during the previous year. Total revenue is comprised of revenue from operations and other income, as follows.
- Revenue from operations for the year ended March 31, 2014 amounted to ₹ 406.57 million as against ₹ 340.11 million for the previous year. Operating revenue includes both software support and development activities. Revenue is increased by 19.54% due to increase in domestic business in India as well as Offshore business.
- Other Income amounted to ₹ 52.94 million as against ₹ 107.82 million.

CyberTech continues to be on growth path. The Company has grown its GIS and India Business substantially over the past few years. Many of the Application Maintenance projects are transformed into long term annuity projects. To allow the Company to continue this evolution, the top management of the Company has realigned the organization, established autonomy in a few new business units and streamlined the business model.

The consolidated group continues to focus on delivering services to its identified market segments in its core technology areas. It continues to align its sales and delivery organizations to an offshore centric model as well as big foray in to Domestic GIS market.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company, including its wholly owned US subsidiary are prepared in accordance with Accounting Standard 21 (Consolidation of Accounts) as prescribed by the Institute of Chartered Accountants of India and in compliance with the terms of the listing agreement with the Stock Exchanges. Together, these comprise part of the Annual Report and Accounts. The summarized consolidated results are given alongside the financial results of your Company and are discussed in the accompanying Management Discussion and Analysis of Consolidated Results.

## WHOLLY OWNED SUBSIDIARY IN USA

The Company owns 100% interest in CyberTech Systems and Software Inc., USA (CSSI) which was formed on June 12, 2003 in the State of Delaware in the United States of America, whose results are consolidated herein.

CyberTech Systems and Software, Inc. (USA) reported an operating loss of ₹ 0.38 million before interest, depreciation and tax on revenue of ₹ 612.58 million. The net loss after tax aggregated to ₹ 0.17 million.

The Company is taking steps to increase the revenue of CyberTech Systems and Software, Inc. (USA) and the management is of the opinion that it will be able to wipe off the accumulated losses of CyberTech Systems and Software, Inc. (USA) gradually.

## SUBSIDIARY IN THE MIDDLE EAST

The Company is holding 55% interest in CyberTech Middle East W.L.L. (also known as "CME"), its joint venture company in Bahrain formed in August 2008 but due to the business differences between the Local Partners of CyberTech Middle East W.L.L., Bahrain ('CME') and the Company, it had filed a suit against its Local Partners in the Country of Bahrain and hence CME is non operational.

An arbitrator was appointed by London Court of International Arbitration. As per award subsequent to the year end, the Company has received US \$ 9.68 lacs pursuant to the arbitration settlement with the Local Partners of Bahrain subsidiary. As per the award terms, the Company inter alia is also to transfer its holding to the Local Partners, once legal and other statutory formalities in respect of which are in the process of being complied with. Consideration in respect of transfer as also the aforesaid amount will be accounted for as and when necessary formalities are complied.

However, to comply with the Indian Laws, the Company appointed M/s. Hemant Mahajan and Associates, Chartered Accountants of Thane as Auditor to audit the accounts of CyberTech Middle East W.L.L., Bahrain for the Financial Year 2013-14.

## SUBSIDIARY COMPANIES' ACCOUNTS

The statement required pursuant to section 212 of the Companies Act, 1956, containing details of the subsidiaries, CSSI and CME is attached hereto.

## BUSINESS OPERATIONS OVERVIEW AND OUTLOOK

The Company has been exploring new areas which have the potential growth to Company's business. The development and evolution of GeoCivic® is still underway and based on the initial demonstrations many Municipal Offices have shown interest in implementation of this application to leverage their geographic intelligence and to optimize civic planning and development. Considering the amount of interest shown by these Local Civic Bodies, your Company expects to grow considerably in the next few years.

On March 5, 2014, CyberTech's India Business Unit, announced the launch of 'CyberTech Risk Center' that offers advanced Risk Visibility Solutions dedicated to the Indian Public and Corporate sector. The risk center has been formed under an MOU between CyberTech and NC4 - the world leader in risk management and situational awareness solutions. CyberTech Risk Center provides Indian organizations with geo-coded information on incidents that are likely to impact them, in near-real time, thus helping Indian organizations ensure business continuity, while safeguarding their employees and physical assets. The launch, held at the Grand Hyatt, Mumbai, was a success with the presence of many senior Security professionals from leading organizations across the country. The event marked the beginning of CyberTech's journey in the Indian Corporate Security and Risk Management sector.

## EXPANSION ACTIVITIES

The Company has completed the construction of their additional capacity of 25,000 sq.ft. which can accommodate around 250 IT professionals. However, the Company is yet to use this floor pending receipt of Occupancy Certificate for which the formalities have been initiated.

## FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet.

## GENERAL

The Management Discussion and Analysis Report reviews the operations of the Company in more detail and forms a part of this Annual Report.

## CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchange(s), the Company has complied with the requirements of the Corporate Governance provisions of the Listing Agreement. A report on Corporate Governance is attached to this report.

## DIRECTORS

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Prakash Kenjale, Mr. Sudhir Joshi, Dr. Shreepad Karmalkar and Dr. N.L. Sarda as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Pursuant to the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office for a period of five years in the forthcoming Annual General Meeting (AGM) of the Company.

In accordance with the provisions of the Companies Act, 2013, Mr. Viswanath Tadimety non executive Chairman of the Company retires by rotation at the ensuing Annual General Meeting but being eligible offers himself for reappointment.

Proviso to sub clause 1 of Section 149 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of directors) Rules, 2014 makes it mandatory to Listed Companies to have at least one woman director on the Board of Directors of the Company.

The Board of Directors at its meeting held on August 6, 2014 approved the proposal to appoint Ms. Amogha Tadimety as woman director retiring by rotation subject to the approval of members in the Nineteenth Annual General Meeting.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (1) (c) and Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibilities Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards were followed and proper explanation relating to material departures given.
- ii) 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 of the Company for that period.
- iii) the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

#### **AUDITORS**

M/s. Lodha & Co. (ICAI Firm Registration No. 301051E), Chartered Accountants (CAs), Mumbai was appointed as the statutory auditors of the Company for financial year 2013-14 at the Eighteenth Annual General Meeting (AGM) of the Company held on September 30, 2013 and it will be retiring at the ensuing Annual General Meeting.

M/s. Lodha & Co. has been the Auditor of the Company since 2001 and have completed a term of 14 years. Prior to this, M/s. PRICE WATERHOUSE was the Auditor of the Company from the financial year 1997-98 till financial year JUNE 2001. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

M/s Lodha & Co. has offered itself for re-appointment for a period of three years. The Company has received a certificate dated June 21, 2014 from Lodha & Co. stating that if it is re-appointed, its appointment will be within the limits prescribed under Section 141 of the Companies Act, 2013 and that their firm is not disqualified in terms of the provisions of section 139(1) of the Act to be appointed as auditor of the Company. M/s. Lodha & Co. has also confirmed that it is having the Peer Review Certificate issued by the Institute of Chartered Accountants of India as required by the Listing Agreement with the Stock Exchanges.

The comments made by the Auditor in its report are self-explanatory and do not call for further explanation.

#### **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956**

There were no employees in receipt of remuneration during the year requiring disclosure under section 217 (2A) of the Companies Act, 1956.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure to this Report.

## EMPLOYEES STOCK OPTION PLAN

The position of ESOPs granted and exercised during the year is as under.

<b>Number of options granted:</b>	375,000
<b>Pricing formula:</b>	Not Applicable
<b>Options vested:</b>	A total of 156,250 options vested during the year.
<b>Options exercised and number of shares arising out of such exercise:</b>	No grantee exercised options during the year.
<b>Options lapsed:</b>	During the year 692,500 options lapsed out of options granted.
<b>Variations in terms of options:</b>	There was no variation in the terms of options.
<b>Money realized on exercise of options:</b>	Nil
<b>Total Number of options in force:</b>	Total number of 1,200,000 options were in force as on 31.3.2014.
<b>ESOPs granted to senior managerial personnel:</b>	For the year ended 31.3.2014, the Company granted 375,000 options to Senior Managerial Personnel.  Further for the year ended 31.3.2014, the Company did not grant more than 1% of the issued capital of the Company to any one person as of the date of grant

### Method of Accounting

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company, Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option

Summary of the options outstanding under the Employees Stock Option Plan(ESOP):

	As at March 31, 2014		As at March 31, 2013	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	1,517,500	15.57	1,697,500	15.88
Granted during the year	375,000	11.34	0	0
Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	692,500	12.95	180,000	16.62
Options outstanding at end of year	1,200,000	15.75	1,517,500	15.57
Vested options pending exercise	668,750	17.77	1,030,000	15.29

The following summarizes information about stock options outstanding:

### As at March 31, 2014

Range of Exercise price	Number of Shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 10 to ₹ 15	375,000	6	11.34
₹ 15 to ₹ 23	825,000	5	17.76

As at March 31, 2013

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 10 to ₹ 15	600,000	4	12.28
₹ 15 to ₹ 23	917,500	5	17.71

#### Fair Value methodology for the option:

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹ 7.55 to ₹ 22.90 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at March 31, 2014	As at March 31, 2013
Dividend yield	0-10%	0-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46% - 6.65%	6.46% - 6.65%
Expected life of option	0 – 7 yrs	0 – 7 yrs

#### Impact of Fair value method on Net Profit and EPS

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit income and earnings per share would have been, as indicated below:

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Profit attributable to Equity Shareholders	<b>86,884,875</b>	111,841,136
Less: Stock-based compensation expense determined under fair value based method	<b>177,868</b>	207,513
Net Profit	<b>86,707,007</b>	111,633,623
Basic and diluted earnings per share (as reported)	<b>3.27</b>	4.22
Basic and diluted earnings per share (under fair value method)	<b>3.27</b>	4.22

#### ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and sincere gratitude to the various departments of the Central and State Government, Company's Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors also record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

**For and on behalf of the Board of Directors**

**Viswanath Tadimety**  
Chairman

Place: Thane  
Date : August 6, 2014



**ANNEXURE TO DIRECTORS' REPORT**

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the Year ended March 31, 2014:

**CONSERVATION OF ENERGY:**

Since the Company is engaged in the manufacture of Computer Software Development and other related activities, furnishing of details pertaining to conservation of energy are not applicable.

a. Energy conservation measures taken:	The computer systems installed are designed for low power consumption.
b. Additional investments and proposals, if any, being implemented for reduction of energy:	Nil
c. Impact of measure in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:	Not Applicable
d. Total energy consumption and energy Consumption per unit of production:	Not Applicable

**TECHNOLOGY ABSORPTION:**

e. Efforts made in technology absorption:	Not Applicable
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**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

f. Activities relating to exports initiative taken to increase exports, development of new exports, development of new export market for products, services and export plans: Statement of expenditure/earnings incurred in Foreign Currency:	As detailed in the Report
Outgo (Dividend)	₹ 92,84,389/-
Outgo (Travel Expenses and other Expenses)	₹ 39,20,679/-
Income	₹ 3,412,61,518/-

**For and on behalf of the Board of Directors**

**Viswanath Tadimety  
Chairman**

**Place : Thane  
Date : August 6, 2014**

## MANAGEMENT DISCUSSION AND ANALYSIS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. Management of CyberTech Systems and Software Limited (the “Company”) accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used in the preparation of the financial statements. These estimates and judgment have been made on a reasonable and prudent basis, so that the financial statements reflect the form and substance of transactions in true and fair manner, and showcase the state of affairs of the Company.

Results discussed herein include consolidated results for the Company, including its wholly owned US subsidiary.

### 1. INDUSTRY OVERVIEW

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives such as revenue growth, profitability and asset efficiency.

Technology has evolved from merely driving cost efficiency. It is now also driving tangible business value. The ability to define, design, develop, implement and maintain advanced technology platforms and business solutions to address business needs has become a competitive advantage and a priority for corporations worldwide.

As a result, there is an increasing need for highly-skilled professionals in the market to help corporations transform their business, optimize operations and drive innovation by leveraging technology. At the same time, enterprises are reluctant to expand their internal IT departments and increase costs. These factors have led to the increased reliance of corporations on their outsourcing providers and are expected to continue to drive future growth for outsourced technology services.

Increasing trend towards offshore technology services

Corporations are increasingly turning to offshore service providers to meet their need for higher quality and cost-competitive technology solutions. As a result, offshore service providers have become critical to the operations of many enterprises and these service providers continue to grow in recognition and sophistication. In view of this, the addressable market for offshore technology services has expanded.

#### 1.1 Business Overview

CyberTech is a leading provider of next-generation geospatial, networking and enterprise IT solutions. The Company delivers its services primarily to customers in the USA and India, it continues to focus on delivering its development and support projects on an offshore basis. As the bulk of its services are currently delivered in other countries, the Company remains subject to the effect of changes in the relative values of the respective country currencies.

Company’s success stems from its strong technology and business partnerships with industry leaders like ESRI, SAP, CISCO and MICROSOFT. Company works strategically with its partners to deliver mission critical solutions for leading businesses and government establishments across the globe.

The Company has also invested its capital in expanding its building premises, its wholly owned subsidiary in the United States and in its joint venture company in the Middle East. The Company realizes rental income from its unutilized office premises.

#### 1.2 Company Operations

CyberTech is a global information technology firm providing professional consulting services in the following practice areas:

- **Geographical Information Systems** - based on ESRI software technologies. Geo-database Creation, Municipal GIS Application Development, Enterprise GIS Application Development, Integration, Implementation Post Implementation Support.
- **Network Services** – based on Cisco Systems technologies. Planning and design services, public safety solutions, data center support and Cisco support services.
- **SAP** - ERP application providers. Implementation, Upgrade and Post Implementation Support Services and also SAP GIS integration services.

- **Custom Technologies** - including Microsoft, Oracle and Open Source Technologies Application Development, Integration and Maintenance)

The Company maintains Advanced Technology Centers ("ATC") for the development and support of SAP, ESRI, Cisco and Microsoft technologies. Operations of the Company are completely integrated with its subsidiaries. The Company performs delivery management including offshore development and support, finance and administrative functions for the consolidated group. CyberTech Systems and Software, Inc. (USA) (also known as "CSSI") is the wholly owned US subsidiary of the Company formed in June 2003. This Subsidiary focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities. CSSI focus is to sell both on-site and offshore Information Technology services in the practice areas mentioned above.

The Company's consolidated customer base can be classified into two groups:

## 1.2.1 Commercial Sector

This group includes all commercial organizations in the US and elsewhere. The Company targets the SME (small and medium sized businesses up to \$1B) market sector as well as Enterprise (Global) corporations. We believe this market holds significant potential for Company growth, largely driving offshore business for the company. This marketplace represents approximately 85% of the company's business.

## 1.2.2 Public Sector and Utility Companies

This includes national, state and local governments, non-profit entities and utility companies, primarily in the US. The Company has several large public sector and utility customers that comprise approximately 15 % of the Company's business. Although these services typically are not delivered in an offshore format, there is a significant market due to our experience and depth of expertise in areas useful to public sector and utility clients. Current market focus is to additionally deliver services in this segment in the domestic market as well as the Middle East.

## 1.3 Strategic Business Units

The Company has grown its GIS and India Business substantially over the few quarters. Several of the Application Maintenance projects are transformed into long term annuity projects. To allow the Company to continue this evolution, the top management of the Company has realigned the organization, established autonomy in a few new business units and streamlined the business model.

This restructuring the functions has helped the Company to simplify its structure, define clear Roles and Responsibilities with well defined incentive plans. This restructuring is flexible enough to allow fine tuning but at the same time is strict enough to be implemented, respected and to stick with. New structure allows individuals to develop long term organizational vision, enjoy more autonomy and take responsibility of larger functions and risky undertakings.

## 2. BRAND BUILDING

The Company undertook marketing initiatives to promote the CyberTech brand, and the brand promise of 'The Difference is Depth' to its clients. The Company participated in leading industry and business events around the world, reaffirming its commitment to delivering a complete brand and organizational experience. Apart from regular channels, CyberTech continues to invest in building the brand in the digital space using premium business and technology solutions through focused branded properties like 'www.appmaps.com'.

CyberTech continued to articulate the brand promise internally, using various channels and internal marketing assets and leveraged them to activate the brand amongst employees as well as other important stake holders.

Post the Company's launch of Geocivic™, its GIS based application suite many Municipal Offices have shown interest in implementation of this application to leverage their geographic intelligence and optimum civic planning and development. Considering the amount of interest shown by these Local Civic Bodies, the company expects to grow considerably in the next few years. The company has been exploring new areas which have the potential growth to Company's business and recently has come up with an application catering to various Municipal offices of Local Government.

### 2.1 Technology and Innovation

CyberTech continues to invest in futuristic areas related to Geo-spatial, Networking, and Enterprise IT Solutions to make a difference to its customers and society. The Company's R&D center at Thane, India continuously strives to improve quality and efficiency of current offerings to customers and enable them prepare for future challenges.



Several of the R&D outcomes have been now moved to the mainstream business in form of solutions like 'GeoShield', 'GeoCivic' etc and in the form of frameworks e.g. 'Geo 2.0'.

## 2.2 Intellectual Property (IP)

Company continues to build an effective portfolio of Intellectual Property for future monetization, collaboration and risk mitigation. In fiscal 2013-14 company continued to focus on building and managing of IPs. Company emphasizes to its employees for collaborative mining of Intellectual Property. IPs gives multiple advantages like cost and time saving, technical edge, risk mitigation etc.

The Company continuously engages in customer focused innovation and launches new offerings that use technology to address its clients' business problems.

To augment the growth CyberTech has successfully converted its various IPs into various light apps and hosted on [www.appmaps.com](http://www.appmaps.com).

## 2.3 Products of the Company

**GeoCivic:** GeoCivic is an extremely powerful, visually intuitive, web-based, GIS solution to manage mission-critical aspects of city government. Government officials can be assured of a secure, seamless, and reliable environment while managing various departments of Municipal Corporation. GeoCivic solution can be used by government officials to manage and carry out various municipal processes from land use/water/road/fleet/encroachment management to monitoring health, drainage system, slums, and others including a portal exclusively for citizens.

**GeoShield:** With increasing natural disasters and terrorism incidents worldwide, the need of the hour is a robust, highly accurate Public Safety solution incorporating geographic context of activities to ensure optimum response and public safety measures.

CyberTech's GeoShield a new-age GIS solution helps to build a centralized, user-friendly geo-information repository with advanced analytics to enhance emergency decisions and expedite response, without compromising on accuracy. One can merge complex, disparate datasets including Geo-RSS, live traffic camera, and other live feeds and give analysts, decision makers and operators a common operational picture (COP). Through GeoShield we support all aspects of situational awareness lifecycle spanning Assessment and Preparedness, Detection and Prevention, and Response and Recovery.

**GeoServe** Location intelligence solutions integrate geographic information systems (GIS) with business intelligence (BI) systems to let you visualize the geospatial relationships within your business intelligence. The visual impact of location intelligence improves "speed to insight," making information - and business decisions - more timely. It gives your decision makers an edge - an information advantage. With GeoServe you not only get to know about where an asset is located, but where it is located in relation to other assets and that relationship is best presented visually.

**CyberServe:** Businesses have been using mapping applications to manage their assets spread across large geographical areas and ERP systems to manage transaction processes including financial, maintenance and work management. CyberTech introduces CyberServe, a web based mapping application that integrates with Business Application System or Enterprise Resource Planning (ERP) system in real time and provides the ability to query, view and process business transactions in the ERP system on the map. With CyberServe you can manage assets and streamline the workflows. Businesses can now easily integrate ERP systems like SAP, Salesforce, SAS, SharePoint, Microstrategy, BOBJ etc with our mapping applications.

## 3. OPPORTUNITIES AND THREATS

### Opportunities:

Information Technology support services remains an increasingly competitive business environment. With the change in emerging technology areas, companies have become dependent on technology not only for day-to-day operations, but also for the use of technology as a strategic tool to enable them to re-engineer business processes, restructure operations, ensure regulatory compliances, etc. As systems continually become more complex, companies increasingly turn to external IT services provider to develop & implement new technologies & integrate them with existing applications in which companies have made considerable prior investments. Additionally, many companies continue to explore methods to reduce their cost of IT operations. This provides an opportunity for providers to support and integrate company IT systems on an ongoing basis. The Indian IT Industry becomes a powerful tool used by companies to reduce their costs.

CyberTech has Alliance partnerships with several leading technology companies in its practice areas including SAP, ESRI, Cisco and Microsoft. The company is well poised to take advantage of the new advanced technologies provided by these alliance partners. These technology alliance partners expect to see major technology opportunities for their customers in the United States.

CyberTech continues to focus as a priority on obtaining and providing offshore sourced services for its customers. Any increase in offshore related services should have the effect of increased company margins and profitability and increased longevity of business contracts. The company intends to continue to grow its share in existing clients. This has the supplemental effect of reducing the cost of overhead and delivery cost.

## **Threats:**

The economic uncertainty of the current worldwide markets makes the future less predictable than in the past due to the current demand environment. Worldwide IT spending growth has significantly reduced with budget cutbacks on IT spending by customers, buyers in “wait and watch” mode, government units significantly cutting budgets to match expected revenue shortfalls and delayed decision making. Reduction in new client additions, absence of large deals, vendor consolidation, downsizing for greater efficiencies and cost savings as well as pricing pressures — in both onsite and offshore realization put greater pressures on revenues and margins in the last fiscal year and are expected to track lower for some time.

The US market is under increasing pressure from general economic conditions as growth diminishes. US spending on off-shoring services have slowed in the face of these market conditions as well as the adoption of protectionist measures by policy makers. CyberTech is also subject to the threats of competing against much larger International IT service providers, the large global Indian IT service providers and more entrenched US and Global System integrators, many of which also provide services to established markets on an offshore basis. The good news is that, global sourcing is expected to increase as focus on cost and ‘value’ increases with buyers “stretching the dollar” to include greater value delivery.

As with other Indian IT Services companies, other general threats to the business continue to include competition among Information and Technology units in India for talented people, which has resulted in rising employee compensation packages and shrinking margins available to IT Companies. We are also seeing a potential backlash in the US from the increasing loss of employment due to outsourced services overseas, resulting in an impact on the country’s immigration enforcement procedures.

## **4. OUTLOOK AND RISKS**

The Company maintains its focus on the Public sector and Enterprise SAP and GIS custom technology applications. It is expected that its strengthened relationships and alliances with partners such as SAP, Microsoft, IBM, and ESRI will continue to lead to business and revenue growth and increasing profitability with a continued focus on offshore revenue as and when the global market improves.

The company will continue to maintain its focus on its ESRI alliance partnership, which has helped in gaining a presence in the Geographic Information Systems (GIS) practice. The Company is proud to be one of ESRI’s main offshore partners & expects to continue to provide offshore support from India to ESRI in building and supporting their applications.

The Company continues its focus aligning its sales and delivery structure to an Indian Model.

The Company has not kept up with industry growth trends, primarily due to decreased spending in the US public sector and a corresponding decrease in activity at several of our large clients. Additionally, the absorption of new customers in the targeted SAP small/medium client base has not grown as expected. US market conditions continue to soften making it harder to locate new development opportunities. The Company intends to continue to grow its offshore business while exploring new opportunities domestically and in adjacent markets, including new ventures in the Middle East and India domestically. New opportunities will focus on leveraging our US public sector expertise and delivering our market solutions and products to these markets. Companies continue to look for specialized expertise and cost saving methods, both of which are provided by the Company.

The Company’s US subsidiary generated a loss after tax for the period. The Company has been impacted by the worldwide slowdown in discretionary IT spending which has impacted several of our targeted sectors. Due to this slowdown, our clients and many other companies are deferring the implementations of new systems and other discretionary spending. The new paradigm has become one of “reducing the total cost of ownership including the ongoing maintenance and support of IT systems”. This has especially affected the SAP market with a significant drop in the sale of new SAP licensed in the current year and lowered expectations of the ongoing cost of maintaining systems. The Company has focused its efforts on driving cost effective support offerings resulting in improved offshore revenue while realizing a detriment to onsite business. This coupled with reduced spending in the public sector and increased pressure by the government to reduce the number of foreign IT workers has negatively impacted growth in the United States. These actions do not forecast a quick turnaround in the US market. The company continues to take all reasonable steps to reduce and optimize costs to improve profitability. Focus remains on expanding the benefits from our alliance partners and creating offshore opportunities where relationships are of a long

term nature and recurring services can be provided at a lower cost.

Some of the key strategic risks the company faces, their impact and corresponding risk mitigation actions undertaken by the company are discussed in the table:

<b>Key Risks</b>	<b>Impact on CyberTech</b>	<b>Mitigation</b>
Lack of diversification	The Company's potential for growth is driven by one market segment, namely IT services, with a focus on several technology areas.	Company management has purposely remained focused in the near term as opposed to spreading its manpower too thin to achieve its goals. The company is also taking measures to change the perspective from the pure services providers company to market "Product" and "IP"
Excessive dependence on one geographic segment	A large percentage of company's revenue comes from USA heavy dependence on this one geographic segment could lead to volatility because of the economic and political situation there.	The Company has successfully penetrated into the local Indian market apart from the operations established in Middle East last fiscal.
Legal and Statutory Risks	The company's international operations are subject to local legal and statutory risks including compliance with local laws and regulations, one of which is compliance with immigration laws and regulations, which may change from time-to-time. Other risks include contractual risks when delivering complex technology solutions.	As of the date of this report, the company is not aware of any noncompliance with local laws or regulations that would have a material impact on the financial statements.
Risk of attracting and retaining of IT Professionals in a highly competitive environment	In the IT services industry, people are the most valuable assets. Attrition of the key technical talent is one of the major risks.	The company reviews its compensation policies regularly to determine that compensation is competitive with the market conditions. The company also determines that there is a defined career path for all employees and the work environment provided to all employees is of very high standard.
Currency Risk	The changes in currency rate between Indian Rupees and US dollars have been a major cause of concern. The fluctuation of rates coupled with the shocks emerging from various parts of the world relating to the economic meltdown has increased the currency risk.	The company has tried to protect itself through various measures using available financial instruments from time to time.

## 5. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The company strictly adheres to the internal control systems proven to be effective over the years. The internal audit team carries out extensive audit on all operations at regular intervals. The company implements the policies and procedures so as to safeguard the assets and interests of the company.

The internal control systems are implemented with a view to achieve good ethical culture within the organization. The internal control systems would ensure that any vulnerability in the achievement of company's objectives caused by risk factors whether internal or external, existing or emerging, is detected and reported in a timely manner and is meted out with appropriate corrective action. Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system.

## 6. FINANCIAL CONDITION

Your company had consolidated revenues of ₹ 73.08 crores and ₹ 7.63 crores net income in the current year. We expect to achieve significant growth in revenue and net income in the coming year.

The financial health of your company indicates adequate and sustainable financial resources to meet with the needs of its business.

The Company and/or its wholly owned subsidiary have:

- Generated cash from its business
- Gained more productivity from its assets and properties
- Maintained its current dividend level

The Company believes it has adequate and dependable resources to meet its liquidity needs, including the ability to raise short term debt, and manage the ongoing mismatched cash flows inherent in a consulting business.

## 7. HUMAN RESOURCES

The Company not only provides a safe & healthy working environment to all its employees but also emphasizes to create an environment where performance is rewarded, individuals are respected and employees get opportunities to realize their potential. Our focus is to develop individual and team competencies and capabilities for driving operational excellence and building a high performance organization. Hence our Talent Management program is focused on Talent Acquisition, Development and Retention. The Company regularly reviews the performance of its employees and provides them job enrichment opportunities. The Company has a Stock Options Plan for eligible Employees / Directors. The Company has been successful in building a performance driven culture through a systematic performance appraisal process influencing total compensation

Headcount stands at 432 full time employees as at the end of the FY2014

### CyberTech Management and Leadership Program

The Company holds regular programs to develop team spirit and to motivate its employees to perform better. The company has launched a CyberTech Management Leadership Program.

The objective of the CML program is to select, recruit and groom young leaders and next generation managers of CyberTech. The program will:

- Provide CML managers opportunities for professional growth within CyberTech.
- Groom, develop and build CML alumni as key managers and leaders of the Company.
- Tap their energy and vast potential to support growth of CyberTech as an organization.
- Take Leadership roles in CyberTech's core IT business units, Financial, Real Estate and Human Capital management

### Need for Multidisciplinary Education and Experience

CyberTech believes in a multi disciplinary education as a robust base for general management and leadership. All real life problems and opportunities require multi disciplinary education and management skills. Our management experience over the years has proved that leaders need to be experienced in at least two or three distinct disciplines (examples such as Management and Accounting; Law and



Finance; Engineering and Management; Finance and HR).

## **8. CAUTIONARY STATEMENT**

Statements in this Management Discussion & Analysis Report describing the Company's objectives, projections, estimates, expectations or projections may be 'forward looking statements'. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments, particularly in the USA, & improvements in the state of Information Technology Services markets, changes in the Government regulations in India & USA, tax laws & other incidental factors.



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To,  
The Members,  
CyberTech Systems and Software Limited**

We have examined the compliance of the conditions of Corporate Governance by CyberTech Systems and Software Limited ('the Company'), for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 and based on the representations given by the Management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For LODHA & CO.  
Chartered Accountants  
Firm Registration No. 301051E**

**A.M. Hariharan  
Partner  
Membership No. 38323**

**Mumbai  
August 6, 2014**

## REPORT ON CORPORATE GOVERNANCE

We are pleased to submit hereunder a detailed report on Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement.

We have implemented the mandatory provisions on Corporate Governance stipulated under revised Clause 49 of the Listing Agreement with the Stock Exchanges

### Company's Philosophy on Code of Corporate Governance

Since inception, CyberTech has been adopting best practices in the area of corporate governance as a means of effectively protecting and enhancing shareholder value. CyberTech continues to focus on delivering predictable revenues with consequential profits. It would be our endeavour to nurture sustained growth with increased profit margins and enhanced shareholder value. CyberTech believes that transparency in operations strengthens investors' confidence. Keeping this in view, the responsibility for upholding high standards of corporate governance lies with the Board and the various Committees of the Board. Details of corporate governance practices followed in CyberTech are detailed hereunder:

### Board of Directors

Composition of the Board is as follows :

1	Mr. Viswanath Tadimety	Non-Executive Chairman and Promoter Director
2	Mr. Sudhir Joshi	Independent Director
3	Mr. Ramasubramanian Sankaran	Executive Director
4	Mr. M.P. Bharucha	Non-Independent Director
5	Dr. Tapan Kumar Mukhopadhyay@	Whole Time Director
6	Mr. Prakash Kenjale	Independent Director
7	Dr. Shreepad Karmalkar	Independent Director
8	Dr. N.L. Sarda	Independent Director
9	Mr. Steven Jeske	Non-Executive and Non-Independent Director
10	Mr. Rahul Ghosh#	Independent Director

@ Resigned as Whole Time Director and Director of the Company effectively from 13th August, 2013

# Retired by rotation in 18th Annual General Meeting on 30th September, 2013

During the period April 1, 2013 to March 31 2014, the Board met four times. Dates of the Board Meetings and attendance thereat are furnished hereunder:

Date of Board Meeting	May 15, 2013	August 13, 2013	November 8, 2013	February 13, 2014
Board Strength	9	9	8	8
No. of Directors Present	6	5	6	4

### Attendance of individual Directors at the Board Meetings and last AGM :

Name of Director	No. of Board Meetings held during year	No. of Board Meetings attended	Attendance at last AGM
Mr. Viswanath Tadimety	4	3	Attended
Mr. Ramasubramanian Sankaran	4	4	Attended
Mr. Sudhir Joshi	4	4	Attended
Mr. Prakash Kenjale	4	2	Not Attended
Mr. Steven Jeske	4	3	Not Attended
Mr. M.P. Bharucha	4	2	Not Attended
Dr. Shreepad Karmalkar	4	2	Not Attended

Dr. Tapan Kumar Mukhopadhyay	4	2	Not Attended
Dr. N.L. Sarda	4	4	Not Attended
Mr. Rahul Ghosh	4	1	Not Attended

Mr. Viswanath Tadimety, Mr. Steven Jeske, Mr. Prakash Kenjale, Dr. Shreepad Karmalkar and Mr. M.P. Bharucha, joined deliberations on-line when not in station.

Data indicating number of other Directorships held by the Directors of the Company is given below:

Name of Director	PD/ID/WTD*	No. of other Directorship(s)**	Committee Membership***	Committee Chairmanship ***
Mr. Viswanath Tadimety	PD	-	-	-
Mr. Sudhir Joshi	ID	3	-	-
Mr. Prakash Kenjale	ID	-	-	-
Dr. Shreepad Karmalkar	ID	-	-	-
Mr. M.P. Bharucha	NED/NID	2	-	-
Mr. Ramasubramanian Sankaran	ED	-	-	-
Dr. N.L. Sarda	ID	3	1	-
Mr. Steven Jeske	NED/NID	-	-	-

\*PD – Promoter Director, ID – Independent Director, WTD – Whole Time Director

NED/NID – Non-Executive/Non-Independent Director ED – Executive Director

\*\* Excludes directorships on Indian Private Limited Companies, foreign companies and Companies incorporated under Section 25 of the Companies Act, 1956

\*\*\*As per clause 49 I (c) Chairmanships/memberships for Audit Committee and/or Share Transfer Committee have been considered.

## Audit Committee

Composition of the Audit Committee

1	Mr. Sudhir Joshi	Chairman
2	Dr. N.L. Sarda	Member
3	Dr. Shreepad Karmalkar	Member
4	Mr. Rahul Ghosh@	Member

@ up to August 13, 2014

Members of the Audit Committee, who are also on the Board, possess adequate knowledge in areas of corporate finance, accounts and company law.

The terms of reference of the Audit Committee, inter-alia, include:

1. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:



- a. Management discussion and analysis of financial condition and results of operations;
  - b. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in Section 134(1) (c) & 134(5) of the Companies Act, 2014;
  - c. Changes, if any, in accounting policies and practices and reasons for the same;
  - d. Major accounting entries involving estimates based on the exercise of judgment by management ;
  - e. Significant adjustments made in the financial statements arising out of audit findings;
  - f. Compliance with listing and other legal requirements relating to financial statements ;
  - g. Disclosure of any related party transactions;
  - h. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency for monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structural coverage and frequency of internal audit.
  9. Discussion with internal auditors on any significant findings and follow up there on.
  10. Reviewing the findings on matters of any internal investigations by the internal auditors 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.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

Four Audit Committee Meetings were held during the Financial Year 2013-14 on May 15, 2013, August 13, 2013, November 8, 2013, and February 13, 2014. Attendance of the Directors was as follows :

Director	No. of Committee Meetings attended
Mr. Sudhir Joshi	4
Dr. N. L. Sarda	2
Dr. Shreepad Karmalkar	1
Mr. Rahul Ghosh	1

## Remuneration Committee

Composition of the Remuneration Committee

1	Mr. Sudhir Joshi	Chairman
2	Mr. Viswanath Tadimety	Member
3	Dr. Shreepad Karmalkar	Member
4	Mr. M.P. Bharucha	Member

5	Dr. N.L. Sarda	Member
6	Mr. Rahul Ghosh@	Member

@ up to August 13, 2013

The functions of the Remuneration Committee are:

- to recommend to the Board of Directors remuneration payable to Executive Director/Whole Time Director.
- to ensure that a proper system of compensation is in place.
- to devise and recommend to the Board, a Scheme for granting stock options to the employees of the Company and
- to frame suitable regulations for ensuring proper administration and superintendence of the Employees Stock Option Plan (ESOP) Scheme. The Committee submits its recommendation to the Board of Directors from time to time indicating details of eligible employees to whom options under ESOP would be granted.

During the year two meetings of Remuneration Committee were held on 13.8.2013 and 13.2.2014. Attendance of the Directors was as follow :

	Director	13.8.2013	13.2.2014
1	Mr. Sudhir Joshi	Yes	Yes
2	Dr. N.L. Sarda	Yes	Yes
3	Mr. Viswanath Tadimety	Yes	Yes
4	Dr. Shreepad Karmalkar	Leave of absence	Leave of absence
5	Mr. M.P. Bharucha	Leave of absence	Leave of absence
6	Mr. Rahul Ghosh@	Leave of absence	Leave of absence

@ Up to August 13, 2013

#### Details of remuneration paid to the Directors and Whole Time Directors for Financial Year 2013- 2014

Name	Designation	Salary ₹	Commission ₹	Sitting fees ₹	Total (₹)	Notice Period
Mr. Viswanath Tadimety	Chairman	Nil	Nil	60,000	60,000	Nil
Mr. Prakash Kenjale	Director	Nil	100,000	40,000	140,000	Nil
Mr. Steven Jeske	Director	Nil	Nil	60,000	60,000	Nil
Mr. Sudhir Joshi	Director	Nil	150,000	200,000	350,000	Nil
Dr. Shreepad Karmalkar	Director	Nil	100,000	60,000	160,000	Nil
Mr. Rahul Ghosh#	Director	Nil	100,000	20,000	120,000	Nil
Mr. M.P. Bharucha	Director	Nil	Nil	40,000	40,000	Nil
Dr. N.L. Sarda	Director	Nil	100,000	200,000	300,000	Nil
Dr. Tapan Kumar Mukhopadhyay @	Whole Time Director	803,101	Nil	Nil	803,101	3 Months
Mr. Ramasubramanian Sankaran	Executive Director	2,763,061	Nil	Nil	2,763,061	3 Months

# Upto September 30, 2013

@ Up to August 13, 2013

### Shareholders' / Investors' Grievance Committee

Present composition of the Investors' Grievance Committee is as under:

1	Mr. Sudhir Joshi	Chairman
2	Mr. Steven Jeske	Member
3	Dr. Shreepad Karmalkar	Member
4	Dr. Tapan Kumar Mukhopadhyay @	Member
5	Dr. N.L. Sarda	Member
6	Mr. Ramasubramanian Sankaran	Member
7	Mr. Rahul Ghosh@	Member

@ upto August 13, 2013

One Investor Grievance Committee Meeting was held on 29.5.2014 and attendance of the Directors thereat was as follows:

Director	Attended/Not Attended
Mr. Sudhir Joshi	Attended
Dr. N.L. Sarda	Attended

The Board has authorised the Committee to approve the share transfers/ transmissions, issue of duplicate share certificates, review the status of investors' grievances and redressal mechanism and to recommend measures to improve the level of investor services. Details of share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time. The Board has delegated the authority to allot equity shares against the Stock Options exercised by the employees/ directors, granted to them under the Employees Stock Option Plan (ESOP) of the Company, to the Shareholders' / Investors' Grievance Committee.

The Company has one investor complaint outstanding as on date, which is sub-judice.

Compliance Officer: Mr. Sateesh Wadagbalkar, General Manger and Company Secretary.

Exclusive e-mail id for Investor Grievances: [cssl.investors@cybertech.com](mailto:cssl.investors@cybertech.com)

### General Body meetings

#### i. Location and time, where last three AGMs were held

Particulars	FY 2010-11	FY 2011-2012	FY 2012-2013
Date & Time	September 30, 2011 3 P.M.	September 28, 2012 3 P.M.	September 30, 2013 3 P.M.
Venue	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J.B.Sawant Marg, MIDC, Wagle Estate Thane (West) – 400 604	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J.B.Sawant Marg, MIDC, Wagle Estate Thane (West) – 400 604	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J.B.Sawant Marg, MIDC, Wagle Estate Thane (West) – 400 604

#### ii. Brief details of special resolutions passed in the previous three AGMs

On September 30, 2011, no special resolution was passed.

On September 28, 2012, following special resolution was passed.

(1) Payment of Commission to any or all Non Executive Directors of the Company

On September 30, 2013, no special resolution was passed

#### Disclosures

(1) No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years. But during 2013-14 Reserve Bank of India levied a penalty of ₹ 3,97,800/- for compounding the offence under Regulation 2(ii) Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside

India) Regulation 2000 notified vide Notification No. FEMA-20/2000-RB dated 3rd May 2000.

## **(2) Related Party Transactions**

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transaction as set out in notes to accounts, which do not have potential conflict with the interests of company at large.

## **(3) Whistle Blower Policy**

The Company has announced Whistle Blower policy to prohibit management from taking adverse action against employees disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement or abuse of any authority.

## **(4) Disclosure of Accounting Treatment**

The financial statements are prepared on accrual basis of accounting in accordance with Indian GAAP, provisions of the Companies Act, 1956(the Act) and comply in material aspects with the accounting standards, notified under section 211 (3C) of the Act read with the Companies(Accounting Standard ) Rules, 2006.

## **(5) Model Code of Conduct for Directors and Senior Management Team**

In line with the requirements under revised Clause 49 of the Listing Agreement, your Company has formulated model code of conduct for the Directors and members of senior management team. Your Company has obtained written declaration from the Directors and members of the senior management team affirming compliance with the Code of Conduct under revised Clause 49 of the Listing Agreement.

## **(6) CEO/CFO Certification**

A certificate from Executive Director on the financial statements of the company was placed before the Board.

## **(7) Directors Responsibility Statement**

The draft Directors Responsibility Statement signed by Executive Director dated August 6,2014 which is to be included in Board's Report for F.Y.2013-14 was reviewed by Audit Committee at its meeting held on August 6,2014.

## **(8) Risk Management Policy**

The risk management practices adopted by the management ensure that management controls risks. During the F.Y. 2013-14 following type of risk was reviewed by the Audit Committee/Board

A. Forex Risk : The company has adopted Forex Policy for management of forex risk which is implemented.

## **(9) Compliance with mandatory requirements of Clause 49 of Listing Agreement**

The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement.

## **(10) Means of Communication**

- (a) Quarterly results are also put on the website of the Company.
- (b) Newspapers wherein results normally published: Free Press Journal in English and Navashakti in Marathi.
- (c) Any website, where displayed: [http:// india.cybertech.com](http://india.cybertech.com)
- (d) Whether it also displays official news release : Yes
- (e) The presentation made to institutional investors or to the analysts: No.

## **(11) General Shareholder information:**

- a. AGM Date : September 30, 2014
- b. Time : 4 P.M.
- c. Venue : CyberTech House, MIDC, Wagle Industrial Estate, Thane-400 604
- d. Financial year : 2013-14
- e. Date of book closure : September 22, 2014 to September 30, 2014
- f. Dividend Payment : Dividend, if approved at the AGM shall be paid/credited on or after October 25, 2014.
- g. Listing on Stock Exchanges and Code :

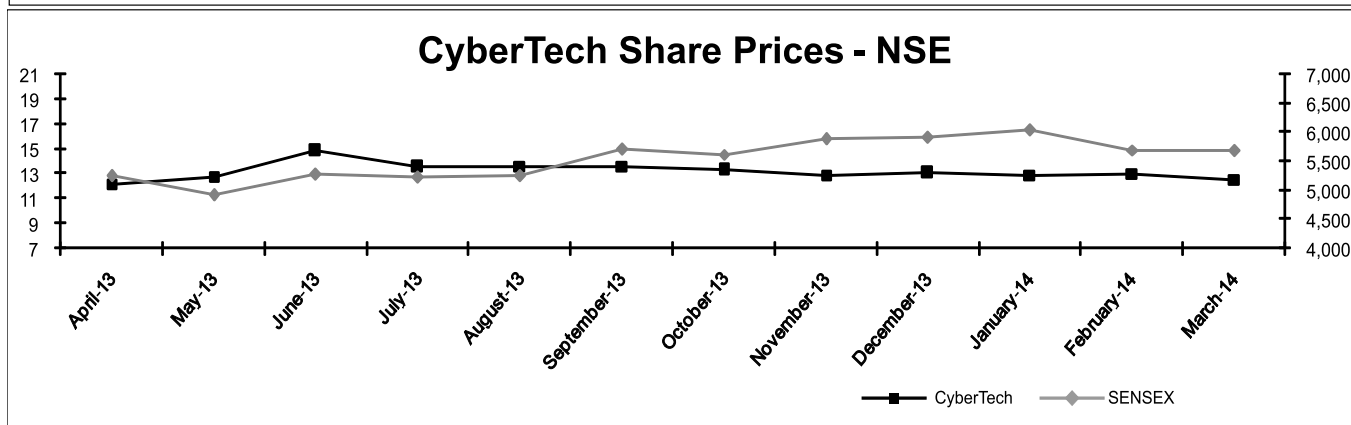
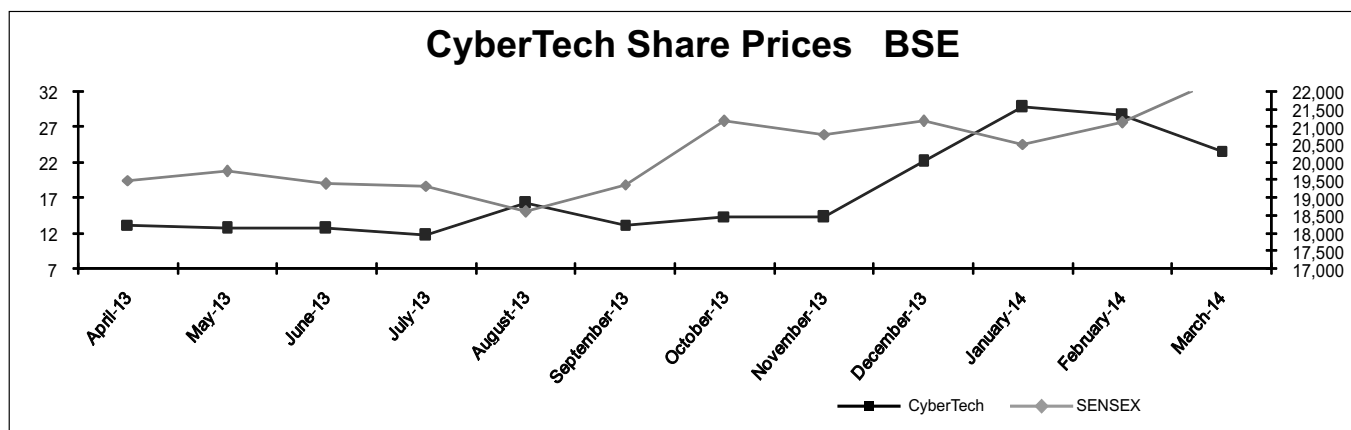
(i) The Bombay Stock Exchange Limited: 532173

(ii) National Stock Exchange of India Limited: CYBERTECH

h. Market Price Data : High, Low during each month in last financial year

Month	BSE		NSE	
	High	Low	High	Low
April 2013	14.86	12.45	14.80	11.65
May 2013	14.45	12.55	14.45	12.35
June 2013	13.52	12.00	14.85	11.35
July 2013	12.95	11.10	14.75	11.40
August 2013	16.90	10.01	17.15	10.00
September 2013	16.10	12.70	17.10	12.75
October 2013	16.25	13.05	14.95	12.90
November 2013	16.95	12.35	15.75	13.55
December 2013	24.39	14.12	24.35	14.10
January 2014	29.95	18.70	30.05	19.05
February 2014	31.15	26.50	31.10	26.60
March 2014	29.75	22.00	29.45	23.35

Performance in comparison to Broad-based indices such as BSE Sensex, Nifty etc:





- i. Registrar and Transfer Agents : Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) C 12, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai -400 078
- j. Share transfer system: Shares sent for transfer in physical form are generally registered and returned within a period of 15 days from the date of lodgement and Demat requests are normally confirmed within an average period of 15 days, provided the documents are clear and complete in all respect
- k. Distribution of shareholding :

#### Categories of Shareholders as on March 31, 2014

Category	No. of shares held	%
Foreign Promoter Company	650,000	2.4555
Foreign Promoters	7,953,640	30.0462
Non Nationalised Banks	18	0.0001
Non Resident Indians	1,270,991	4.8014
NON RESIDENT NON REPATRIABLE	83,226	0.3144
Relatives of Directors	113,355	0.4282
Relatives of Directors(NRI)	1,227,697	4.6378
FII's/FFI's	575	0.0022
Bodies Corporate(Domestic)	1,306,288	4.9347
Foreign company	3,900,000	14.7329
Trusts	1,300,445	4.9127
Clearing members	110,892	0.4189
Insurance Companies/FI's	48,133	0.1818
Public	8,506,083	32.1332
Total	26,471,343	100.0000

#### Distribution of Shareholding as on March 31, 2014

No. of shares held	Shareholders		Nominal value	
	Number	%age	₹	%age
1 – 5000	8,519	81.1797	12,953,390	4.8934
5001 – 10000	880	8.3857	7,390,810	2.7920
10001 – 20000	494	4.7075	7,446,460	2.8130
20001 – 30000	171	1.6295	4,273,090	1.6142
30001 – 40000	87	0.8290	3,093,570	1.1686
40001 – 50000	72	0.6861	3,389,420	1.2804
50001 – 100000	105	1.0006	7,753,710	2.9291
100001 & above	166	1.5819	218,412,980	82.5092
Total	10,494	100.0000	264,713,430	100.00

- l. Dematerialization of shares and liquidity: As on March 31, 2014 20,420,048 Equity Shares (77.14% of total equity shares) of the Company are held by the Shareholders in dematerialized form.
- m. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, Conversion date and likely impact on equity : The Company has not issued any GDRs /ADRs/ or convertible instruments.
- n. Plant Locations : Not applicable
- o. Address for correspondence: CyberTech House, Plot No.B-63/64/65, Road No. 21/34, J.B. Sawant Marg, MIDC, Wagle Industrial Estate, Thane (West) – 400 604.

## AUDITORS' REPORT

### To The Members

#### CyberTech Systems and Software Limited

#### Report on the Financial Statements:

We have audited the accompanying financial statements of **CyberTech Systems & Software Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Emphasis of Matter

Without qualifying, we draw attention to Note No. 36 of financial statements regarding the investment of ₹ 10.63 Crores made in CyberTech Systems & Software Inc., the Wholly Owned Subsidiary. Being a long term and strategic investment, there is a reasonable certainty that there will be no diminution in the value of the investment and therefore no provisioning has been considered necessary.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act
- e) on the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For LODHA & CO.**  
**Chartered Accountants**  
**Firm Registration No. 301051E**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**

**Place : Mumbai**  
**Date : May 29, 2014**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CYBERTECH SYSTEMS AND SOFTWARE LIMITED**

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management at regular intervals, which is reasonable considering the size and nature of its business. No material discrepancies were noticed on such verification.
- c) No substantial part of the fixed assets has been disposed off during the year.
2. The Company being a service Company, primarily rendering information technology services, it does not hold any physical inventories. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. The Company has not granted / taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion, having regard to the explanations that some of the items are of special nature and suitable alternative source does not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sales of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in these internal control systems.
5. The contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered. In our opinion, having regard to our comment in para 4 above, the contracts for sale of services entered in the register maintained under section 301 of the Act and aggregating during the year to ₹ 500,000 or more in respect of each party have been made at price which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits within the meaning of the Section 58A, 58AA or any other relevant provisions of the Act and the Rules framed thereunder. No order has been issued by the Company Law Board on the Company.
7. The Company has an adequate internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Act in respect of service/activities carried out by the Company.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Cess and other material statutory dues with the appropriate authorities, to the extent applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period of six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues in respect of income-tax / customs duty / wealth-tax / sales tax / service tax / excise duty / cess, which have not been deposited on account of any dispute, except as under:

<b>Nature of dues</b>	<b>Period to which the amount relates</b>	<b>Amount (₹ i n lacs)</b>	<b>Forum where dispute is pending</b>
Income Tax	A.Y 2007-08	241.57*	Commissioner ( Appeal), Income Tax
Service Tax	A.Y. 1998-99 TO 2003-04	66.07	Assistant Commissioner, Service Tax

\* stay granted until the pendency/ disposal of appeal.

10. The Company does not have accumulated losses as at 31st March, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

11. The Company has not defaulted in repayment of any loans from banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a nidhi / mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the Company has not availed any term loan during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, in our opinion, the funds raised as short term basis by the Company have not been used for long term purposes.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year or in the recent past. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year or in the recent past. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & CO.**  
**Chartered Accountants**  
**Firm Registration No. 301051E**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**

**Place : Mumbai**  
**Date : 29th May, 2014**



<b>BALANCE SHEET AS AT MARCH 31, 2014</b>			
	<b>NOTE NO.</b>	<b>As at March 31, 2014 ₹</b>	<b>As at March 31, 2013 ₹</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	<b>2</b>	<b>264,713,430</b>	264,713,430
Reserves and surplus	<b>3</b>	<b>428,242,670</b>	372,327,943
<b>Non-current liabilities</b>			
Long-term borrowings	<b>4</b>	<b>45,601,766</b>	-
Deferred tax liabilities (Net)	<b>5</b>	<b>15,120,703</b>	17,384,630
Other long term liabilities	<b>6</b>	<b>8,889,450</b>	13,084,050
<b>Current Liabilities</b>			
Short term borrowings	<b>7</b>	<b>7,205,103</b>	13,880,963
Trade payables	<b>8</b>	<b>56,697,815</b>	49,707,682
Other current liabilities	<b>9</b>	<b>25,248,625</b>	13,701,318
Short term provisions	<b>10</b>	<b>87,497,743</b>	84,299,349
	<b>TOTAL</b>	<b>939,217,305</b>	829,099,365
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	<b>11</b>		
Tangible assets		<b>144,955,692</b>	157,012,447
Intangible assets		<b>4,195,286</b>	3,722,040
Capital work-in-progress		<b>236,056,608</b>	123,479,199
Intangible assets under development		<b>25,784,147</b>	15,056,022
Non current investments	<b>12</b>	<b>106,303,250</b>	106,303,250
Long-term loans and advances	<b>13</b>	<b>3,004,990</b>	4,633,048
<b>Current Assets</b>			
Current investments	<b>14</b>	<b>172,455,689</b>	227,357,511
Trade receivables	<b>15</b>	<b>169,671,149</b>	146,575,844
Cash and bank balances	<b>16</b>	<b>58,911,077</b>	30,198,263
Short-term loans and advances	<b>17</b>	<b>6,308,221</b>	6,793,431
Other current assets	<b>18</b>	<b>11,571,196</b>	7,968,310
	<b>Total</b>	<b>939,217,305</b>	829,099,365

Significant Accounting Policies and Notes to Financial Statements

1 to 38

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**A.M. Hariharan**  
Partner

**Sateesh Wadagbalkar**  
Company Secretary

**For and on behalf of the Board of Directors**

**Ramasubramanian Sankaran**  
Executive Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 29, 2014

Place : Thane  
Dated : May 29, 2014

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014</b>			
	<b>NOTE NO.</b>	<b>For the year ended March 31, 2014</b> ₹	<b>For the year ended March 31, 2013</b> ₹
<b>INCOME</b>			
Revenue from operations	<b>19</b>	<b>406,568,263</b>	340,110,535
Other income	<b>20</b>	<b>52,944,676</b>	107,815,952
		<b>459,512,939</b>	447,926,487
<b>EXPENDITURE</b>			
Cost of hardware/software package for service delivery		<b>23,120,219</b>	1,372,392
Employee benefits expense	<b>21</b>	<b>238,328,114</b>	201,966,315
Finance costs	<b>22</b>	<b>4,760,776</b>	690,570
Depreciation and amortisation expense		<b>14,481,063</b>	16,186,628
Other expenses	<b>23</b>	<b>72,201,819</b>	65,795,684
		<b>352,891,991</b>	286,011,589
<b>Profit before tax</b>		<b>106,620,948</b>	161,914,898
Tax expense			
Current tax		<b>22,000,000</b>	50,000,000
Deferred tax		<b>(2,263,927)</b>	<b>(73,762)</b>
<b>Profit for the year</b>		<b>86,884,875</b>	111,841,136
Basic and Diluted Earnings per Share of face value of ₹10 each		<b>3.28</b>	4.22

Significant Accounting Policies and Notes to Financial Statements

1 to 38

As per our attached report of even date

**For Lodha & Co.**

Chartered Accountants

**For and on behalf of the Board of Directors**

**A.M. Hariharan**  
Partner

Place : Mumbai  
Dated : May 29, 2014

**Sateesh Wadagbalkar**  
Company Secretary

Place : Thane  
Dated : May 29, 2014

**Ramasubramanian Sankaran**  
Executive Director

**Sudhir Joshi**  
Director



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014</b>				
	<b>For the year ended March 31, 2014</b>		<b>For the year ended March 31, 2013</b>	
	₹	₹	₹	₹
<b>A. Cash flow from Operating activities</b>				
Net Profit before tax		<b>106,620,948</b>		161,914,898
Adjustments for :				
Depreciation and amortisation expense	<b>14,481,063</b>		16,186,628	
Unrealised foreign exchange gain	<b>(3,805,990)</b>		(1,299,007)	
Loss on assets sold / discarded (Net)	<b>1,513,430</b>		818,035	
Interest income	<b>(2,177,917)</b>		(76,659,343)	
Interest expense	<b>4,760,776</b>		690,570	
Sundry Balances written back (Net)	<b>(957,971)</b>		586,679	
Profit on Sale of Investments	<b>(17,176,496)</b>		(9,704,683)	
Provision for doubtful debts/advances	<b>900,000</b>		173,172	
		<b>(2,463,105)</b>		(69,207,949)
<b>Operating profit before Working Capital changes</b>		<b>104,157,843</b>		92,706,949
Adjustments for :				
Decrease/(Increase) in Trade receivables	<b>(21,083,163)</b>		2,992,038	
Decrease/(Increase) in Other receivables	<b>(1,499,002)</b>		55,071,797	
Increase/(Decrease) in Trade & other payables	<b>2,989,074</b>		79,002,966	
		<b>(19,593,091)</b>		137,066,801
<b>Cash Generated from operations</b>		<b>84,564,752</b>		229,773,750
Direct taxes (paid) / refund (Net)		<b>(13,495,280)</b>		9,836,132
<b>Net cash generated from operating activities</b>	<b>(A)</b>	<b>71,069,472</b>		239,609,882
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		<b>(122,197,264)</b>		(91,906,446)
Purchase of investments		<b>(127,000,000)</b>		(332,823,989)
Sale of fixed assets		<b>2,161,569</b>		200,000
Sale of investments		<b>199,078,318</b>		193,156,661
Deposits with Banks withdrawn		<b>4,643,097</b>		9,289,053
Interest received		<b>1,904,957</b>		2,165,109
<b>Net cash generated used in investing activities</b>	<b>(B)</b>	<b>(41,409,323)</b>		(219,919,612)



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014</b>				
	For the year ended March 31, 2014		For the year ended March 31, 2013	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities :</b>				
Proceeds from short term borrowings		(6,675,860)		13,880,963
Proceeds from long term borrowings		45,601,766		-
Interest paid		(4,756,056)		(690,570)
Dividend and Dividend Tax paid thereon		(30,747,048)		(30,134,302)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>(C)</b>	<b>3,422,802</b>		<b>(16,943,909)</b>
<b>Net Increase / (Decrease) in cash &amp; cash equivalents</b>	<b>(A+B+C)</b>	<b>33,082,951</b>		<b>2,746,361</b>
Cash & cash equivalents (opening)		7,408,345		4,661,984
Cash & cash equivalents (closing)		40,491,296		7,408,345
		<b>33,082,951</b>		<b>2,746,361</b>

**Note**

- 1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard (AS) 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standards) Rules, 2006.
- 2 The previous year's figures have been regrouped/rearranged wherever necessary.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For Lodha & Co.**

Chartered Accountants

**For and on behalf of the Board of Directors**

**A. M. Hariharan**

Partner

**Sateesh Wadagbalkar**

Company Secretary

**Ramasubramanian Sankaran Sudhir Joshi**

Executive Director

Director

Place : Mumbai

Dated : May 29, 2014

Place : Thane

Dated : May 29, 2014

## **NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

### **Company Overview**

CyberTech Systems and Software Limited (referred to as the 'Company') is an Information Technology service provider, delivering its services to customers primarily in the USA, India and Japan with focus on several core software technology applications including SAP's Enterprise Suite and ESRI's Geographical Information Systems('GIS') as well as Network Planning and Design and Custom Software Application Development. The Company continues to focus on delivering its development and support projects on an offshore basis.

### **NOTE '1'**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Accounting**

The financial statements are prepared on the basis of the historical cost convention, in accordance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 2013 (to the extent notified) and of the Companies Act, 1956 and on the principle of a going concern. All expenses and income to the extent ascertainable with reasonable certainty are accounted for, on accrual basis.

##### **Use of Estimates**

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) and Accounting Standards (AS) require the management to make estimates and assumptions that affect the reported income and expenses during the reported period and the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Actual results may differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

##### **Revenue Recognition**

Income from software development, consulting and customer support services is recognized as and when rendered in accordance with the terms of the contract.

Revenue from fixed price contracts with milestone billings and fixed time frame contracts are recognized as per the proportionate completion method.

##### **Unbilled Revenues**

Revenue recognized over and above the billings on a customer is classified as "unbilled revenue".

##### **Fixed Assets and Depreciation / Amortisation**

Fixed assets are stated at cost of acquisition less accumulated depreciation.

Leasehold land is amortised over the balance period of lease since acquisition.

Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in respect of Computers and other related assets which are depreciated over estimated useful life of four years as against life of six years prescribed under the said Schedule.

Intangible assets are amortised over a period of four years.

At each balance sheet date, the Company assesses whether there is any indication that any assets may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to Statement of Profit and Loss. If, at the balance sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and asset is restated to that effect.

##### **Investments**

Long-term investments are valued at cost. However, provision for diminution in the value of such investments, other than temporary, is made to recognize a decline on individual investment basis. Current investments are stated at the lower of cost and fair value.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014

### Foreign Currency Transactions

- a) Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realisation. Gains / losses, if any, at the year end on account of restatement of the monetary assets and liabilities, denominated in foreign currency are dealt with in the Statement of Profit and loss.
- b) In case of forward exchange contracts, the premium is amortised over the period of the contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year.

### Employee Benefits

- a) Short-term employee benefits :  
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.
- b) Post-employment benefits:
  - i) Defined Contribution Plans:  
Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.
  - ii) Defined Benefit Plans:  
The cost of providing defined benefits i.e. gratuity is determined using the Projected Unit Credit Method with actuarial valuations carried out at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.
  - iii) Other long-term employee benefits :  
Other long-term employee benefits viz. leave entitlement are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

### Taxation

Provision for current income tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) credit is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

### Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalised as a part of the cost of such asset upto the date of completion. Other borrowing costs are charged to the Statement of Profit and Loss.

### Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on reliable estimate when it is possible that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, unless the possibility of outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '2'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b> 36,000,000 (Previous Year 36,000,000) Equity Shares of ₹10 each	<b>360,000,000</b>	360,000,000
<b>Issued</b> 26,476,302 (Previous year 26,476,302) Equity Shares of ₹10 each	<b>264,763,020</b>	264,763,020
<b>Subscribed and fully paid</b> 26,471,343 (Previous year 26,471,343) Equity Shares of ₹10 each fully paid up	<b>264,713,430</b>	<b>264,713,430</b>
[Allotment of 4,959 (Previous year 4,959) bonus shares on 3,967 (Previous year 3,967) Equity shares is pending on account of non-establishment of beneficial ownership by NSDL.]		

**(a) Reconciliation of Share Capital**

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of shares	Amount ₹	No of shares	Amount ₹
At beginning of the year	<b>26,476,302</b>	<b>264,763,020</b>	26,476,302	264,763,020
Addition during the year	-	-	-	-
Outstanding at the end of the year	<b>26,476,302</b>	<b>264,763,020</b>	26,476,302	264,763,020

**(b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹10 per share. Each shareholder has a right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors in proportion to their shareholding.

**(c) Shareholders holding more than 5% of the equity shares :**

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of shares	%	No of shares	%
Tadimety Viswanath	<b>5,570,307</b>	<b>21.04%</b>	5,457,589	20.62%
Steven Jeske	<b>2,383,333</b>	<b>9.00%</b>	2,383,333	9.00%
Indotech Holdings LLC	<b>3,900,000</b>	<b>14.73%</b>	3,900,000	14.73%

d) During the previous five years, the Company has not issued Bonus shares/ bought back shares/issued shares for consideration other than cash.

e) Refer note no. 25 in respect of ESOP.

<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '3'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	<b>164,667,032</b>	164,667,032
<b>Surplus</b>		
Opening Balance	<b>207,660,911</b>	126,789,923
Add: Profit for the year	<b>86,884,875</b>	111,841,136
Balance available for appropriations	<b>294,545,786</b>	238,631,059
Less:		
<u>Appropriations during the year</u>		
Proposed Dividend	<b>26,471,343</b>	26,471,343
Tax on Dividend	<b>4,498,805</b>	4,498,805
Closing Balance	<b>263,575,638</b>	207,660,911
	<b>428,242,670</b>	372,327,943
<b>NOTE '4'</b>		
<b>LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loan from a Bank (Refer Note (i) below)	<b>45,083,690</b>	-
Vehicle Loan from a Bank (Refer Note (ii) below)	<b>518,076</b>	-
<b>Notes:</b>		
i) Company had taken a term loan amounting to ₹ 50,000,000 which will be paid in 123 equal monthly instalments of ₹ 739,200 each and final instalment will be paid on January 9, 2023 and secured by immovable asset located at Thane. Interest payable @ base rate + margin i.e. ranging from 12.75%p.a. to 13% p.a.		
ii) Company had taken a vehicle loan amounting to ₹ 800,000 which will be paid in 48 equal monthly instalments of ₹ 20,304 each and final instalment will be paid on July 8, 2017. The loan is secured by hypothecation of the vehicle purchased there against. Interest payable @ 10.50% p.a.		
	<b>45,601,766</b>	-
<b>NOTE '5'</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Deferred tax asset:		
Expenses allowable on payments and others	<b>6,987,291</b>	4,843,604
Less: Deferred tax liability		
Difference between book and tax depreciation	<b>22,107,994</b>	22,228,234
Net Deferred tax liability	<b>15,120,703</b>	17,384,630
<b>NOTE '6'</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Security deposits received	<b>8,889,450</b>	13,084,050
	<b>8,889,450</b>	13,084,050



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '7'</b>		
<b>SHORT-TERM BORROWINGS</b>		
Bank Overdraft	<b>7,205,103</b>	13,880,963
	<b>7,205,103</b>	13,880,963
<b>Details of Security</b>		
Bank borrowing is secured by way of exclusive charge on immovable property of the Company at Thane, and rental to be credited to Escrow account with the bank. Interest payable @ base rate + margin i.e. ranging from 12.75% p.a. to 13% p.a. (Previous Year 12.75% p.a.)		
<b>NOTE '8'</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	<b>56,697,815</b>	49,707,682
	<b>56,697,815</b>	49,707,682
The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.		
<b>NOTE '9'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt	<b>2,986,840</b>	-
Interest accrued but not due on borrowing	<b>4,720</b>	-
Security deposits received	<b>2,775,800</b>	1,583,600
Statutory dues	<b>3,112,704</b>	3,440,167
Payables for capital expenditure	<b>13,078,783</b>	6,291,808
Other Income received in advance	<b>448,000</b>	448,000
Other payable	<b>503,816</b>	-
Unclaimed dividend*	<b>2,337,962</b>	1,937,743
*There is no amount due to be credited to the fund and outstanding as at Balance Sheet date	<b>25,248,625</b>	13,701,318
<b>NOTE '10'</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for employee benefits	<b>6,714,515</b>	6,714,690
Gratuity (Refer note no. 27)	<b>8,173,793</b>	8,213,971
Leave Entitlement	<b>41,639,287</b>	38,400,540
Income Tax (Net of Advance Tax ₹ 235,143,895 (Previous year ₹ 204,942,825))	<b>26,471,343</b>	26,471,343
Proposed Dividend	<b>4,498,805</b>	4,498,805
Tax on Dividend	<b>87,497,743</b>	84,299,349

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014****NOTE '11'  
FIXED ASSETS**

		<b>GROSS BLOCK (At Cost)</b>					<b>DEPRECIATION/AMORTISATION</b>				<b>NET BLOCK</b>	
		<b>As at April 1, 2013</b>	<b>Additions during the year</b>	<b>Deductions/ Adjustments during the year</b>	<b>As at March 31, 2014</b>	<b>upto March 31, 2013</b>	<b>for the year</b>	<b>On Deductions/ Adjustments</b>	<b>upto March 31, 2014</b>	<b>As at March 31, 2014</b>		
<b>TANGIBLE ASSETS</b>												
Leasehold Land*		3,308,683	-	-	3,308,683	779,000	50,258	-	829,258	2,479,425		
Buildings**		115,543,480	-	-	115,543,480	21,921,667	1,883,364	-	23,805,031	91,738,449		
Plant and Equipment		47,811,978	269,130	7,704,404	40,376,704	27,791,083	2,100,902	5,375,813	24,516,172	15,860,532		
Furniture and Fixtures		90,498,540	-	4,720,916	85,777,624	70,439,245	3,327,146	3,741,333	70,025,058	15,752,566		
Vehicles		4,205,011	1,120,995	-	5,326,006	1,124,918	457,100	-	1,582,018	3,743,988		
Office Equipment		7,118,352	288,891	1,093,202	6,314,041	2,948,128	455,430	785,557	2,618,001	3,696,040		
Computers		51,027,013	3,072,110	710,925	53,388,198	37,496,569	4,858,682	651,745	41,703,506	11,684,692		
<b>TOTAL (A)</b>		<b>319,513,057</b>	<b>4,751,126</b>	<b>14,229,447</b>	<b>310,034,736</b>	<b>162,500,610</b>	<b>13,132,882</b>	<b>10,554,448</b>	<b>165,079,044</b>	<b>144,955,692</b>		
<b>INTANGIBLE ASSETS</b>												
Computer-Software		20,944,017	1,821,427	-	22,765,444	17,221,977	1,348,181	-	18,570,158	4,195,286		
<b>TOTAL (B)</b>		<b>20,944,017</b>	<b>1,821,427</b>	<b>-</b>	<b>22,765,444</b>	<b>17,221,977</b>	<b>1,348,181</b>	<b>-</b>	<b>18,570,158</b>	<b>4,195,286</b>		
<b>Total (A + B)</b>		<b>340,457,074</b>	<b>6,572,553</b>	<b>14,229,447</b>	<b>332,800,180</b>	<b>179,722,587</b>	<b>14,481,063</b>	<b>10,554,448</b>	<b>183,649,202</b>	<b>149,150,978</b>		
<b>CAPITAL WORK IN PROGRESS</b>												
Building under construction										140,447,660		
Plant and equipment										37,467,146		
Furniture and Fixtures										56,157,392		
Office Equipment										1,693,210		
Computers										291,200		
<b>TOTAL (C)</b>										<b>236,056,608</b>		
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>												
Softwares under development										25,784,147		
<b>TOTAL (D)</b>										<b>25,784,147</b>		

\* Land was taken on lease for 66 years from September, 1997

\*\* Buildings include ₹ 4000 (previous year ₹4000) being the value of 80 (Previous Year 80) shares of ₹50 each in Acme Plaza Premises Co-operative Society Ltd.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013**

DESCRIPTION	GROSS BLOCK ( At Cost )				DEPRECIATION/AMORTISATION				NET BLOCK
	As at April 1, 2012	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2013	upto March 31, 2012	for the year	On Deductions/ Adjustments	upto March 31, 2013	As at March 31, 2013
<b>TANGIBLE ASSETS</b>									
Leasehold Land*	3,308,683	-	-	3,308,683	728,742	50,258	-	779,000	2,529,683
Buildings**	115,543,480	-	-	115,543,480	20,038,307	1,883,360	-	21,921,667	93,621,813
Plant and Equipment	49,872,605	239,838	2,300,465	47,811,978	26,969,779	2,361,891	1,540,587	27,791,083	20,020,895
Furniture and Fixtures	86,746,599	3,751,941	-	90,498,540	64,925,730	5,513,515	-	70,439,245	20,059,295
Vehicles	4,205,011	-	-	4,205,011	725,440	399,478	-	1,124,918	3,080,093
Office Equipment	6,217,493	900,859	-	7,118,352	2,635,249	312,879	-	2,948,128	4,170,224
Computers	47,723,265	7,655,062	4,351,314	51,027,013	37,564,874	4,043,894	4,112,199	37,496,569	13,530,444
<b>TOTAL (A)</b>	<b>313,617,136</b>	<b>12,547,700</b>	<b>6,651,779</b>	<b>319,513,057</b>	<b>153,588,121</b>	<b>14,565,275</b>	<b>5,652,786</b>	<b>162,500,610</b>	<b>157,012,447</b>
<b>INTANGIBLE ASSETS</b>									
Computer-Software	19,747,138	1,196,879	-	20,944,017	15,600,624	1,621,353	-	17,221,977	3,722,040
<b>TOTAL (B)</b>	<b>19,747,138</b>	<b>1,196,879</b>	<b>-</b>	<b>20,944,017</b>	<b>15,600,624</b>	<b>1,621,353</b>	<b>-</b>	<b>17,221,977</b>	<b>3,722,040</b>
<b>TOTAL (A + B)</b>	<b>333,364,274</b>	<b>13,744,579</b>	<b>6,651,779</b>	<b>340,457,074</b>	<b>169,188,745</b>	<b>16,186,628</b>	<b>5,652,786</b>	<b>179,722,587</b>	<b>160,734,487</b>
<b>CAPITAL WORK IN PROGRESS</b>									
Building under construction									107,502,296
Plant and Equipment									15,976,903
<b>TOTAL (C)</b>									<b>123,479,199</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									
Softwares under development									15,056,022
<b>TOTAL (D)</b>									<b>15,056,022</b>

\* Land was taken on lease for 66 years from September, 1997

\*\* Buildings include ₹ 4000 (previous year ₹4000) being the value of 80 (Previous Year 80) shares of ₹50 each in Acme Plaza Premises Co-operative Society Ltd.



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<p><b>NOTE '12'</b> <b>NON CURRENT INVESTMENTS</b> (Long Term, Unquoted, Fully paid) <b>Trade</b></p> <p><b>In Equity-Subsidiaries</b> Cybertech Systems and Software Inc.,USA-(Wholly Owned Subsidiary) <b>1,585,000</b> (1,585,000) common stocks of USD 0.01 each <b>750,000</b> (750,000) common stocks of USD 1.00 each</p> <p>CyberTech Middle East, W.L.L-Bahrain <b>634</b> (634) Shares of BHD 100 each Less: Provision for diminution in value of investments</p> <p>Aggregate amount of unquoted investments Aggregate provision for diminution in the value of investments</p>	<p><b>72,564,500</b> <b>33,738,750</b></p> <p><b>7,658,853</b> <b>(7,658,853)</b></p> <p><b>106,303,250</b></p> <p><b>113,962,103</b> <b>7,658,853</b></p>	<p>72,564,500 33,738,750</p> <p>7,658,853 (7,658,853)</p> <p>106,303,250</p> <p>113,962,103 7,658,853</p>
<p><b>NOTE '13'</b> <b>LONG-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)</p> <p>Capital advances Security deposits</p>	<p><b>861,439</b> <b>2,143,551</b></p> <p><b>3,004,990</b></p>	<p>1,755,287 2,877,761</p> <p>4,633,048</p>
<p><b>NOTE '14'</b> <b>CURRENT INVESTMENTS</b> (Unquoted, Fully paid)</p> <p><b>Trade</b></p> <p><b>Mutual funds</b></p> <p>UTI Treasury Advantage Fund-Institutional Plan (Growth Option) <b>Nil</b> (Previous Year 8,637.74 ) units of ₹ 1000 each</p> <p>UTI Money Market Fund - institutional growth plan <b>Nil</b> (Previous Year 3,248.665) units of ₹10 each</p> <p>UTI Fixed Income Interval Fund-Annual Interval Plan Series - I - Institutional Growth Plan <b>2,996,182.863</b> (Previous Year 3,278,710.024) units of ₹10 each</p> <p>UTI Floating Rate Fund-Short Term Plan (Growth Option) <b>Nil</b> (Previous Year 4,943.471) units of ₹10 each</p> <p>UTI - fixed income interval fund-annual interval plan series - ii - direct growth plan <b>1,817,113.576</b> (Previous Year Nil) units of ₹10 each</p>	<p>-</p> <p>-</p> <p><b>45,691,489</b></p> <p>-</p> <p><b>30,000,000</b></p>	<p>13,217,416</p> <p>4,017,265</p> <p>50,000,000</p> <p>9,000,000</p> <p>-</p>



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
UTI fixed term income fund series xvii-vi (366 days)-direct growth plan <b>2,650,000</b> (Previous Year Nil) units of ₹10 each	<b>26,500,000</b>	-
SBI-Dynamic Bond Fund-Growth <b>Nil</b> (Previous Year 1,473,806.750) units of ₹10 each	-	20,000,000
SBI-SHDF-Short Term-Institutional Plan-Growth <b>Nil</b> (Previous Year 1,407,107.450) units of ₹10 each	-	18,000,000
SBI-Debt Fund Series-366 Days-8Growth <b>Nil</b> (Previous Year 300,000) units of ₹10 each	-	30,000,000
SBI-Dynamic Bond Fund-Direct Plan-Growth <b>1,955,225.34</b> (Previous Year Nil) units of ₹10 each	<b>29,764,200</b>	-
HDFC Short Term Plan-Growth <b>Nil</b> (Previous Year 2,448,285.931) units of ₹10 each	-	53,122,830
HDFC FMP 370D Feb 2014(1) Series 29-Direct Growth <b>2,250,000</b> (Previous Year Nil) units of ₹10 each	<b>22,500,000</b>	-
HDFC FMP 369D Mar 2014(1) Series 29-Direct Growth <b>1,800,000</b> (Previous Year Nil) units of ₹10 each	<b>18,000,000</b>	-
Birla Sunlife Mutual Dynamic Bond Fund-Retail Growth <b>Nil</b> (Previous Year 1,601,187.013) units of ₹10 each	-	30,000,000
	<b>172,455,689</b>	227,357,511
Aggregate amount of unquoted investments	<b>172,455,689</b>	227,357,511
Aggregate repurchase price	<b>182,872,758</b>	239,874,432
<b>NOTE '15'</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>		
Considered good	<b>15,668,400</b>	52,100
Considered doubtful	<b>1,476,405</b>	27,108,947
	<b>17,144,805</b>	27,161,047
Less: Provision for doubtful debts	<b>(1,476,405)</b>	(27,108,947)
	<b>15,668,400</b>	52,100
<u>Other receivables</u>		
Considered good	<b>154,002,749</b>	146,523,744
	<b>169,671,149</b>	146,575,844

<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '16'</b>		
<b>CASH AND BANK BALANCES</b>		
<b>I. Cash and Cash Equivalents</b>		
a) Cash on hand	183,210	67,861
b) Bank balances		
- in current accounts	38,032,159	7,340,484
c) Fixed deposits with maturity less than 3 months	2,275,927	-
	<b>40,491,296</b>	7,408,345
<b>II. Other Bank Balances</b>		
in Unpaid Dividend Accounts	2,337,962	1,937,743
in Fixed deposit accounts *		
- Deposits with maturity more than 3 months but less than 12 months (including interest accrued ₹ 686,561, Previous Year ₹ 411,131)	16,081,819	20,599,705
- Deposits with maturity more than 12 months (including interest accrued Nil, Previous Year ₹ 2,470)	-	252,470
	<b>18,419,781</b>	22,789,918
	<b>58,911,077</b>	30,198,263
* Fixed Deposits with Banks held as margin money against the following:		
Forward Contracts	-	7,799,758
Guarantees issued to Municipal corporations	17,648,172	12,638,816
<b>NOTE '17'</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured)		
Advance for supply of goods and rendering of services		
Considered good	1,292,155	1,418,740
Considered doubtful	900,000	-
	<b>2,192,155</b>	1,418,740
Less: Provision for doubtful advances	<b>(900,000)</b>	-
	<b>1,292,155</b>	1,409,356
Loans and advances to employees	1,919,026	901,794
Deposits	2,126,044	3,258,347
Service Tax Receivable (Net)	970,996	1,214,550
	<b>6,308,221</b>	6,793,431
<b>NOTE '18'</b>		
<b>OTHER CURRENT ASSETS</b>		
Unbilled revenue	2,581,332	2,180,090
Prepaid expenses	7,155,903	4,974,788
Other receivables	1,833,961	813,432
	<b>11,571,196</b>	7,968,310



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	<b>For the year ended March 31, 2014 ₹</b>	<b>For the year ended March 31, 2013 ₹</b>
<b>NOTE '19' REVENUE FROM OPERATIONS</b>		
From Sale of Services		
Software Development Services	<b>406,568,263</b>	340,110,535
	<b>406,568,263</b>	340,110,535
<b>NOTE '20' OTHER INCOME</b>		
Interest on:		
Deposit With banks	<b>1,883,539</b>	2,569,926
Income tax Refund (Refer Note no.29)	<b>236,990</b>	74,080,633
Others	<b>57,388</b>	8,784
	<b>2,177,917</b>	76,659,343
Profit on sale of investments		
Current investments	<b>20,534</b>	5,880,029
Long term investments	<b>17,155,962</b>	3,824,654
Exchange Gain	<b>11,693,468</b>	7,593,625
Rent Received	<b>21,928,934</b>	18,475,903
Less: Rates and Taxes (directly attributable)	<b>3,035,343</b>	5,312,935
	<b>18,893,591</b>	13,162,968
Sundry credit balances written back (Net)	<b>957,971</b>	585,937
Miscellaneous income	<b>2,045,233</b>	108,654
	<b>52,944,676</b>	107,815,210
<b>NOTE '21' EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	<b>241,625,269</b>	207,000,545
Contribution to provident and other funds	<b>767,703</b>	639,970
Staff welfare expenses (including Group Medical Insurance of ₹ <b>2,937,047</b> ; Previous year ₹ 1,953,109)	<b>6,663,267</b>	5,989,093
	<b>249,056,239</b>	213,629,608
Less: Transferred to capital work in progress		
Building under construction	-	460,000
Software under development	<b>10,728,125</b>	11,203,293
	<b>10,728,125</b>	11,203,293
	<b>238,328,114</b>	201,966,315
<b>NOTE '22' FINANCE COSTS</b>		
Interest on borrowings	<b>8,128,045</b>	1,340,992
Less: Transferred to Capital Work In Progress- Building under construction	<b>3,367,269</b>	650,422
	<b>4,760,776</b>	690,570

<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	<b>For the year ended March 31, 2014 ₹</b>	<b>For the year ended March 31, 2013 ₹</b>
<b>NOTE '23'</b>		
<b>OTHER EXPENSES</b>		
Travelling and conveyance	<b>12,466,585</b>	9,676,930
Communication	<b>2,411,524</b>	2,735,618
Electricity expenses	<b>8,978,834</b>	7,453,149
Insurance	<b>571,115</b>	419,846
Rates and taxes	<b>2,734,800</b>	1,436,461
Professional fees	<b>15,455,862</b>	14,308,542
Software Programming, consultancy and development charges	<b>2,606,512</b>	6,970,815
Rent	<b>1,827,141</b>	1,326,741
Auditors' Remuneration		
Audit fees	<b>400,000</b>	400,000
Tax audit fees	<b>125,000</b>	125,000
Limited review fees	<b>225,000</b>	225,000
Certification and other services	<b>250,000</b>	120,000
Reimbursement of expenses	<b>72,870</b>	62,120
	<b>1,072,870</b>	932,120
Repairs and Maintenance		
Buildings	<b>1,085,082</b>	2,140,901
Plant and Equipment	<b>4,303,037</b>	5,366,360
Others	<b>2,382,319</b>	1,435,784
	<b>7,770,438</b>	8,943,045
Security expenses	<b>1,883,937</b>	2,270,421
Loss on assets sold/discarded (Net)	<b>1,513,430</b>	818,035
Bad Debts written off	<b>25,632,542</b>	13,548,611
Less: Provision for Doubtful debts	<b>25,632,542</b>	-
		173,172
Provision for Doubtful debts	-	-
Provision for Doubtful advances	<b>900,000</b>	-
Miscellaneous Expenses	<b>12,008,771</b>	8,330,047
	<b>72,201,819</b>	65,794,942
<b>NOTE '24'</b>		
<b>EARNINGS PER SHARE:</b>		
	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>
Profit attributable to the Shareholders	<b>86,884,875</b>	111,841,136
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>26,476,302</b>	26,476,302
Nominal Value of Equity Shares (₹)	<b>10</b>	10
Basic and Diluted Earnings Per Share (₹)	<b>3.28</b>	4.22

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**
**NOTE '25'**
**EMPLOYEES STOCK OPTION PLAN (ESOP)**

The Company's Employees' Stock Option Scheme- 2007, provides for issue of equity option in each financial year up to 5% (Previous year 5%) of the outstanding fully paid-up equity capital of the Company as on March 31, 2007 on to eligible employees, and the carry forward of un-allotted options in each of the financial years to the subsequent financial years for grant, in aggregate not exceeding 9,264,970 shares (Previous year 9,264,970 shares). The scheme covers directors and the employees of the subsidiaries, apart from the employees and directors of the Company except directors/ employees belonging to promoter group. The options vest in a phased manner over four years with 25% of the grants vesting at the end of each year from the date of grant and the same can be exercised within seven years from the date of the grant at the market price as on the date of the grant. One option is equal to one equity share.

	<b>As at March 31, 2014</b>	As at March 31, 2013
Face Value of Grant	<b>10</b>	10
<b>Grants:</b>		
Outstanding at the beginning	<b>1,517,500</b>	1,697,500
Add.: Granted during the year	<b>375,000</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>692,500</b>	180,000
Outstanding as at the end	<b>1,200,000</b>	1,517,500
<b>Vested:</b>		
Outstanding at the beginning	<b>1,030,000</b>	773,750
Add: Vested during the year	<b>156,250</b>	361,250
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>492,500</b>	105,000
Outstanding as at the end	<b>668,750</b>	1,030,000
<b>Out of the above :</b>		
<b>Grants to the Whole Time Director</b>		
Outstanding at the beginning	<b>0</b>	0
Add.: Granted during the year	<b>100,000</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	0
Outstanding as at the end	<b>100,000</b>	0
<b>Vested to the Whole Time Director</b>		
Outstanding at the beginning	<b>0</b>	0
Add: Vested during the year	<b>0</b>	0
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	0
Outstanding as at the end	<b>0</b>	0

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

<b>Grants to Non Executive Director</b>		
Outstanding at the beginning	<b>150,000</b>	180,000
Add.: Granted during the year	<b>0</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	30,000
Outstanding as at the end	<b>150,000</b>	150,000
<b>Vested to non-executive director</b>		
Outstanding at the beginning	<b>150,000</b>	142,500
Add: Vested during the year	<b>0</b>	37,500
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	30,000
Outstanding as at the end	<b>150,000</b>	150,000

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company, Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option.

**Summary of the options outstanding under the Employees Stock Option Plan (ESOP):**

	As at March 31, 2014		As at March 31, 2013	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	<b>1,517,500</b>	<b>15.57</b>	1,697,500	15.88
Granted during the year	<b>375,000</b>	<b>11.34</b>	0	0
Exercised during the year	<b>0</b>	<b>0</b>	0	0
Forfeited/lapsed during the year	<b>692,500</b>	<b>12.95</b>	180,000	16.62
Options outstanding at end of year	<b>1,200,000</b>	<b>15.75</b>	1,517,500	15.57
Vested options pending exercise	<b>668,750</b>	<b>17.77</b>	1,030,000	15.29

The following summarizes information about stock options outstanding:

**As at March 31, 2014**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 10 to ₹ 15	<b>375,000</b>	<b>6</b>	<b>11.34</b>
₹ 15 to ₹ 23	<b>825,000</b>	<b>5</b>	<b>17.76</b>



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

As at March 31, 2013

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 10 to ₹ 15	600,000	4	12.28
₹ 15 to ₹ 23	917,500	5	17.71

**Fair Value methodology for the option:**

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹10 to ₹ 23 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	March 31, 2014	March 31, 2013
Dividend yield	0-10%	0-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46% - 6.65%	6.46% - 6.65%
Expected life of option	0 – 7 yrs	0 – 7 yrs

**Impact of Fair value method on Net Profit and EPS**

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit income and earnings per share would have been, as indicated below:

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Profit attributable to Equity Shareholders	<b>86,884,875</b>	111,841,136
Less: Stock-based compensation expense determined under fair value based method	<b>177,868</b>	207,513
Net Profit	<b>86,707,007</b>	111,633,623
Basic and diluted earnings per share (as reported)	<b>3.27</b>	4.22
Basic and diluted earnings per share (under fair value method)	<b>3.27</b>	4.22

**NOTE '26'**

**RELATED PARTY DISCLOSURES**

Disclosure in respect of Related Parties pursuant to Accounting Standard 18 is as under:

A. List of Related Parties:

i) Parties where control exists:

Wholly Owned Subsidiary:

CyberTech Systems and Software Inc. USA (CSSI)

Subsidiary:

CyberTech Middle East W.L.L. (Bahrain) (CME)



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

ii) Other Parties with whom the Company has entered into transactions during the year:

**Key Management Personnel**

Dr. Tapan Kumar Mukhopadhyay - Wholetime Director (upto August 13, 2013)

Ramasubramanian Sankaran-Executive Director

B. Transactions entered with Related Parties in the ordinary course of business:

(Amount in ₹)

Particulars	Related Party Transactions			
	CSSI	CME	Key Management Personnel	Total
Sale of Services	<b>341,261,518</b> (302,718,712)	- (-)	- (-)	<b>341,261,518</b> (302,718,712)
Expenses / Reimbursement of Expenses	<b>2,689,222</b> <b>(5,515,758)</b>	- (-)	<b># 3,566,162</b> # (3,295,110)	<b>6,255,384</b> (8,810,868)
Outstanding as at the year end				
Receivable	<b>143,242,361</b> (130,593,613)	- (-)	- (-)	<b>143,242,361</b> (130,593,613)
Payable	- (-)	- (-)	<b>836,678</b> (376,458)	<b>836,678</b> (376,458)
Investment	<b>106,303,250</b> (106,303,250)	- (-)	- (-)	<b>106,303,250</b> (106,303,250)

**Disclosure in Respect of Material Related Party Transactions during the year**

# Payment to Key Managerial Personnel includes remuneration paid to

Tapan Kumar Mukhopadhyay ₹ **803,101** (Previous Year ₹ 1,600,537)

Ramasubramanian Sankaran ₹ **2,763,061** (Previous Year ₹ 1,694,573)

**Notes:**

- i) Related party relationship is as identified by the Company and relied upon by the Auditors.
- ii) a) No amounts have been written off/back and provided for in respect of the related parties during the year.  
b) Provision of ₹ 1,476,405 made towards doubtful debts and provision of ₹ 7,658,853 made towards diminution in the value of investment, in the financial 2011-12 year in respect of Bahrain subsidiary.
- iii) Figures in brackets represent previous year figures.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE '27'**

**DEFINED BENEFIT PLANS IN RESPECT OF GRATUITY PAYABLE**

The present value of obligation is determined based on Actuarial valuation using Projected Unit Credit Method.

**Change in present value of obligation**

(Amount in ₹)

		<b>As at March 31, 2014</b>	As at March 31, 2013
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>8,978,718</b>	7,200,047
2	Interest Cost	<b>740,744</b>	6,12,004
3	Current Service Cost	<b>2,166,842</b>	2,115,100
4	Benefits paid during the year	<b>(799,238)</b>	(235,253)
5	Actuarial (gain)/loss on Defined Benefit Obligation	<b>(1,816,668)</b>	(713,180)
6	Present Value of Defined Benefit Obligation, end of the year	<b>9,270,398</b>	8,978,718

**Amounts recognized in the Balance Sheet**

(Amount in ₹)

		<b>As at March 31, 2014</b>	As at March 31, 2013
1	Present Value of Defined Benefit Obligation	<b>9,270,398</b>	8,978,718
2	Fair Value of plan assets	<b>1,096,605</b>	764,747
3	Net Liability recognized in the Balance Sheet	<b>8,173,793</b>	8,213,971

**Net gratuity cost for the year ended March 31, 2014**

(Amount in ₹)

		<b>For the year ended March 31, 2014</b>	For the year ended March 31, 2013
1	Current Service Cost	<b>2,166,842</b>	2,115,100
2	Interest Cost on obligation	<b>740,744</b>	6,12,004
3	Expected Return on plan assets	<b>(66,533)</b>	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2014	<b>(1,881,231)</b>	(713,180)
5	Net Gratuity Cost	<b>959,822</b>	2,013,924

**Assumptions used in accounting for the gratuity plan**

(Rate per annum)

		<b>As at March 31, 2014</b>	As at March 31, 2013
1	Discount Rate	<b>9.31%</b>	8.25%
2	Rate of Salary Escalation	<b>6.00%</b>	6.00%
3	Rate of return on plan assets	<b>8.70%</b>	8.70%

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014****NOTE '28'****LEASES:**

- (A) The Company has leased its vacant premises under cancellable lease agreements, the income from which is recognised and disclosed as Rent received under Note No. 20.
- (B) The Company has taken commercial premises on lease basis, the agreements for which are mutually renewable/cancellable. The rental expenses in respect of operating lease are charged as rent under Note No. 23 under the head 'Rent'.

**NOTE '29'****Contingent Liabilities and commitments (to the extent not provided for) in respect of:****(A) Contingent Liabilities:**

- a) Disputed Income Tax Matters:
- i) Regular demand under assessment (including interest upto the date of demand) ₹**32,674,547** (Previous year ₹ 30,224,097)
  - ii) Penalties & Interest upto the date of demand of ₹ **58,198,919** (Previous year ₹ 58,198,919)
  - iii) Other Income Tax proceedings in respect of earlier years decided in favour of the Company by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : ₹ **3,769,968** (Previous year ₹ 3,769,968)
  - iv) During the previous year, the Company has received Income Tax refunds of ₹ 189,474,293 (including interest amount of ₹ 74,080,633) towards Assessment years 1997-98, 1998-99 and 1999-00, pursuant to the favourable Order from Income Tax Appellate Tribunal. The Income Tax Department has filed an appeal against the said Order with the Hon'ble High Court, Mumbai. Accordingly, the Company has, however continued the provision of ₹ 121,961,829 lakhs made in earlier years. The Company has accounted for the aforesaid interest on income tax refund.
- b) Disputed Service Tax Matters ₹ **6,607,614** (Previous year ₹ 6,607,614)

**(B) Commitments:**

Estimated amount (Net of Advances) of contracts remaining to be executed on capital account and not provided for: ₹ **17,372,799** (Previous year ₹ 80,517,630)

**NOTE '30'****Forward Exchange Contracts and Foreign Exchange Cover:**

- a) The Company uses Forward Exchange Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not enter in to any such instruments for trading or speculative purposes. The following are the contracts entered into by the Company and outstanding at the year end:

	<b>As at March 31, 2014</b>	As at March 31, 2013
Forward Exchange Contracts:		
No. of Contracts	<b>5</b>	10
Type	<b>Sell</b>	Sell
US \$ Equivalent	<b>600,000</b>	1,250,000
INR Equivalent	<b>36,622,500</b>	68,658,000



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

b) The year-end foreign currency exposures that have not been hedged, are given below:

Particulars	As at March 31, 2014		As at March 31, 2013	
		₹		₹
Trade Receivables	<b>USD 1,797,692</b>	<b>106,998,628</b>	USD 1,173,216	62,684,931
Trade Payables	-	-	USD 17,669	944,048
Deposit	<b>Euro 32,000</b>	<b>3,181,382</b>	-	-

**NOTE '31'**

In the opinion of the Board, assets other than Fixed Assets and Non Current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated. Provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.

**NOTE '32'**

The accounts of certain Banks, Trade Receivables, Trade Payables and Loans and Advances are subject to formal confirmation/reconciliation and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.

	For the year ended March 31, 2014 ₹	For the year ended March 31, 2013 ₹
<b>NOTE '33'</b>		
Expenditure in foreign currency:		
Travel Expenses (Net of reimbursements)	<b>1,831,955</b>	737,417
Directors sitting fees	-	100,000
Professional Fees	<b>2,088,724</b>	3,202,415
<b>NOTE '34'</b>		
Dividend remitted in foreign currency :	<b>92,84,389</b>	15,447,375
Dividend relating to the year	<b>2012-13</b>	2011-12
Number of Equity Shares held (Nos.)	<b>92,84,389</b>	15,447,375
Number of Non-Resident Shareholders (Nos.)	<b>32</b>	35
<b>NOTE '35'</b>		
Earnings in foreign exchange:		
Income from Sale of Software Development Services	<b>341,261,518</b>	302,718,712

**NOTE '36'**

The Company has invested ₹106,303,250 in its Wholly Owned Subsidiary viz. CyberTech Systems and Software Inc.,USA, which has

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

incurred losses during the current year as well as in the previous year. However, being a long term and strategic investment, there is a reasonable certainty that there will be no diminution in the value of this investment, and therefore, no provisioning has been considered necessary.

**NOTE '37'**

Subsequent to the year end, the Company has received US \$ 9.68 lacs pursuant to the arbitration settlement with the local partner of Bahrain subsidiary. As per the award terms, the Company inter alia is also to transfer it's holding to the local partner once legal and other statutory formalities in respect of which are in the process of being complied with. Accordingly, necessary accounting impact will be given as and when necessary formalities are complied with.

**NOTE '38'**

Previous year's figures have been re-grouped/re-arranged, wherever necessary, to conform to the current year's classification/presentation.

Signatures to Notes 1 to 38

**For and on behalf of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

**Ramasubramanian Sankaran**  
Executive Director

**Sudhir Joshi**  
Director

Place : Thane  
Dated : May 29, 2014



## **INDEPENDENT AUDITORS' REPORT**

**To The Board of Directors**

**CyberTech Systems and Software Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **CyberTech Systems & Software Limited** ('the Parent Company') and its subsidiaries (collectively referred as "the Group") which comprises the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement of the group for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

- (b) in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For LODHA & CO.**  
**Chartered Accountants**  
**Firm Registration No. 301051E**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**

**Place : Mumbai**  
**Date : May 29, 2014**



<b>CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014</b>			
	<b>NOTE NO.</b>	<b>As At March 31, 2014 ₹</b>	<b>As At March 31, 2013 ₹</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	<b>2</b>	<b>264,713,430</b>	264,713,430
Reserves and surplus	<b>3</b>	<b>334,239,318</b>	286,320,247
<b>Non-Current liabilities</b>			
Long term borrowings	<b>4</b>	<b>45,601,766</b>	-
Deferred tax liabilities (Net)	<b>5</b>	<b>15,120,703</b>	17,384,630
Other long term liabilities	<b>6</b>	<b>8,889,450</b>	13,084,050
<b>Current Liabilities</b>			
Short term borrowings	<b>7</b>	<b>7,205,103</b>	13,880,963
Trade payables	<b>8</b>	<b>88,672,379</b>	81,284,656
Other current liabilities	<b>9</b>	<b>26,596,825</b>	14,981,893
Short term provisions	<b>10</b>	<b>87,497,743</b>	84,299,349
	<b>TOTAL</b>	<b>878,536,717</b>	775,949,218
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	<b>11</b>		
Tangible assets		<b>146,360,217</b>	158,503,420
Intangible assets		<b>12,414,273</b>	18,092,581
Capital work-in-progress		<b>236,056,608</b>	123,479,199
Intangible assets under development		<b>39,804,289</b>	15,056,022
Long-term loans and advances	<b>12</b>	<b>3,544,809</b>	5,098,105
<b>Current Assets</b>			
Current investments	<b>13</b>	<b>172,455,689</b>	227,357,511
Trade receivables	<b>14</b>	<b>152,856,872</b>	125,927,135
Cash and bank balances	<b>15</b>	<b>87,037,045</b>	79,754,563
Short-term loans and advances	<b>16</b>	<b>6,308,221</b>	7,202,548
Other current assets	<b>17</b>	<b>21,698,694</b>	15,478,1340
	<b>TOTAL</b>	<b>878,536,717</b>	775,949,218

Significant Accounting Policies and Notes to Consolidated Financial Statements

1 to 33

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**A.M. Hariharan**  
Partner

**Sateesh Wadagbalkar**  
Company Secretary

**For and on behalf of the Board of Directors**

**Ramasubramanian Sankaran**  
Executive Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 29, 2014

Place : Thane  
Dated : May 29, 2014



<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014</b>			
	<b>NOTE NO.</b>	<b>For the year ended March 31, 2014</b> ₹	<b>For the year ended March 31, 2013</b> ₹
<b>INCOME</b>			
Revenue from operations	<b>18</b>	<b>675,647,294</b>	644,094,777
Other Income	<b>19</b>	<b>55,183,982</b>	108,040,301
		<b>730,831,276</b>	752,135,078
<b>EXPENDITURE</b>			
Cost of hardware/software package for service delivery		<b>23,120,219</b>	1,372,392
Employee benefits expense	<b>20</b>	<b>437,640,481</b>	413,657,780
Finance costs	<b>21</b>	<b>4,760,776</b>	690,570
Depreciation and amortisation expense		<b>24,635,000</b>	25,519,957
Other expenses	<b>22</b>	<b>144,590,150</b>	172,746,088
		<b>634,746,626</b>	613,986,787
<b>Profit before tax</b>		<b>96,084,650</b>	138,148,292
Tax expense			
Current tax		<b>22,000,000</b>	50,000,000
Deferred tax		<b>(2,263,927)</b>	73,762
<b>Profit for the year</b>		<b>76,348,577</b>	88,074,530
Basic and Diluted Earnings per Share of face value of ₹10 each		<b>2.88</b>	3.33

Significant Accounting Policies and Notes to Consolidated Financial Statements

1 to 33

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**A.M. Hariharan**  
Partner

Place : Mumbai  
Dated : May 29, 2014

**Sateesh Wadagbalkar**  
Company Secretary

Place : Thane  
Dated : May 29, 2014

**For and on behalf of the Board of Directors**

**Ramasubramanian Sankaran**      **Sudhir Joshi**  
Executive Director                      Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year March 31,2014		For the year <b>ended</b> ended March 31,2013	
	₹	₹	₹	₹
<b>A. Cash flow from Operating activities</b>				
Net Profit/(Loss) before tax and exceptional items :		<b>96,084,650</b>		138,148,292
Adjustments for :				
Depreciation and amortisation expense	<b>24,635,000</b>		25,519,957	
Loss on assets sold / discarded (Net)	<b>1,513,430</b>		818,035	
Interest income	<b>(2,089,161)</b>		(76,883,692)	
Interest expense	<b>4,760,776</b>		690,570	
Sundry balances written back (Net)	<b>(957,971)</b>		(586,679)	
Profit on sale of investments	<b>(17,176,496)</b>		(9,704,683)	
Provision for Doubtful debts/advances	<b>900,000</b>		254,892	
		<b>1 1,585,578</b>		(59,891,600)
<b>Operating profit before Working Capital changes</b>		<b>107,670,228</b>		78,256,692
Adjustments for :				
Decrease/(Increase) in Trade receivables	<b>(28,462,609)</b>		(23,561,354)	
Decrease/(Increase) in Other receivables	<b>(3,708,811)</b>		77,058,747	
Increase/(Decrease) in Trade & other payables	<b>2,443,095</b>		74,571,118	
		<b>(29,728,325)</b>		128,068,511
<b>Cash generated from operations</b>		<b>77,941,903</b>		206,325,203
Direct taxes (paid) / refund (Net)		<b>(13,495,280)</b>		9,836,132
<b>Net cash generated used in operating activities(A)</b>		<b>64,446,623</b>		216,161,335
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		<b>(137,094,755)</b>		( 93,465,384)
Purchase of investments		<b>(127,000,000)</b>		(332,823,989)
Sale of fixed assets		<b>2,161,569</b>		200,000
Sale of investments		<b>1 99,078,318</b>		193,156,661
Deposits with bank made/withdrawn		<b>7,519,464</b>		( 1,831,626)
Interest received		<b>2,255,117</b>		2,393,834
<b>Net cash generated used in investing activities (B)</b>		<b>(53,080,287)</b>		(232,370,504)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31,2014		For the year ended March 31,2013	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities :</b>				
Proceeds from short term borrowings		(6,675,860)		13,880,963
Proceeds from long term borrowings		45,601,766		-
Interest paid		(4,756,056)		(690,570)
Dividend and Dividend Tax paid thereon		(30,747,048)		(30,970,148)
<b>Net cash generated from / (used in) financing activities (C)</b>		<b>3,422,802</b>		<b>( 17,779,755)</b>
<b>Net Increase / (Decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>14,789,138</b>		<b>( 33,988,924)</b>
Cash & cash equivalents (opening)		45,843,966		79,832,890
Cash & cash equivalents (closing)		60,633,104		45,843,966
		<b>14,789,138</b>		<b>(33,988,924)</b>

Note

- 1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard (AS) 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standards) Rules, 2006.
- 2 The previous year's figures have been regrouped/rearranged wherever necessary.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**A. M. Hariharan**  
Partner

**Sateesh Wadagbalkar**  
Company Secretary

**Ramasubramanian Sankaran**  
Executive Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 29, 2014

Place : Thane  
Dated : May 29,2014



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**Note '1'**

**SIGNIFICANT ACCOUNTING POLICIES:**

**A. Basis of preparation:**

The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended).

**B. Principles of Consolidation:**

(a) The Consolidated Financial Statements (CFS) comprise the financial statements of the holding Company, CyberTech Systems & Software Limited and its subsidiaries which are as under:

<b>Name of the Subsidiary Company</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest</b>
CyberTech Systems & Software Inc. (CSSI)	U.S.A.	100 %
CyberTech Middle East WLL, Bahrain (CME) #	Kingdom of Bahrain	55 %

(b) The Consolidated Financial Statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies except for amortization of Goodwill in the books of its wholly owned subsidiary where the Goodwill has been amortised over a period of 10 years as against the policy adopted by Holding company to amortise Goodwill over a period of 5 years.

(c) The effect of intra group transactions between CyberTech Systems & Software Limited and its subsidiaries are eliminated in consolidation.

(d) For significant accounting policies followed, refer Note no.1 of the Holding Company's audited financial statements.

(e) # The accounts of "CyberTech Middle East WLL, Bahrain (55% subsidiary) has not been consolidated due to non availability of information and pending transfer of shares.

**C. Foreign Subsidiaries :**

CyberTech Systems & Software Inc., USA has been considered as non-integral and accordingly all assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the year. The resulting exchange differences have been accumulated in the Foreign Currency Translation Reserve.

	<b>As at March 31, 2014 ₹</b>	<b>As at March 31, 2013 ₹</b>
<b>NOTE '2'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b> 36,000,000 (Previous Year 36,000,000) Equity Shares of ₹10 each	<b>360,000,000</b>	360,000,000
<b>Issued</b> 26,476,302 (Previous year 26,476,302) Equity Shares of ₹10 each	<b>264,763,020</b>	264,763,020
<b>Subscribed and fully paid</b> 26,471,343 (Previous year 26,471,343) Equity Shares of ₹10 each fully paid up	<b>264,713,430</b>	<b>264,713,430</b>
[Allotment of 4,959 (Previous year 4,959) bonus shares on 3,967 (Previous year 3,967) Equity shares is pending on account of non-establishment of beneficial ownership by NSDL.]		

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014****(a) Reconciliation of Share Capital**

	As at March 31, 2014		As at March 31, 2013	
	No of shares	Amount ₹	No of shares	Amount ₹
At beginning of the year	26,476,302	264,763,020	26,476,302	264,763,020
Addition during the year	-	-	-	-
Outstanding at the end of the year	26,476,302	264,763,020	26,476,302	264,763,020

**(b) Terms/rights attached to equity shares**

The Company has issued one class of equity shares having a face value of ₹10 per share. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paidup equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

**(c) Shareholders holding more than 5% of the equity shares :**

	As at March 31, 2014		As at March 31, 2013	
	No of shares	%	No of shares	%
Tadimety Viswanath	5,570,307	21.04%	5,421,768	20.48%
Steven Jeske	2,383,333	9.00%	2,383,333	9.00%
Indotech Holdings LLC	3,900,000	14.73%	3,900,000	14.73%

d) During the previous five years, the Company has not issued Bonus shares/ bought back shares/issued shares for consideration other than cash.

e) Refer note no. 24 in respect of ESOP



<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '3'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	<b>164,667,032</b>	164,667,032
<b>Surplus</b>		
Opening Balance	<b>112,935,590</b>	55,831,208
Add: Profit for the year	<b>76,348,577</b>	88,074,530
Balance available for appropriations	<b>189,284,167</b>	143,905,738
<u>Less : Appropriations during the year</u>		
Proposed Dividend	<b>26,471,343</b>	26,471,343
Tax on dividend	<b>4,498,805</b>	4,498,805
Closing Balance	<b>158,314,019</b>	112,935,590
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	<b>8,717,625</b>	5,239,474
Add: Foreign Currency Translation during the year	<b>2,540,642</b>	3,478,151
Closing Balance	<b>11,258,267</b>	8,717,625
	<b>334,239,318</b>	286,320,247
<b>NOTE '4'</b>		
<b>LONG-TERM BORROWINGS</b>		
Secured		
Term Loan from a Bank (Refer Note (i) below)	<b>518,076</b>	-
Vehicle loan from a Bank (Refer Note (ii) below)		
Notes:		
i) Company had taken a term loan amounting to ₹ 50,000,000 which will be paid in 123 equal monthly instalments of ₹ 739,200 each, and the final instalment will be paid on January 9, 2023. The loan is secured by immovable property located at Thane. Interest payable @ base rate + margin i.e. ranging from 12.75% p.a. to 13% p.a.		
ii) Company had taken a vehicle loan amounting to ₹ 800,000 which will be paid in 48 equal monthly instalments of ₹ 20,304 each, and the final instalment will be paid on July 8, 2017. The loan is secured by hypothecation of the vehicle purchased there against. Interest payable @ 10.50% p.a.		
	<b>45,601,766</b>	-
<b>NOTE '5'</b>		
<b>DEFERRED TAX LIABILITIES</b>		
Deferred Tax Asset		
Expenses allowable on payments and others	<b>6,987,291</b>	4,843,604
Deferred Tax Liability		
Difference between book & tax depreciation	<b>22,107,994</b>	22,228,234
Net Deferred Tax liability	<b>15,120,703</b>	17,384,630
<b>NOTE '6'</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Security deposits received	<b>8,889,450</b>	13,084,050
	<b>8,889,450</b>	13,084,050

<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '7'</b>		
<b>SHORT-TERM BORROWINGS</b>		
Secured		
Bank Overdraft	<b>7,205,103</b>	13,880,963
	<b>7,205,103</b>	13,880,963
<b>Details of Security</b>		
Bank borrowing is secured by way of exclusive charge on immovable property of the Company at Thane, and rental to be credited to Escrow account with the bank. Interest payable @ base rate + margin i.e. ranging from 12.75% p.a. to 13% p.a. (Previous Year 12.75% p.a.)		
<b>NOTE '8'</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	<b>88,672,379</b>	81,284,656
	<b>88,672,379</b>	81,284,656
The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.		
<b>NOTE '9'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt	<b>2,986,840</b>	-
Interest accrued but not due on borrowings	<b>4,720</b>	-
Security deposits received	<b>2,775,800</b>	1,583,600
Statutory dues	<b>3,112,704</b>	3,440,167
Payables for capital expenditure	<b>13,078,783</b>	6,291,808
Other Income received in advance	<b>448,000</b>	448,000
Other payable	<b>1,852,016</b>	1,280,575
Unclaimed dividend *	<b>2,337,962</b>	1,937,743
*There is no amount due to be credited to the fund and outstanding as at Balance Sheet date	<b>26,596,825</b>	14,981,893
<b>NOTE '10'</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for employee benefits		
Gratuity (Refer note no. 26)	<b>8,173,793</b>	8,213,971
Leave Entitlements	<b>6,714,515</b>	6,714,690
Income Tax	<b>41,639,287</b>	38,400,540
(Net of Advance Tax ₹235,143,895 (Previous year ₹204,942,825))		
Proposed Dividend	<b>26,471,343</b>	26,471,343
Tax on Dividend	<b>4,498,805</b>	4,498,805
	<b>87,497,743</b>	84,299,349



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

NOTE '11'

**FIXED ASSETS**

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at April 1, 2013	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2014	upto March 31, 2013	for the year upto March 31, 2014	On Deductions/ Adjustments upto March 31, 2014	As at March 31, 2014
<b>TANGIBLE ASSETS</b>								
Leasehold Land *	3,308,683	-	-	3,308,683	779,000	50,258	-	2,479,425
Buildings **	115,543,480	-	-	115,543,480	21,921,667	1,883,364	-	91,738,449
Plant and Equipment	48,363,226	278,837	7,647,463	40,994,600	28,038,356	2,224,832	5,351,963	16,083,375
Furniture & Fixtures	93,214,040	145,366	4,440,416	88,918,990	73,154,745	3,335,347	3,460,945	15,889,843
Vehicles	4,205,011	1,120,995	-	5,326,006	1,124,918	457,100	-	3,743,988
Office Equipment	7,118,352	288,891	1,093,202	6,314,041	2,948,128	455,430	785,557	3,696,040
Computers	55,977,641	3,794,386	199,546	59,572,481	41,260,199	5,859,842	276,657	12,729,097
<b>TOTAL (A)</b>	<b>327,730,433</b>	<b>5,628,475</b>	<b>13,380,627</b>	<b>319,978,281</b>	<b>169,227,013</b>	<b>14,266,173</b>	<b>9,875,122</b>	<b>146,360,217</b>
<b>INTANGIBLE ASSETS</b>								
Computer-Software	37,298,431	1,821,427	(3,371,250)	42,491,108	21,310,580	8,014,521	(751,734)	12,414,273
Goodwill	42,090,250	-	(4,347,750)	46,438,000	39,985,521	2,354,306	(4,098,173)	-
<b>TOTAL (B)</b>	<b>79,388,681</b>	<b>1,821,427</b>	<b>(7,719,000)</b>	<b>88,929,108</b>	<b>61,296,101</b>	<b>10,368,827</b>	<b>(4,849,907)</b>	<b>12,414,273</b>
<b>Total (A + B)</b>	<b>407,119,114</b>	<b>7,449,902</b>	<b>5,661,627</b>	<b>408,907,389</b>	<b>230,523,114</b>	<b>24,635,000</b>	<b>5,025,215</b>	<b>158,774,490</b>
<b>CAPITAL WORK IN PROGRESS</b>								
Building under construction								140,447,661
Plant and equipment								37,467,146
Furniture and Fixtures								56,157,392
Office Equipment								1,693,210
Computers								291,200
<b>TOTAL (C)</b>								<b>236,056,608</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>								
Softwares under development								39,804,289
<b>Total (D)</b>								<b>39,804,289</b>

\* Land was taken on lease for 66 years from September, 1997

\*\* Buildings included ₹4000 (Previous Year ₹4000) being value of 80 shares (Previous Year 80 shares) each in Acme Plaza Premises Co-operative Society Ltd



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in ₹)									
DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2012	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2013	upto March 31, 2012	for the year	On Deductions/ Adjustments	upto March 31, 2013	As at March 31, 2013
<b>TANGIBLE ASSETS</b>									
Leasehold Land *	3,308,683	-	-	<b>3,308,683</b>	728,742	50,258	-	<b>779,000</b>	<b>2,529,683</b>
Buildings **	115,543,480	-	-	<b>115,543,480</b>	20,038,307	1,883,360	-	<b>21,921,667</b>	<b>93,621,813</b>
Plant and Equipment	50,392,591	239,838	2,269,203	<b>48,363,226</b>	27,099,032	2,472,485	1,533,161	<b>28,038,356</b>	<b>20,324,870</b>
Furniture & Fixtures	89,308,099	3,751,941	(154,000)	<b>93,214,040</b>	67,487,230	5,513,515	(154,000)	<b>73,154,745</b>	<b>20,059,295</b>
Vehicles	4,205,011	-	-	<b>4,205,011</b>	725,440	399,478	-	<b>1,124,918</b>	<b>3,080,093</b>
Office Equipment	6,217,493	900,859	-	<b>7,118,352</b>	2,635,249	312,879	-	<b>2,948,128</b>	<b>4,170,224</b>
Computers	51,879,043	8,200,063	4,101,465	<b>55,977,641</b>	40,270,484	4,942,052	3,952,337	<b>41,260,199</b>	<b>14,717,442</b>
<b>TOTAL (A)</b>	<b>320,854,400</b>	<b>13,092,701</b>	<b>6,216,668</b>	<b>327,730,433</b>	<b>158,984,484</b>	<b>15,574,027</b>	<b>5,331,498</b>	<b>169,227,013</b>	<b>158,503,420</b>
<b>INTANGIBLE ASSETS</b>									
Computer-Software	19,747,138	17,551,293	-	<b>37,298,431</b>	15,600,624	5,723,947	13,991	<b>21,310,580</b>	<b>15,987,852</b>
Goodwill	39,703,250	-	(2,387,000)	<b>42,090,250</b>	33,747,763	4,221,982	(2,015,776)	<b>39,985,521</b>	<b>2,104,729</b>
<b>TOTAL (B)</b>	<b>59,450,388</b>	<b>17,551,293</b>	<b>(2,387,000)</b>	<b>79,388,681</b>	<b>49,348,387</b>	<b>9,945,929</b>	<b>(2,001,785)</b>	<b>61,296,101</b>	<b>18,092,581</b>
<b>TOTAL (A + B)</b>	<b>380,304,788</b>	<b>30,643,994</b>	<b>3,829,668</b>	<b>407,119,114</b>	<b>208,332,871</b>	<b>25,519,956</b>	<b>3,329,713</b>	<b>230,523,114</b>	<b>176,596,001</b>
<b>CAPITAL WORK IN PROGRESS</b>									
Building under construction									<b>107,502,296</b>
Plant and Fixtures									<b>15,976,903</b>
<b>TOTAL (C)</b>									<b>123,479,199</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									
Softwares									<b>15,056,022</b>
<b>TOTAL (D)</b>									<b>15,056,022</b>

\* Land was taken on lease for 66 years from September, 1997

\*\* Buildings included ₹4000 (Previous Year ₹4000) being value of 80 shares (Previous Year 80 shares) each in Acme Plaza Premises Co-operative Society Ltd



<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE '12'</b> <b>LONG-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Capital advances	<b>861,439</b>	1,755,287
Security deposits	<b>2,683,370</b>	3,342,818
	<b>3,544,809</b>	5,098,105
<b>NOTE '13'</b> <b>CURRENT INVESTMENTS</b> (Unquoted, Fully paid)		
In Mutual funds	<b>172,455,689</b>	227,357,511
	<b>172,455,689</b>	227,357,511
<b>NOTE '14'</b> <b>TRADE RECEIVABLES</b> (Unsecured)		
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>		
Considered good	<b>24,583,178</b>	52,100
Considered doubtful	<b>2,808,246</b>	27,659,270
	<b>27,391,424</b>	27,711,370
Less: Provision for doubtful debts	<b>(2,808,246)</b>	(27,659,270)
	<b>24,583,178</b>	52,100
<u>Other receivables</u>		
Considered good	<b>128,273,694</b>	125,875,035
	<b>152,856,872</b>	125,927,135
<b>NOTE '15'</b> <b>CASH AND BANK BALANCES</b>		
<b>I. Cash and Cash Equivalents</b>		
a) Cash on hand	<b>183,210</b>	67,861
b) Bank Balances		
- in Current Accounts	<b>58,173,967</b>	45,776,105
c) Fixed deposits with maturity less than 3 months	<b>2,275,927</b>	
	<b>60,633,104</b>	45,843,966
<b>II. Other Bank Balances</b>		
in unpaid dividend accounts	<b>2,337,962</b>	1,937,743
in fixed deposit accounts*		
- Deposits with maturity more than 3 months but less than 12 months (including interest accrued ₹ <b>686,561</b> , Previous Year ₹ 411,131)	<b>24,065,979</b>	31,720,384
- Deposits with maturity more than 12 months (including interest accrued ₹ <b>Nil</b> , Previous Year ₹ 2,470)		252,470
	<b>87,037,045</b>	79,754,563

<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
* Fixed Deposits with Banks held as margin money against the following: Forward Contracts Guarantees issued to Municipal corporations	- <b>17,648,172</b>	7,799,758 12,638,816
<b>NOTE '16'</b> <b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured) Advance for Supply of goods and rendering of services Considered Good Considered doubtful	<b>1,292,155</b> <b>900,000</b>	1,418,740 -
	<b>2,192,155</b> <b>(900,000)</b>	1,418,740 -
Loans and advances to employees Deposits Service Tax Receivable (Net)	<b>1,292,155</b> <b>1,919,026</b> <b>2,126,044</b> <b>970,996</b>	1,418,740 1,310,911 3,258,347 1,214,550
	<b>6,308,221</b>	73,818,220
<b>NOTE '17'</b> <b>OTHER CURRENT ASSETS</b> Unbilled revenue Interest accrued but not due Prepaid expenses Other Receivables	<b>9,471,173</b> - <b>10,390,684</b> <b>1,836,837</b>	8,114,652 4,128 6,545,922 813,432
	<b>21,698,694</b>	15,478,134
	<b>For the year ended March 31, 2014 ₹</b>	<b>For the year ended March 31, 2013 ₹</b>
<b>NOTE '18'</b> <b>REVENUE FROM OPERATIONS</b> From Sale of Services Software Development Services	<b>675,647,294</b>	644,094,777
	<b>675,647,294</b>	644,094,777
<b>NOTE '19'</b> <b>OTHER INCOME</b> Interest on: Deposit With banks Income Tax Refund [Refer Note No.29(iv)] Others Profit on sale of investments Current Investments Long Term Investments Exchange Gain Rent Received Less: Rates and Taxes (directly attributable)	<b>1,972,295</b> <b>236,990</b> <b>57,388</b> <b>2,266,673</b> <b>20,534</b> <b>17,155,962</b> <b>11,693,468</b> <b>21,928,934</b> <b>3,035,343</b>	2,794,275 74,080,633 8,784 76,883,692 5,880,029 3,824,654 7,593,625 18,475,903 5,312,935
Sundry Credit Balances written back (Net) Miscellaneous Income	<b>18,893,591</b> <b>957,971</b> <b>4,195,783</b>	13,162,968 586,679 108,654
	<b>55,183,982</b>	108,040,301



<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>		
	<b>For the year ended March 31, 2014 ₹</b>	<b>For the year ended March 31, 2013 ₹</b>
<b>NOTE '20'</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	<b>429,678,474</b>	408,386,955
Contribution to Provident and other funds	<b>767,703</b>	639,970
Staff Welfare expenses	<b>17,922,429</b>	16,294,148
	<b>448,368,606</b>	425,321,073
Less: Transferred to Capital Work in Progress	-	460,000
Building under construction	-	11,203,293
Software under development	<b>10,728,125</b>	-
	<b>10,728,125</b>	11,663,293
	<b>437,640,481</b>	413,657,780
<b>NOTE '21'</b>		
<b>FINANCE COSTS</b>		
Interest on borrowings	<b>8,128,045</b>	1,340,992
Less: Transferred to capital work In progress-building under construction	<b>3,367,269</b>	650,422
	<b>4,760,776</b>	690,570
<b>NOTE '22'</b>		
<b>OTHER EXPENSES</b>		
Travelling & Conveyance	<b>24,163,269</b>	28,964,920
Communication	<b>6,808,427</b>	6,339,307
Electricity Expenses	<b>9,423,038</b>	7,948,372
Insurance	<b>2,814,430</b>	2,508,991
Rates and Taxes	<b>3,625,577</b>	2,601,734
Professional fees	<b>26,585,117</b>	33,392,535
Software Programming, Consultancy and Development Charges	<b>27,419,597</b>	52,051,794
Rent	<b>8,220,593</b>	7,730,211
Auditors' Remuneration		
Audit Fees	<b>946,750</b>	890,320
Tax Audit fees	<b>125,000</b>	125,000
Limited Review Fees	<b>225,000</b>	225,000
Certification and Other Services	<b>250,000</b>	120,000
Reimbursement of Expenses	<b>72,870</b>	62,120
	<b>1,619,620</b>	1,422,440
Repairs and Maintenance		
Buildings	<b>1,085,082</b>	2,140,901
Plant & Equipment	<b>6,040,305</b>	6,600,659
Others	<b>4,803,267</b>	3,257,159
	<b>11,928,654</b>	11,998,719
Security Expenses	<b>1,883,937</b>	2,270,421
Loss on assets sold/discarded (Net)	<b>1,513,430</b>	818,035
Bad Debts written off	<b>25,632,542</b>	13,548,611
Less: Provision for Doubtful Debts no longer required written back	<b>25,632,542</b>	13,548,611
	-	-
Provision for Doubtful debts	-	254,892
Provision for doubtful advances	<b>900,000</b>	-
Miscellaneous Expenses	<b>17,684,461</b>	14,443,717
	<b>144,590,150</b>	172,746,088

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE : '23'**

**EARNINGS PER SHARE:**

	<b>For the year ended March 31, 2014</b>	For the year ended March 31, 2013
Profit attributable to the Shareholders	<b>76,348,577</b>	88,074,530
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>26,476,302</b>	26,476,302
Nominal Value of Equity Shares (₹)	<b>10</b>	10
Basic and Diluted Earnings Per Share (₹)	<b>2.88</b>	3.33

**NOTE : '24'**

**EMPLOYEES STOCK OPTION PLAN (ESOP)**

The Company's Employees' Stock Option Scheme- 2007, provides for issue of equity option in each financial year up to 5% (Previous year 5%) of the outstanding fully paid-up equity capital of the Company as on March 31, 2007 on to eligible employees, and the carry forward of un-allotted options in each of the financial years to the subsequent financial years for grant, in aggregate not exceeding 9,264,970 shares (Previous year 9,264,970 shares). The scheme covers directors and the employees of the subsidiaries, apart from the employees and directors of the Company except directors/ employees belonging to promoter group. The options vest in a phased manner over four years with 25% of the grants vesting at the end of each year from the date of grant and the same can be exercised within seven years from the date of the grant at the market price as on the date of the grant. One option is equal to one equity share.

	<b>As at March 31, 2014</b>	As at March 31, 2013
Face Value of Grant	<b>10</b>	10
<b>Grants:</b>		
Outstanding at the beginning	<b>1,517,500</b>	1,697,500
Add.: Granted during the year	<b>375,000</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>692,500</b>	180,000
Outstanding as at the end	<b>1,200,000</b>	1,517,500
<b>Vested:</b>		
Outstanding at the beginning	<b>1,030,000</b>	773,750
Add: Vested during the year	<b>156,250</b>	361,250
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>492,500</b>	105,000
Outstanding as at the end	<b>668,750</b>	1,030,000
<b>Out of above :</b>		
<b>Grants to the Whole Time Director</b>		
Outstanding at the beginning	<b>0</b>	0



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

Add.: Granted during the year	<b>100,000</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	0
Outstanding as at the end	<b>100,000</b>	0
<b>Vested to the Whole Time Director</b>		
Outstanding at the beginning	<b>0</b>	0
Add: Vested during the year	<b>0</b>	0
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	0
Outstanding as at the end	<b>0</b>	0
<b>Grants to Non Executive Director</b>		
Outstanding at the beginning	<b>150,000</b>	180,000
Add.: Granted during the year	<b>0</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	30,000
Outstanding as at the end	<b>150,000</b>	150,000
<b>Vested to non-executive director</b>		
Outstanding at the beginning	<b>150,000</b>	142,500
Add: Vested during the year	<b>0</b>	37,500
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>0</b>	30,000
Outstanding as at the end	<b>150,000</b>	150,000

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company, Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option.

**Summary of the options outstanding under the Employees Stock Option Plan (ESOP):**

	As at March 31, 2014		As at March 31, 2013	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	<b>1,517,500</b>	<b>15.57</b>	1,697,500	15.88
Granted during the year	<b>375,000</b>	<b>11.34</b>	0	0

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	692,500	12.95	180,000	16.62
Options outstanding at end of year	1,200,000	15.75	1,517,500	15.57
Vested options pending exercise	668,750	17.77	1,030,000	15.29

The following summarizes information about stock options outstanding:

**As at March 31, 2014**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 10 to ₹ 15	375,000	6	11.34
₹ 15 to ₹ 23	825,000	5	17.76

As at March 31, 2013

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 10 to ₹ 15	600,000	4	12.28
₹ 15 to ₹ 23	917,500	5	17.71

**Fair Value methodology for the option:**

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹ 10 to ₹ 23 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at March 31, 2014	As at March 31, 2013
Dividend yield	0-10%	0-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46% - 6.65%	6.46% - 6.65%
Expected life of option	0 – 7 yrs	0 – 7 yrs

**Impact of Fair value method on Net Profit and EPS**

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit income and earnings per share would have been, as indicated below:

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Profit attributable to Equity Shareholders	76,348,577	88,074,530
Less: Stock-based compensation expense determined under fair value based method	177,868	207,513
Net Profit	76,170,709	87,867,017
Basic and diluted earnings per share (as reported)	2.88	3.33
Basic and diluted earnings per share (under fair value method)	2.88	3.32



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE : '25'**

**RELATED PARTY DISCLOSURES**

A. List of Related Parties:

- (i) Associate:  
CyberTech Systems Inc., USA
- (ii) Key Management Personnel

Mr. Tapan Kumar Mukhopadhyay (August 13, 2013)	Wholetime Director	CSSL
Mr. Ramasubramanian Sankaran	Executive Director	CSSL
Mr. Viswanath Tadimety	Director	CSSL, CSSI and CME
Mr. Steven Jeske	Director	CSSL, CSSI and CME

B. Transactions entered with Related Parties in the ordinary course of business

(Amount in ₹)

Particulars	Related Party Transactions		
	Associate	Key Management Personnel	Total
Expenses#	-	<b>29,688,657</b>	<b>29,688,657</b>
	(-)	(26,721,506)	(26,721,506)
Outstanding as at the year end			
Payable	<b>1,348,200</b>	<b>1,910,244</b>	<b>3,258,444</b>
	(1,280,575)	(1,349,512)	(2,630,087)

**Disclosure in Respect of Material Related Party Transactions during the year**

# Payment to Key Managerial Personnel includes remuneration paid to  
 Mr. TapanKumar Mukhopadhyay ₹ **803,101** (Previous Year ₹ 1,600,537),  
 Mr. Ramasubramanian Sankaran ₹ **2,763,061** (Previous Year ₹ 1,694,573),  
 Mr. Viswanath Tadimety ₹ **12,149,995** (Previous Year ₹ 10,895,996),  
 Mr. Steven Jeske ₹ **13,972,500** (Previous Year ₹ 12,530,400)

**Notes:**

- i) Related party relationship is as identified by the Company and relied upon by the Auditors.
- ii) No amounts have been written off/back and provided for in respect of the related parties during the year.
- iii) Figures in brackets represent previous year figures.

**NOTE : '26'**

**DEFINED BENEFIT PLANS IN RESPECT OF GRATUITY PAYABLE:**

The present value of obligation is determined based on Actuarial valuation using Projected Unit Credit Method.

**Change in present value of obligation**

(Amount in ₹)

		As at March 31, 2014 ₹	As at March 31, 2013 ₹
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>8,978,718</b>	7,200,047
2	Interest Cost	<b>740,744</b>	6,12,004



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

3	Current Service Cost	<b>2,166,842</b>	2,115,100
4	Benefits paid during the year	<b>(799,238)</b>	(235,253)
5	Actuarial (gain)/loss on Defined Benefit Obligation	<b>(1,816,668)</b>	(713,180)
6	Present Value of Defined Benefit Obligation, end of the year	<b>9,270,398</b>	8,978,718

**Amounts recognized in the Balance Sheet**

(Amount in ₹)

		<b>As at March 31, 2014</b> ₹	As at March 31, 2013 ₹
1	Present Value of Defined Benefit Obligation	<b>9,270,398</b>	8,978,718
2	Fair Value of plan assets	<b>1,096,605</b>	764,747
3	Net Liability recognized in the Balance Sheet	<b>8,173,793</b>	8,213,971

**Net gratuity cost for the year ended March 31, 2014**

(Amount in ₹)

		<b>For the Year ended</b> <b>March 31, 2014</b> ₹	For the Year ended March 31, 2013 ₹
1	Current Service Cost	<b>2,166,842</b>	2,115,100
2	Interest Cost on obligation	<b>740,744</b>	6,12,004
3	Expected Return on plan assets	<b>(66,533)</b>	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2014	<b>(1,881,231)</b>	(713,180)
5	Net Gratuity Cost	<b>959,822</b>	2,013,924

**Assumptions used in accounting for the gratuity plan**

(Rate per annum)

		<b>As at March 31, 2014</b>	As at March 31, 2013
1	Discount Rate	<b>9.31%</b>	8.25%
2	Rate of Salary Escalation	<b>6.00%</b>	6.00%
3	Rate of return on plan assets	<b>8.70%</b>	8.70%

**NOTE : '27'****LEASES**

(A) The Company has leased its vacant premises under cancellable lease agreements, the income from which is recognised and disclosed as Rent received under Note No. 19.

(B) The Company has taken commercial premises on lease basis, the agreements for which are mutually renewable/cancellable. The rental expenses in respect of operating lease are charged as rent under Note No. 22 under the head 'Rent'

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**
**NOTE : '28'**
**SEGMENT REPORTING**

Pursuant to Accounting Standard 17 on "Segment Reporting" prescribed by the Companies (Accounting Standards) Rules, 2006, the Group has only one reportable segment viz. Software Development Services.

**NOTE : '29'**
**CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) IN RESPECT OF :**
**(A) Contingent Liabilities:**

- a) Disputed Income Tax Matters:
  - i) Regular demand under assessment (including interest upto the date of demand) ₹ **32,674,547** (Previous year Regular ₹ 30,224,097)
  - ii) Penalties & Interest upto the date of demand of ₹ **58,198,919** (Previous year ₹ 58,198,919)
  - iii) Other Income Tax proceedings in respect of earlier years decided in favour of the Company by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : ₹ **3,769,968** (Previous year ₹ 3,769,968)
  - iv) During the previous year, the Company has received Income Tax refunds of ₹ 189,474,293 (including interest amount of ₹ 74,080,633) towards Assessment years 1997-98, 1998-99 and 1999-00, pursuant to the favourable Order from Income Tax Appellate Tribunal. The Income Tax Department has filed an appeal against the said Order with the Hon'ble High Court, Mumbai. Accordingly, the Company has, however continued the provision of ₹ 121,961,829 lakhs made in earlier years. The Company has accounted for the aforesaid interest on income tax refund.
- b) Disputed Service Tax Matters ₹ **6,607,614** (Previous year ₹ 6,607,614)

**(B) Commitments:**

Estimated amount (Net of Advances) of contracts remaining to be executed on capital account and not provided for: ₹ **17,372,799** (Previous year ₹ 80,517,630)

**NOTE : '30'**

In the opinion of the Board, assets other than Fixed Assets and Non Current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated. Provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary

**NOTE : '31'**

The accounts of certain Banks, Trade Receivables, Trade Payables and Loans and Advances are subject to formal confirmation/ reconciliation and adjustments, if any. The Management does not expect any material difference affecting the current year's consolidated financial statements.

**NOTE '32'**

Subsequent to the year end, the Company has received US \$ 9.68 lacs pursuant to the arbitration settlement with the local partner of Bahrain subsidiary. As per the award terms, the Company inter alia is also to transfer it's holding to the local partner once legal and other statutory formalities in respect of which are in the process of being complied with. Accordingly, necessary accounting impact will be given as and when necessary formalities are complied with.

**NOTE : '33'**

Previous year's figures have been re-grouped/re-arranged, wherever necessary, to conform to the current year's classification/ presentation.

Signatures to Note 1 to 33

**For and on behalf of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

**Ramasubramanian Sankaran**  
Executive Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 29, 2014



**Statement pursuant to Section 212 of the Companies Act, 1956  
relating to subsidiary companies:**

<b>Sr. No.</b>		<b>CyberTech Systems and Software Inc., USA</b>	<b>CyberTech Middle East W.L.L., Bahrain</b>
1	The Financial Year of the Subsidiary ended on	March 31, 2014	March 31,2014
2	Shares of the Subsidiary Company held by CyberTech Systems and Software Ltd. on the above date (Nos)	(\$0.01 each )585,000 (\$1.00 each )750,000	634
3	Equity	USD 765,850	BHD 63,400
4	Extent of holding	100%	55%
5	Net aggregate amount of profits/(losses) of the Subsidiary for the above financial year of the Subsidiary so far as they concern the members of CyberTech Systems and Software Limited:		
a)	Dealt with in the accounts of CyberTech Systems and Software Ltd., for the year ended March 31, 2014	Nil	Nil
b)	Not dealt with in the Accounts of CyberTech Systems and Software Ltd. (Amount in Rupees)	(10,536,298)	(629,056)
6	Net aggregate of profits/(losses) of the Subsidiary Company for its previous financial years of the Subsidiary, so far as they concern the members of CyberTech Systems and Software Ltd.		
a)	Dealt with in the Accounts of CyberTech Systems and Software Ltd. for the year ended March 31, 2014	Nil	Nil
b)	Not dealt with in the Accounts of CyberTech Systems and Software Ltd. (Amount in Rupees)	(96,934,002)	(12,972,332)

**For and on behalf of the Board of Directors**

Place: Thane

Date: August 6,2014

**Sateesh Wadagbalkar**

Company Secretary

**Ramasubramanian Sankaran**

Executive Director

**Sudhir Joshi**

Director

## DIRECTORS' REPORT

### To the Shareholders of CyberTech Systems and Software, Inc. (USA)

Your Directors have pleasure in presenting this Annual Report on the business and operations of your Company together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2014.

#### COMPANY FINANCIAL RESULTS:

U.S.Dollars(\$)

	2013-2014	2012-2013
Gross Revenue	<b>10,083,619</b>	11,140,369
Profit/(Loss) before Interest & Depreciation	<b>(6,294)</b>	(264,928)
Interest	<b>NIL</b>	NIL
Depreciation	<b>167,143</b>	178,312
Profit/(Loss) before tax	<b>(173,437)</b>	(443,240)
Provision for tax	<b>NIL</b>	NIL
Current Tax	<b>NIL</b>	NIL
Income Tax Adjustments for earlier years	<b>NIL</b>	NIL
Profit/(Loss) after tax	<b>(173,437)</b>	(443,240)
Profit/(Loss) b/f from previous year	<b>(1,956,291)</b>	(1,513,051)
Balance to be carried forward	<b>(2,129,728)</b>	(1,956,291)

#### REVIEW OF COMPANY'S OPERATIONS AND PERFORMANCE:

Operations of the Company are completely integrated with its parent company viz., CyberTech Systems and Software Limited. The Company operates as CyberTech Systems and Software Limited's sales front end, servicing the combined Company's customers in the United States and promoting offshore support and development services. The Company focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities.

During the year under review CyberTech Systems and Software, Inc has made a loss after tax of \$ (173,437) on the revenue of \$ 10,083,619. The operating loss before interest and depreciation was \$ (6,294). Results are disclosed in the attached financial statements.

The Company maintains its focus on SAP and GIS Technologies and Custom Technology applications. It maintains strong relationships and alliances with partners such as SAP, Microsoft and ESRI. These strong bonds will help the company to attain business revenue growth and increasing profitability with a continued focus on offshore revenue in future.

#### DIVIDEND

Your Directors would like to conserve Company resources for business operations and hence no dividend is recommended.

#### DIRECTORS:

The Company is governed by its Board of Directors. Currently directors are : Mr. Viswanath Tadimety, Mr. Steven Jeske and Mr. Sudhir Joshi.

#### Registered Office

1301, West 22<sup>nd</sup> Street,  
Suite 308, Oak Brook,  
IL 60523, USA.

**For and on behalf of the Board of Directors**

**Viswanath Tadimety**  
Chairman

Place : Trevoise. PA  
Date : August 17, 2014

# AUDITORS' REPORT

## To The Members

### CyberTech Systems and Software Inc. (USA)

#### Report on the Financial Statements

We have audited the accompanying financial statements of CyberTech Systems & Software Inc. USA ('the Company') which comprise the Balance Sheet as at 31st March, 2014, Statement of Profit and Loss and Cash Flow Statement of the company for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act.

**For LODHA & CO.**  
**Chartered Accountants**  
**Firm Registration No. 301051E**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**

**Place : Mumbai**  
**Date : May 29, 2014**



<b>BALANCE SHEET AS AT MARCH 31, 2014</b>					
	<b>NOTE NO.</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2013</b>
		<b>US Dollars</b>	<b>₹</b>	<b>US Dollars</b>	<b>₹</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share capital	<b>2</b>	<b>765,850</b>	<b>45,889,732</b>	765,850	41,593,314
Reserves and surplus	<b>3</b>	<b>(560,578)</b>	<b>(33,589,834)</b>	(387,141)	(21,025,626)
<b>Current Liabilities</b>					
Trade payables	<b>4</b>	<b>2,924,181</b>	<b>175,216,925</b>	3,004,636	163,181,781
Other current liabilities	<b>5</b>	<b>22,500</b>	<b>1,348,200</b>	23,579	1,280,575
<b>TOTAL</b>		<b>3,151,953</b>	<b>188,865,023</b>	3,406,924	185,030,044
<b>ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Fixed Assets	<b>6</b>				
Tangible assets		<b>23,440</b>	<b>1,404,525</b>	27,453	1,490,973
Intangible assets		<b>137,166</b>	<b>8,218,987</b>	285,654	15,513,869
Intangible assets under development		<b>233,981</b>	<b>14,020,142</b>	-	-
Long term loans and advances	<b>7</b>	<b>9,009</b>	<b>539,819</b>	8,563	465,057
<b>Current Assets</b>					
Trade receivables	<b>8</b>	<b>2,109,948</b>	<b>126,428,084</b>	2,026,973	110,084,904
Cash and bank balances	<b>9</b>	<b>469,392</b>	<b>28,125,968</b>	912,471	49,556,300
Short term loans and advances	<b>10</b>	-	-	7,533	409,117
Other current assets	<b>11</b>	<b>169,017</b>	<b>10,127,498</b>	138,277	7,509,824
<b>TOTAL</b>		<b>3,151,953</b>	<b>188,865,023</b>	3,406,924	185,030,044

Significant Accounting Policies and Notes to Financial Statements

1 to 24

The accompanying notes form an integral part of financial statements

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**A.M. Hariharan**  
Partner

**Steven Jeske**  
Director

Place : Mumbai  
Dated : May 29, 2014

Place : Oakbrook, USA  
Dated : May 23, 2014

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014</b>					
	<b>NOTE NO.</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2013</b>
		<b>US Dollars</b>	<b>₹</b>	<b>US Dollars</b>	<b>₹</b>
<b>INCOME</b>					
Revenue from operations	<b>12</b>	<b>10,046,758</b>	<b>610,340,549</b>	11,136,251	606,702,954
Other income	<b>13</b>	<b>36,861</b>	<b>2,239,306</b>	4,118	224,349
		<b>10,083,619</b>	<b>612,579,855</b>	11,140,369	606,927,303
<b>EXPENDITURE</b>					
Employee benefits expense	<b>14</b>	<b>3,280,862</b>	<b>199,312,367</b>	3,885,673	211,691,465
Depreciation and amortisation expense		<b>167,143</b>	<b>10,153,937</b>	178,312	9,714,438
Other expenses	<b>15</b>	<b>6,809,051</b>	<b>413,649,849</b>	7,519,624	409,669,116
		<b>10,257,056</b>	<b>623,116,153</b>	11,583,609	631,075,019
<b>Loss before Tax</b>		<b>(173,437)</b>	<b>(10,536,298)</b>	(443,240)	(24,147,716)
Provision for tax		-	-	-	-
<b>Loss for the year</b>		<b>(173,437)</b>	<b>(10,536,298)</b>	(443,240)	(24,147,716)
Basic and diluted Earnings per share		<b>(0.23)</b>	<b>(13.76)</b>	(0.58)	(31.53)

Significant Accounting Policies and Notes to  
Financial Statements

**1 to 24**

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**A.M. Hariharan**  
Partner

Place : Mumbai  
Dated : May 29, 2014

**For and on behalf of the Board of Directors**

**Steven Jeske**  
Director

Place : Oakbrook, USA  
Dated : May 23, 2014



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014</b>				
	For the year ended March 31, 2014		For the year ended March 31, 2013	
	US Dollars	₹	US Dollars	₹
<b>A. Cash flow from Operating activities</b>				
Net Loss before tax	(173,437)	(10,536,298)	(443,240)	(24,147,716)
Adjustments for :				
Depreciation and amortisation expense	167,143	10,153,937	178,312	9,714,438
Interest income	(1,461)	88,756	(4,118)	(224,349)
Effect of exchange rate change	-	120,976	-	2,606,956
	<b>165,682</b>	<b>10,363,669</b>	174,194	12,097,045
<b>Operating profit before Working Capital changes</b>	<b>(7,755)</b>	<b>(172,629)</b>	(269,046)	(12,050,671)
Adjustments for :				
Decrease/(Increase) in trade receivables	(82,975)	(16,343,180)	(134,017)	(13,108,768)
Decrease/(Increase) in other receivables	(23,681)	(2,209,809)	437,598	21,942,911
Increase/(Decrease) in trade & other payables	(81,534)	12,102,769	(583,559)	(20,568,826)
	<b>(188,190)</b>	<b>(6,450,220)</b>	(279,978)	(11,734,683)
<b>Net cash generated used in operating activities</b>	<b>(195,945)</b>	<b>(6,622,849)</b>	(549,024)	(23,785,354)
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(248,623)	(14,897,491)	(10,035)	(2,057,977)
Interest received	1,489	90,008	4,208	228,725
<b>Net cash generated used in investing activities</b>	<b>(247,134)</b>	<b>(14,807,483)</b>	(5,827)	(1,829,252)
<b>C. Cash flow from financing activities :</b>	-	-	-	-
<b>Net cash generated from / (used in) financing activities</b>	-	-	-	-
<b>Net Decrease in cash &amp; cash equivalents (A+B+C)</b>	<b>(443,079)</b>	<b>(21,430,332)</b>	(554,851)	(25,614,606)
Cash & cash equivalents (Opening)	912,471	49,556,300	1,467,322	75,170,906
Cash & cash equivalents (Closing)	469,392	28,125,968	912,471	49,556,300
	<b>(443,079)</b>	<b>(21,430,332)</b>	(554,851)	(25,614,606)

**Note**

1 The above Cash Flow Statement has been prepared using the Indirect Method prescribed by the Accounting Standards (AS) 3 "Cash Flow Statements" prescribed by Companies (Accounting Standards) Rules, 2006.

2 The previous years' figures have been regrouped/rearranged wherever necessary.

The accompanying notes form an integral part of financial statements

As per our attached report of even date

**For Lodha & Co.**  
Chartered Accountants

**A.M. Hariharan**  
Partner

Place : Mumbai  
Dated : May 29, 2014

**For and on behalf of the Board of Directors**

**Steven Jeske**  
Director

Place: Oakbrook, USA  
Dated: May 23, 2014



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014****Note '1'****SIGNIFICANT ACCOUNTING POLICIES:****Basis of Accounting**

The financial statements are prepared on the basis of the historical cost convention, in accordance with the applicable accounting standards prescribed by the Companies (*Accounting Standards*) Rules, 2006 (*as amended*) and relevant provisions of the Companies Act, 1956 and on the principle of a going concern. All expenses and income to the extent ascertainable with reasonable certainty are accounted for, on accrual basis.

**Use of estimates**

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) and Accounting Standards (AS) require the management to make estimates and assumptions that affect the reported income and expenses during the reported period and the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Actual results may differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

**Revenue Recognition**

Income from software development, customer support services and consulting are recognised in accordance with the terms of contract. Revenue from fixed price contracts with milestone billings and fixed time frame contracts are recognized as per the proportionate completion method.

**Unbilled Revenues**

Revenue recognized over and above the billings on a customer is classified as "unbilled revenue".

**Fixed Assets and Depreciation / Amortisation**

Fixed assets are stated at cost of acquisition less accumulated depreciation/amortisation. Depreciation/amortisation is provided using the straight-line method over the estimated useful life as under:

Description of Assets	Estimated useful life
Computers Hardware	3 years
Computers Software	4 years
Furniture & Fixtures	3 years
Plant & Equipment	5 years
Goodwill *	10 years

**\* Note :**

Goodwill arising on purchase of business by the Company (representing the cost of business acquisition in excess of the fair value assigned to the net tangible assets acquired).

The company assesses at each balance sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to Statement of Profit and Loss. If at the balance sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and asset is restated to that effect.

**Taxation**

Provision for tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the relevant Income Tax laws of United States of America. The deferred tax for timing difference is accounted for, based on the tax rules and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising out from the timing differences are recognized to the extent there is virtual/reasonable certainty that these would be realized in future.

**Borrowing Costs**

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Statement of Profit and Loss.

**Provisions, contingent liabilities and contingent assets**

A provision is made based on reliable estimate when it is possible that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, unless the possibility of outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statement.

**Foreign currency translation:**

All assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the year. The resulting exchange differences have been accumulated in the Foreign Currency Translation Reserve.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
	US Dollars	₹	US Dollars	₹
<b>NOTE '2'</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
<b>10,000,000</b> (Previous Year 10,000,000)				
Common Stock of USD 0.01 each.	<b>100,000</b>	<b>5,992,000</b>	100,000	5,431,000
<b>750,000</b> (Previous Year 750,000)				
Common Stock of USD.1.00 each	<b>750,000</b>	<b>44,940,000</b>	750,000	40,732,500
	<b>850,000</b>	<b>50,932,000</b>	850,000	46,163,500
<b>Issued, Subscribed and Paid-Up</b>				
<b>1,585,000</b> (Previous Year 1,585,000)				
Common Stock of USD.0.01 each, fully paid up	<b>15,850</b>	<b>949,732</b>	15,850	860,814
<b>750,000</b> (Previous year 750,000)				
Common Stock of USD.1.00 each, fully paid up	<b>750,000</b>	<b>44,940,000</b>	750,000	40,732,500
	<b>765,850</b>	<b>45,889,732</b>	765,850	41,593,314

**(a) Reconciliation of Share Capital**

	Face Value of USD 0.01 each		Face Value of USD 1.00 each	
As at March 31, 2014	Opening	Closing	Opening	Closing
<b>No of shares</b>	<b>1,585,000</b>	<b>1,585,000</b>	<b>750,000</b>	<b>750,000</b>
<b>Amount in USD</b>	<b>15,850</b>	<b>15,850</b>	<b>750,000</b>	<b>750,000</b>
<b>Amount in ₹*</b>	<b>860,814</b>	<b>949,732</b>	<b>40,732,500</b>	<b>44,940,000</b>

\*change is on account of reinstatement

	Face Value of USD 0.01 each		Face Value of USD 1.00 each	
As at March 31, 2013	Opening	Closing	Opening	Closing
No of shares	1,585,000	1,585,000	750,000	750,000
Amount in USD	15,850	15,850	750,000	750,000
Amount in ₹*	811,996	860,814	38,422,500	40,732,500

\*change is on account of reinstatement

**(b) Terms/rights attached to equity shares**

The company has two classes of common stock having par value of USD 0.01 per share and USD 1 per share. Both the class of shares have equal rights.

Each shareholder has right to vote in respect of such share on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid up equity capital of the Company. In the event of liquidation the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**(c) Shareholders holding more than 5% of the equity shares :**

	As at March 31, 2014		As at March 31, 2013	
	No of shares	%	No of shares	%
CyberTech Systems and Software Limited (Holding Company)				
Face Value of USD 0.01 each	1,585,000	100	1,585,000	100
Face Value of USD 1.00 each	750,000	100	750,000	100

d) During the previous five years, the Company has not issued Bonus shares/bought back shares/issued shares for consideration other than cash.

	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
	US Dollars	₹	US Dollars	₹
<b>NOTE '3'</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Securities Premium Account</b>				
Balance as per last Balance Sheet	1,569,150	94,023,468	1,569,150	85,220,537
<b>Surplus</b>				
Opening Balance	(1,956,291)	(96,934,002)	(1,513,051)	(72,786,286)
Add: Loss for the year	(173,437)	(10,536,298)	(443,240)	(24,147,716)
Closing Balance	(2,129,728)	(107,470,300)	(1,956,291)	(96,934,002)
<b>Foreign Currency Translation Reserve</b>				
Opening Balance		(9,312,161)		(4,727,317)
Add : Foreign Currency translation during the year		(10,830,841)		(4,584,844)
Closing Balance		(20,143,002)		(9,312,161)
	(560,578)	(33,589,834)	(387,141)	(21,025,626)
<b>NOTE '4'</b>				
<b>TRADE PAYABLES</b>				
Dues to Holding Company	2,397,690	143,669,585	2,423,215	131,604,807
Others	526,491	31,547,340	581,421	31,576,974
	2,924,181	175,216,925	3,004,636	163,181,781
<b>NOTE '5'</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Dues to Associate company	22,500	1,348,200	23,579	1,280,575
	22,500	1,348,200	23,579	1,280,575



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE '6'**  
**FIXED ASSETS**

(Amount in US Dollars)

DESCRIPTION	GROSS BLOCK ( At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1st April, 2013	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2014	Upto 1st April, 2013	for the year	On Deductions/ Adjustments	Upto 31st March, 2014	As at 31st March, 2014
<b>TANGIBLE ASSETS</b>									
Plant & Equipment	10,150	162	-	10,312	4,553	2,040	-	6,593	3,719
Furniture and Fixtures	50,000	2,426	-	52,426	50,000	135	-	50,135	2,291
Computers	91,155	12,054	-	103,209	69,299	16,480	-	85,779	17,430
<b>TOTAL (A)</b>	<b>151,305</b>	<b>14,642</b>	<b>-</b>	<b>165,947</b>	<b>123,852</b>	<b>18,655</b>	<b>-</b>	<b>142,507</b>	<b>23,440</b>
<b>INTANGIBLE ASSETS</b>									
Goodwill	775,000	-	-	775,000	736,246	38,754	-	775,000	-
Computer Software	329,200	-	-	329,200	82,300	109,734	-	192,034	137,166
<b>TOTAL (B)</b>	<b>1,104,200</b>	<b>-</b>	<b>-</b>	<b>1,104,200</b>	<b>818,546</b>	<b>148,488</b>	<b>-</b>	<b>967,034</b>	<b>137,166</b>
<b>TOTAL (A + B)</b>	<b>1,255,505</b>	<b>14,642</b>	<b>-</b>	<b>1,270,147</b>	<b>942,398</b>	<b>167,143</b>	<b>-</b>	<b>1,109,541</b>	<b>160,606</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									
Softwares	-	-	-	-	-	-	-	-	233,981
<b>TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,981</b>

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1st April, 2013	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2014	Upto 1st April, 2013	for the year	On Deductions/ Adjustments	Upto 31st March, 2014	As at 31st March, 2014
<b>TANGIBLE ASSETS</b>									
Plant & Equipment	551,247	9,707	(56,941)	617,895	247,273	123,930	(23,850)	395,053	222,842
Furniture and Fixtures	2,715,500	145,366	(280,500)	3,141,366	2,715,500	8,201	(280,388)	3,004,089	137,277
Computers	4,950,628	722,276	(511,379)	6,184,283	3,763,629	1,001,160	(375,088)	5,139,877	1,044,406
<b>TOTAL (A)</b>	<b>8,217,375</b>	<b>877,349</b>	<b>(848,820)</b>	<b>9,943,544</b>	<b>6,726,402</b>	<b>1,133,291</b>	<b>(679,326)</b>	<b>8,539,019</b>	<b>1,404,525</b>
<b>INTANGIBLE ASSETS</b>									
Goodwill	42,090,250	-	(4,347,750)	46,438,000	39,985,520	2,354,306	(4,098,174)	46,438,000	-
Computer Software	17,878,852	-	(1,846,812)	19,725,664	4,469,713	6,666,341	(370,623)	11,506,677	8,218,987
<b>TOTAL (B)</b>	<b>59,969,102</b>	<b>-</b>	<b>(4,347,750)</b>	<b>66,163,664</b>	<b>44,455,233</b>	<b>9,020,647</b>	<b>(4,098,174)</b>	<b>57,944,677</b>	<b>8,218,987</b>
<b>TOTAL (A + B)</b>	<b>68,186,477</b>	<b>877,349</b>	<b>(5,196,570)</b>	<b>76,107,208</b>	<b>51,181,635</b>	<b>10,153,938</b>	<b>(9,925,623)</b>	<b>66,483,696</b>	<b>9,623,512</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									
Softwares	-	-	-	-	-	-	-	-	14,020,142
<b>TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,020,142</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013

(Amount in US Dollars)

DESCRIPTION	GROSS BLOCK ( At Cost )		DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 1st April, 2012	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2013	Upto 1st April, 2012	for the year	On Deductions/ Adjustments	Upto 31st March, 2013	As at 31st March, 2013
<b>TANGIBLE ASSETS</b>									
Plant & Equipment	10,150	-	-	10,150	2,523	2,030	-	4,553	5,597
Furniture and Fixtures	50,000	-	-	50,000	50,000	-	-	50,000	-
Computers	81,120	10,035	-	91,155	52,813	16,486	-	69,299	21,856
<b>TOTAL (A)</b>	141,270	10,035	-	151,305	105,336	18,516	-	123,852	27,453
<b>INTANGIBLE ASSETS</b>									
Goodwill	775,000	-	-	775,000	658,750	77,496	-	736,246	38,754
Computer Software	-	329,200	-	329,200	-	82,300	-	82,300	246,900
<b>TOTAL (B)</b>	775,000	329,200	-	1,104,200	658,750	159,796	-	818,546	285,654
<b>TOTAL (A + B)</b>	916,270	339,235	-	1,255,505	764,086	178,312	-	942,398	313,107

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )		DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 1st April, 2013	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2013	Upto 1st April, 2012	for the year	On Deductions/ Adjustments	Upto 31st March, 2013	As at 31st March, 2013
<b>TANGIBLE ASSETS</b>									
Plant & Equipment	519,985	-	(31,262)	551,247	129,253	110,594	(7,426)	247,273	303,974
Furniture and Fixtures	2,561,500	-	(154,000)	2,715,500	2,561,500	-	(154,000)	2,715,500	-
Computers	4,155,778	545,001	(249,849)	4,950,628	2,705,610	898,157	(159,862)	3,763,629	1,186,999
<b>TOTAL (A)</b>	7,237,263	545,001	(435,111)	8,217,375	5,396,363	1,008,751	(321,288)	6,726,402	1,490,973
<b>INTANGIBLE ASSETS</b>									
Goodwill	39,703,250	-	(2,387,000)	42,090,250	33,747,763	4,221,982	(2,015,775)	39,985,520	2,104,730
Computer Software	-	17,878,852	-	17,878,852	-	4,483,704	13,991	4,469,713	13,409,139
<b>TOTAL (B)</b>	39,703,250	17,878,852	(2,387,000)	59,969,102	33,747,763	8,705,686	(2,015,775)	44,455,233	15,513,869
<b>TOTAL (A + B)</b>	46,940,513	18,423,853	(2,822,111)	68,186,477	39,144,126	9,714,437	(4,660,135)	51,181,635	17,004,842



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>				
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
	US Dollars	₹	US Dollars	₹
<b>NOTE '7'</b> <b>LONG TERM LOANS AND ADVANCES</b> (Unsecured considered good) Security Deposits	9,009	539,819	8,563	465,057
	<b>9,009</b>	<b>539,819</b>	8,563	465,057
<b>NOTE '8'</b> <b>TRADE RECEIVABLES</b> (Unsecured) <u>Outstanding for a period exceeding six months</u> <u>from due date</u>				
Considered good	148,778	8,914,778	-	-
Considered doubtful	10,133	607,169	10,133	550,323
	<b>158,911</b>	<b>9,521,947</b>	10,133	550,323
Less: Provision for doubtful debts	(10,133)	(607,169)	(10,133)	(550,323)
	<b>148,778</b>	<b>8,914,778</b>	-	-
Other receivables Considered good	1,961,170	117,513,306	2,026,973	110,084,904
	<b>1,961,170</b>	<b>117,513,306</b>	2,026,973	110,084,904
	<b>2,109,948</b>	<b>126,428,084</b>	2,026,973	110,084,904
<b>NOTE '9'</b> <b>CASH AND BANK BALANCES</b> <b>Cash and cash equivalents</b> <b>Bank Balances</b>				
- in Current Accounts	336,145	20,141,808	707,708	38,435,621
- in Call Accounts	133,247	7,984,160	204,763	11,120,679
	<b>469,392</b>	<b>28,125,968</b>	912,471	49,556,300
<b>NOTE '10'</b> <b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured, considered good) Recoverable from employees	-	-	7,533	409,117
	-	-	7,533	409,117
<b>NOTE '11'</b> <b>OTHER CURRENT ASSETS</b>				
Interest receivable	48	2,876	76	4,128
Unbilled revenues	114,984	6,889,841	109,272	5,934,562
Prepaid expenses	53,985	3,234,781	28,929	1,571,134
	<b>169,017</b>	<b>10,127,498</b>	138,277	7,509,824

<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>				
	<b>For the year ended March 31, 2014</b>		<b>For the year ended March 31, 2013</b>	
	<b>US Dollars</b>	<b>₹</b>	<b>US Dollars</b>	<b>₹</b>
<b>NOTE '12'</b>				
<b>REVENUE FROM OPERATIONS</b>				
Sale of Services				
Software Development Services	<b>10,046,758</b>	<b>610,340,549</b>	11,136,251	606,702,954
	<b>10,046,758</b>	<b>610,340,549</b>	11,136,251	606,702,954
<b>NOTE '13'</b>				
<b>OTHER INCOME</b>				
Interest income	<b>1,461</b>	<b>88,756</b>	4,118	224,349
Miscellaneous income	<b>35,400</b>	<b>2,150,550</b>	-	-
	<b>36,861</b>	<b>2,239,306</b>	4,118	224,349
<b>NOTE '14'</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and wages	<b>3,095,526</b>	<b>188,053,205</b>	3,696,520	201,386,410
Staff welfare expenses	<b>185,336</b>	<b>11,259,162</b>	189,153	10,305,055
	<b>3,280,862</b>	<b>199,312,367</b>	3,885,673	211,691,465
<b>NOTE '15'</b>				
<b>OTHER EXPENSES</b>				
Travelling & conveyance	<b>192,538</b>	<b>11,696,684</b>	354,038	19,287,990
Communication	<b>72,377</b>	<b>4,396,903</b>	66,147	3,603,689
Electricity expenses	<b>7,312</b>	<b>444,204</b>	9,090	495,223
Insurance	<b>36,927</b>	<b>2,243,315</b>	38,347	2,089,145
Rates and taxes	<b>14,663</b>	<b>890,777</b>	21,389	1,165,273
Professional fees	<b>270,092</b>	<b>16,408,089</b>	438,687	23,899,668
Software programming, consultancy and development charges	<b>5,939,025</b>	<b>360,795,769</b>	6,295,595	342,984,016
Rent	<b>105,242</b>	<b>6,393,452</b>	117,538	6,403,470
Auditors' remuneration				
Audit fees	<b>8,000</b>	<b>486,000</b>	8,000	435,840
Service tax	<b>1,000</b>	<b>60,750</b>	1,000	54,480
	<b>9,000</b>	<b>546,750</b>	9,000	490,320
Repairs and maintenance				
Plant and equipment	<b>28,597</b>	<b>1,737,268</b>	22,656	1,234,299
Others	<b>39,851</b>	<b>2,420,948</b>	33,432	1,821,375
	<b>68,448</b>	<b>4,158,216</b>	56,088	3,055,674
Provision for doubtful debts	-	-	1,500	81,720
Miscellaneous expenses	<b>93,427</b>	<b>5,675,690</b>	112,205	6,112,928
	<b>6,809,051</b>	<b>413,649,849</b>	7,519,624	409,669,116

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**
**NOTES ON ACCOUNTS:**
**NOTE '16'**
**Segment Reporting :**

Pursuant to Accounting Standard 17 on "Segment Reporting" issued by the Companies (Accounting Standards) Rules, 2006, Company has only one reportable segment viz. Software Development Services

**NOTE '17'**
**Earnings Per Share:**

	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2014</b>	For the year ended March 31, 2013	For the year ended March 31, 2013
Loss attributable to the shareholders	<b>USD (173,437)</b>	<b>₹ (10,536,298)</b>	USD (443,240)	₹ (24,147,716)
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>765,850</b>	<b>765,850</b>	765,850	765,850
Nominal Value of Equity Shares	<b>USD 1.00</b>	<b>₹ 59.92</b>	USD 1.00	₹ 54.31
Basic and Diluted Earnings Per Share (Not annualised)	<b>USD (0.23)</b>	<b>₹ (13.76)</b>	USD (0.58)	₹ (31.53)

**NOTE '18'**
**Related Party Disclosures:**

Disclosure in respect of Related Party pursuant to Accounting Standard 18 are as under:

**A. List of Related Parties:**
**(1) Parties where control exists:**

- (i) Holding Company :  
CyberTech Systems and Software Ltd., India
- (ii) Fellow Subsidiary :  
CyberTech Middle East W.L.L., Bahrain

**(2) Other Parties with whom the company has entered into transactions during the year**

- (i) Associate :  
CyberTech Systems Inc., USA
- (ii) Key Management Personnel :  
Mr. Viswanath Tadimety - Director  
Mr. Steven Jeske - Director

**B. Transactions entered with Related Parties in the ordinary course of business:**

<b>Particulars</b>	<b>Referred in (A)(1) (i) above</b>	<b>Referred in (A)(1) (i) above</b>	<b>Referred in (A)(2)(i) above</b>	<b>Referred in (A)(2)(i) above</b>	<b>Referred in (A)(2)(ii) above</b>	<b>Referred in (A)(2)(ii) above</b>
	<b>USD</b>	<b>₹</b>	<b>USD</b>	<b>₹</b>	<b>USD</b>	<b>₹</b>
1) Expenses	<b>5,729,566</b> (5,758,074)	<b>348,071,159</b> (308,234,460)	- (-)	- (-)	<b># 430,000</b> # (430,000)	<b>26,122,495</b> (23,426,396)
2) Outstanding as at the year end: Payable	<b>2,397,690</b> (2,423,215)	<b>143,669,585</b> (131,604,807)	<b>22,500</b> (23,579)	<b>1,348,200</b> (1,280,575)	<b>17,917</b> (17,917)	<b>1,073,566</b> (973,054)



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014****Disclosure in Respect of Material Related Party Transactions during the year**

# Payment to Key Managerial Personnel includes remuneration paid to

	USD	₹
Mr. Viswanath Tadimety	<b>200,000</b>	<b>12,149,995</b>
	(200,000)	(10,895,996)
Mr. Steven Jeske	<b>230,000</b>	<b>13,972,500</b>
	(230,000)	(12,530,400)

**Note:**

- i) Related party relationship is as identified by the Company and relied upon by the Auditors.
- ii) No amounts have been written off/ back and provided for in respect of the related party during the year.
- iii) Figures in bracket represent previous year figures

**NOTE '19'****Operating lease :**

The Company has taken commercial premises on lease basis, the agreements for which are mutually renewable/cancellable. The rental expenses in respect of operating lease are charged as rent under Note No. 15 under the head 'Rent'.

**NOTE '20'**

In the opinion of the Board, assets other than Fixed Assets and Non-Current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated. Provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.

**NOTE '21'**

The accounts of certain Banks, Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation/reconciliation and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.

**NOTE '22'**

	For the year ended March 31, 2014 USD	For the year ended March 31, 2014 ₹	For the year ended March 31, 2013 USD	For the year ended March 31, 2013 ₹
Expenditure in foreign currency:				
Salaries and wages	<b>126,010</b>	<b>7,655,108</b>	105,386	5,741,429
Professional Fees	<b>12,546</b>	<b>762,170</b>	21,466	1,169,468
Other expenses	<b>4,393</b>	<b>266,875</b>	1,000	54,480

**NOTE '23'**

	For the year ended March 31, 2014 USD	For the year ended March 31, 2014 ₹	For the year ended March 31, 2013 USD	For the year ended March 31, 2013 ₹
Earnings in foreign exchange				
Income from Sale of Software Development Services	<b>138,298</b>	<b>8,401,604</b>	147,079	8,012,864

**NOTE '24'**

Previous year's figures have been re-grouped/re-arranged, wherever necessary, to conform to the current year's classification/presentation  
Signatures to Note 1 to 24

**For and on behalf of the Board of Directors**

**Steven Jeske**  
Director

Place : Oakbrook, USA  
Dated : May 23, 2014

## **Audit Report 2014**

To,

The Members of CyberTech Middle East W.L.L

We have audited the attached Balance Sheet of CyberTech Middle East W.L.L as on 31st March 2014 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Indian GAAP. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### **Basis for Disclaimer of Opinion**

1. As disclosed in Note 1 to the financial statements, the accounting records of the Company are under the control of the registered director nominated by the JV partner, with whom the holding company has a dispute. In consequence, those records are not available to the holding company. The holding company attempted to reconstruct the Company's accounting records based on information and documents available to them and also based on the best estimates made by the directors representing CSSL, in situations that such estimates are required to be made. The Company's financial statements produced using this basis has been provided to us for audit.
2. We were unable to obtain sufficient and appropriate audit evidence as to the balances of trade & other payables and borrowings of the Company due to lack of supporting documentary evidence made available to us for our verification due to the matters mentioned in paragraph 1 above.
3. As disclosed in Note 4 the financial statements, the Company reported a total borrowing of BHD 3,467 (2011 – BHD 3,467) as on 21st July 2010, the last date for which bank statements are available with the holding company. This borrowing is with respect to a car loan taken by the company. In the absence of any information, we are unable to satisfy ourselves that the total bank borrowings and the relevant liabilities reflected in the financial statements are fairly stated.
4. To date of this report, we have not received replies from the bankers to the company, to our letters requesting these banks to confirm the bank balances and any related liabilities (including contingent liabilities, if any). There were no other alternative means for us to carry out the relevant verification work to confirm the completeness of bank balances recorded in the financial statements and any related liabilities or contingent liabilities of the Company.
5. Due to the matters highlighted in paragraphs 1 to 4, we are unable to satisfy ourselves that all the relevant payables, and their related disclosure notes have been included in the financial statements of the Company and disclosed accordingly.
6. The evidence available to us to confirm the appropriateness of preparing the financial statements on the going concern basis was inadequate. As a result, and in the absence of any alternative evidence available to us, we are unable to form an opinion as to whether the financial statements which have been prepared on the accounting principles applicable to a going concern, gives a true and fair view of the financial position of the Company as at 31st March 2014, and of the results of the operations, the cash flows for the financial year ended on that date

7. We have expressed a disclaimer of report opinion in our audit report in respect of our audit of the previous financial year's financial statements because of similar matters described in paragraphs 1 to 6 above.

### Disclaimer of Opinion

*Because of the matters described in the Basis for Disclaimer Opinion paragraphs above, we are unable to form an opinion as to the appropriateness of the financial statements as on 31st March 2014 and of its financial performance and cash flows for the year then ended in accordance with the Indian GAAP which were prepared on going concern basis.*

This report is made solely to CSSL, the holding company, as a body, in accordance with Indian GAAP solely for the purpose of enabling the holding company to comply with Indian Laws and for no other purpose. We do not assume responsibility to any other person for the content of this report.

For **HEMANT MAHAJAN & ASSOCIATES**

*Chartered Accountants*

Firm Reg.No. 117419W

**CA. Hemant P. Mahajan**

*Proprietor*

M.No 102526

Place : Thane

Dated : August 6, 2014

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN  
BALANCE SHEET AS AT MARCH 31, 2014**

	NOTE NO.	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
		Bahrain Dinars	₹	Bahrain Dinars	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share capital	2	115,300	18,328,088	115,300	16,686,158
Reserves & Surplus	3	(104,685)	(16,640,727)	(100,404)	(14,530,417)
<b>Current Liabilities</b>					
Short term borrowings	4	3,467	551,114	3,467	501,743
Trade payables	5	238,744	37,950,746	238,182	34,469,580
		252,826	40,189,221	256,545	37,127,064
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Fixed assets	6				
Tangible assets		10,411	1,654,933	14,130	2,044,886
<b>Current Assets</b>					
Trade receivables	7	192,516	30,602,343	192,516	27,860,819
Cash and bank balances	8	21,399	3,401,585	21,399	3,096,853
Short term loans and advances	9	12,300	1,955,208	12,300	1,780,050
Other current assets	10	16,200	2,575,152	16,200	2,344,456
		252,826	40,189,221	256,545	37,127,064

Significant Accounting Policies and Notes on Financial Statements

1-15

Schedules referred to above form an integral part of the Financial Statements

As per our attached report of even date

**For Hemant Mahajan & Associates**

Chartered Accountants

Firm Reg.No. 117419W

**For and on behalf of the Board of Directors**

**Hemant P Mahajan**

Proprietor

M. No 102526

**Steven Jeske**

Director

Place : Thane

Dated : August 6, 2014

Place : Oakbrook

Dated : August 1, 2014

<b>CYBERTECH MIDDLE EAST W.L.L., BAHRAIN</b>					
<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014</b>					
	NOTE NO.	For the year ended March 31, 2014		For the year ended March 31, 2013	
		Bahrain Dinars	₹	Bahrain Dinars	₹
<b>INCOME</b>					
Revenue from Operations		-	-	-	-
		-	-	-	-
<b>EXPENDITURE</b>					
Depreciation/Amortisation		<b>3,719</b>	<b>538,383</b>	4,344	628,862
Other Expenses	<b>11</b>	<b>562</b>	<b>90,673</b>	562	81,358
		<b>4,281</b>	<b>629,056</b>	4,906	710,220
<b>Profit / (Loss) before Tax</b>		<b>(4,281)</b>	<b>(629,056)</b>	(4,906)	(710,220)
Provision for Tax		-	-	-	-
<b>Profit / (Loss) after Tax</b>		<b>(4,281)</b>	<b>(629,056)</b>	(4,906)	(710,220)
Basic and Diluted Earnings per Share		<b>(3.71)</b>	<b>(546)</b>	(4.25)	(616)

Significant Accounting Policies and Notes on  
Financial Statements

1-15

Schedules referred to above form an integral part of the Financial Statements

As per our attached report of even date  
**For Hemant Mahajan & Associates**  
Chartered Accountants  
Firm Reg.No. 117419W

**For and on behalf of the Board of Directors**

**Hemant P Mahajan**  
Proprietor  
M. No 102526

**Steven Jeske**  
Director

Place : Thane  
Dated : August 6, 2014

Place : Oakbrook  
Dated : August 1, 2014

**CYBERTECH MIDDLE EAST W.L.L. BAHRAIN  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2014**

	For the year ended March 31, 2014		For the year ended March 31,2013	
	Bahrain Dinars	₹	Bahrain Dinars	₹
<b>A. Cash flow from Operating activities:</b>				
Net Profit (Loss) before tax and exceptional items :	(4,281)	(629,056)	(4,906)	(710,220)
Adjustments for :				
Depreciation	3,719	538,383	4,344	628,862
Effect of exchange rate change	-	306,069	-	146,963
	3,719	844,452	4,344	775,825
<b>Operating profit before Working Capital changes</b>	(562)	215,396	(562)	65,605
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	-	-	-	-
Increase/(Decrease) Trade payables	562	89,336	562	81,332
	562	89,336	562	81,332
<b>Cash used in operations</b>	-	304,732	-	146,937
<b>Net cash used in operating activities</b>	-	304,732	-	146,937
<b>B. Cash flow from investing activities:</b>				
Increase/(Decrease) in Unsecured Loans	-	-	-	-
(Purchase)/Sale of fixed assets	-	-	-	-
<b>Net cash from investing activities</b>	-	-	-	-
<b>C. Cash flow from financing activities:</b>				
<b>Net cash used in financing activities</b>	-	-	-	-
<b>Net increase/(Decrease) in cash &amp; cash equivalents (a+b+c)</b>	-	304,732	-	146,937
Cash & cash equivalents (Opening)	21,399	3,096,853	21,399	2,949,916
Cash & cash equivalents (Closing)	21,399	3,401,585	21,399	3,096,853
	-	304,732	-	146,937

**Note**

- Cash and Cash equivalents includes :  
Balance with Scheduled Banks in Current Accounts **21,399 3,401,585** 21,399 3,096,853
- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard (AS) 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standards) Rules, 2006.
- The previous years' figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date  
For **Hemant Mahajan & Associates**  
Chartered Accountants  
Firm Reg.No. 117419W

**Hemant P. Mahajan**  
Proprietor  
M. No. 102526  
Place : Thane  
Dated : August 6, 2014

For and on behalf of the Board of Directors

**Steven Jeske**  
Director  
Place : Oakbrook  
Dated : August 1, 2014

## CYBERTECH MIDDLE EAST W.L.L., BAHRAIN

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2014

#### 1.1 BACKGROUND

CYBERTECH MIDDLE EAST W.L.L (CME), is a limited liability company registered with the Directorate of Commerce and Company Affairs of the Kingdom of Bahrain on 14/08/2008. The company is a joint venture between CyberTech Systems and Software Limited (CSSL), a company incorporated in India and Gold Coastway Ltd a company registered in British Virgin Islands. CSSL holds 55% of the shares in the venture with the balance of 45% being held by Gold Coastway Ltd. The registered director, as required under applicable laws in the country of Bahrain was the nominee director from Gold Coastway Ltd. He was responsible for the operations of CME and had control over the day to day activities of the company, including operation of bank accounts, control over assets and books of account. After a dispute arose among the JV partners, the nominee director stopped providing information including information regarding the books of accounts and financial transactions of CME. CSSL had filed an action against the JV partner with the relevant authorities in the London Court of International Arbitration to gain custodianship of the company among the various other issues. The Company is not operational.

Inconsequence, CSSL has no access to the books of accounts as of date of the preparation of these financials. The holding company has attempted to reconstruct the Company's accounting records based on information and documents available to them and also based on the best estimates made by the directors representing CSSL in the JV, in situations that such estimates are required to be made.

Subsequent to the year end, an arbitration settlement agreement has been reached between the JV partners of the Company. As per the award terms, CSSL has received the amount of \$ 968,000 and will transfer its ownership interest to the local partner once all legal and other statutory formalities in respect of the settlement are complied with.

#### 1.2 SIGNIFICANT ACCOUNTING POLICIES:

##### General:

The financial statements are prepared on the basis of the historical cost convention, in accordance with the applicable accounting standards and on the principles of a going concern. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

##### Use of estimates:

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported income and expenses and disclosure of contingent liabilities. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates. Actual results may differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

##### Revenue Recognition:

Income from software development, customer support services and Consulting are recognised in accordance with the terms of contract.

Revenue from fixed price contracts with milestone billings and fixed time frame contracts are recognized as per the proportionate completion method.

##### Fixed Assets and Depreciation / Amortisation:

Fixed assets are stated at cost of acquisition less accumulated depreciation/amortisation. Depreciation/amortisation is provided using the straight-line method over the estimated useful life as under :

Description of Assets	Estimated useful life
Computers	5 years
Equipments	5 years
Vehicles	5 years
Furniture & Fixtures	10 years

The company assesses at each balance sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to profit and loss account. If at the balance sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and asset is restated to that effect.

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**Foreign Currency Translations:**

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realisation. Gains / losses, if any, at the year end on account of restatement of the monetary assets and liabilities, denominated in foreign currency are dealt with in the Statement of Profit and loss.

**Taxation:**

Provision for tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the relevant Income Tax laws of Kingdom of Bahrain. The deferred tax for timing difference is accounted for, based on the tax rules and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising out from the timing differences are recognized to the extent there is virtual/reasonable certainty that these would be realized in future.

**Provisions, contingent liabilities and contingent assets:**

A provision is made based on reliable estimate when it is possible that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, unless the possibility of outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statement.

**1.3 NOTES ON ACCOUNTS:**

**1. General:**

The accounts have been prepared based on the basis of bank statements available with the company up to 21st July 2010 and expense statements up to 31st December 2010. The accounts have been frozen at that date and balances carried forward. CSSL has made a best effort to obtain information from external affected parties. However CSSL was not successful in the effort. Hence the balances reflecting in the financial statements are subject to verification and confirmation. Balance in Bank accounts ( BHD 22,339) is the closing balance as on 21st July 2010, the last date for which bank statements are available with the CSSL. CSSL as a majority partner in the JV had requested the relevant banks for statements for the balance period. However, a reply from the bank in response to the requests is yet to be received. Unbilled revenue shown under other current assets (BHD 16,200) is as on 21st July 2010. It is considered good and receivable. Trade Receivables (BHD 192,516), Advance to suppliers (BHD 12,300), Trade Payables ( BHD 237,620) and Vehicle Loan from Bank ( BHD 3,467) is as on 21st July 2010. These are subject confirmation and there might be a material change at time of confirmati.

	As at March 31, 2014 Bahrain dinars	As at March 31, 2014 ₹	As at March 31, 2013 Bahrain dinars	As at March 31, 2013 ₹
<b>NOTE '2'</b>				
<b>SHARE CAPITAL</b>				
Authorised <b>3000</b> (Previous year 3000) Common Stock of BD 100 each.	<b>300,000</b>	<b>47,688,000</b>	300,000	43,415,850
	<b>300,000</b>	<b>47,688,000</b>	300,000	43,415,850
<b>Issued, Subscribed and Paid-Up</b>				
<b>1153</b> (Previous year 1153) Common Stock of 100 each; fully paid up	<b>115,300</b>	<b>18,328,088</b>	115,300	16,686,158
	<b>115,300</b>	<b>18,328,088</b>	115,300	16,686,158



**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**(a) Reconciliation of Share Capital**

	Face Value of BHD 100 each	
	Opening	Closing
<b>As at March 31, 2014</b>		
<b>No of shares</b>	1,153	1,153
<b>Amount in BHD</b>	115,300	115,300
<b>Amount in ₹*</b>	16,686,158	16,686,158

\*change is on account of reinstatement

	Face Value of BHD 100 each	
	Opening	Closing
<b>As at March 31, 2013</b>		
<b>No of shares</b>	1,153	1,153
<b>Amount in USD</b>	115,300	115,300
<b>Amount in ₹*</b>	15,894,451	18,602,502

\*change is on account of reinstatement

**(b) Terms/rights attached to equity shares**

The company has one class of common stock having par value of BHD 100 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of common stock will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shareholders holding more than 5% of the equity shares :**

	As at March 31, 2014		As at March 31, 2013	
	No of shares	%	No of shares	%
CyberTech Systems and Software Limited (Holding Company)	634	55	634	55
Gold Coast Way	519	45	519	45

d) During the previous five years, the Company has not issued Bonus shares/ bought back shares/issued shares for consideration other than cash.

<b>CYBERTECH MIDDLE EAST W.L.L., BAHRAIN</b>				
<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>				
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
	Bahrain dinars	₹	Bahrain dinars	₹
<b>NOTE '3</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Surplus</b>				
Opening Balance	(100,404)	(12,972,332)	(95,498)	(12,262,112)
Profit after tax for the year transferred from	(4,281)	(629,056)	(4,906)	(710,220)
Closing Balance	(104,685)	(13,601,388)	(100,404)	(12,972,332)
Foreign currency translation reserve		(3,039,339)		(1,558,085)
	(104,685)	(16,640,727)	(100,404)	(14,530,417)
<b>NOTE 4'</b>				
<b>SHORT TERM BORROWINGS</b>				
Vehicle Loan from Bank	3,467	551,114	3,467	501,743
	3,467	551,114	3,467	501,743
<b>NOTE '5'</b>				
<b>TRADE PAYABLES</b>				
Others	226,144	35,947,850	225,582	32,646,114
Advance from customers	12,600	2,002,896	12,600	1,823,466
	238,744	37,950,746	238,182	34,469,580

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 6'**  
**FIXED ASSETS**

(Amount in Bahrain Dinars)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION			NET BLOCK			
	As at 1-Apr-13	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-14	Upto 31-Mar-13	for the year	On Deductions/ Adjustments	Upto 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
<b>TANGIBLE ASSETS</b>										
Computers	2,171	-	-	2,171	1,586	543	-	2,129	42	585
Furniture & Fixtures	21,578	-	-	21,578	7,373	2,158	-	9,531	12,047	14,205
Vehicles	6,704	-	-	6,704	3,500	1,341	-	4,841	1,863	3,204
Office Equipments	1,512	-	-	1,512	1,032	302	-	1,334	178	480
<b>Current Year Total</b>	<b>31,965</b>	-	-	<b>31,965</b>	<b>13,491</b>	<b>4,344</b>	-	<b>17,835</b>	<b>14,130</b>	<b>18,474</b>
Previous Year Total	31,965	-	-	31,965	9,147	4,344	-	13,491	18,474	

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION			NET BLOCK			
	As at 1-Apr-13	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-14	Upto 31-Mar-13	for the year	On Deductions/ Adjustments	Upto 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
<b>TANGIBLE ASSETS</b>										
Computers	299,279	-	(14,907)	314,186	218,635	78,608	(10,865)	308,108	6,078	80,644
Furniture & Fixtures	2,974,592	-	(148,165)	3,122,757	1,016,390	312,404	(50,528)	1,379,322	1,743,435	1,958,202
Vehicles	924,167	-	(46,033)	970,200	482,486	194,131	(23,970)	700,587	269,613	441,681
Office Equipment	208,434	-	(10,382)	218,816	142,264	43,719	(7,073)	193,056	25,760	66,170
<b>Current Year Total</b>	<b>4,406,472</b>	-	<b>(219,487)</b>	<b>4,625,959</b>	<b>1,859,775</b>	<b>628,862</b>	<b>(92,436)</b>	<b>2,581,073</b>	<b>2,044,886</b>	<b>2,546,697</b>
Previous Year Total	3,844,350	-	(562,122)	4,406,472	1,100,087	559,322	(200,366)	1,859,775	2,546,697	

<b>CYBERTECH MIDDLE EAST W.L.L., BAHRAIN</b>				
<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014</b>				
	As at	As at	As at	As at
	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013
	Bahrain dinars	₹	Bahrain dinars	₹
<b>NOTE '7'</b> <b>TRADE RECEIVABLES</b>				
<b>Unsecured, considered good unless stated otherwise</b>				
Outstanding for a period exceeding six months	-	-	-	-
Considered good	-	-	-	-
Considered doubtful	192,516	30,602,343	192,516	27,860,819
	<b>192,516</b>	<b>27,860,819</b>	192,516	26,538,908
<b>NOTE '8'</b> <b>CASH AND BANK BALANCES</b>				
<b>Bank Balances</b>				
With non-scheduled Bank				
- in Current Accounts	21,399	3,401,585	21,399	3,096,853
	<b>21,399</b>	<b>3,401,585</b>	21,399	3,096,853
<b>NOTE '9'</b> <b>SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered good)				
Advance to Suppliers	12,300	1,955,208	12,300	1,780,050
	<b>12,300</b>	<b>1,955,208</b>	12,300	1,780,050
<b>NOTE '10'</b> <b>OTHER CURRENT ASSETS</b>				
Unbilled revenues	16,200	2,575,152	16,200	2,344,456
	<b>16,200</b>	<b>2,575,152</b>	16,200	2,344,456
	<b>For the year ended March 31, 2014</b>		<b>For the year ended March 31, 2013</b>	
	Bahrain dinars	₹	Bahrain dinars	₹
<b>NOTE '11'</b> <b>OTHER EXPENSES</b>				
Audit fees	500	80,670	500	72,383
Audit fees	62	10,003	62	8,9758
Service tax	562	90,673	562	81,358
<b>NOTE '12'</b> <b>SEGMENT REPORTING:</b>				
Pursuant to Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company has only one reportable segment viz. Software Services & Development.				

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

**13 Earnings Per Share:**

	For the year ended March 31, 2014	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2013
Profit /(Loss) attributable to the Shareholders	<b>BHD (4906)</b>	<b>₹ ( 710,220)</b>	BHD (9706)	₹ (1,249,719)
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>1153</b>	<b>1153</b>	1153	1153
Nominal Value of Equity Shares	<b>BHD 100</b>	<b>13,785</b>	BHD 100	13,785
Basic and Diluted Earnings Per Share (Not annualised)	<b>BHD (4.25)</b>	<b>₹ (616)</b>	BHD (8.42)	₹ (1084)

**14 Disclosure in respect of Related Party pursuant to Accounting Standard 18 are as under:**

## A. List of Related Parties:

## (1) Parties where control exists:

Holding Company

CyberTech Systems and Software Ltd., India

## (2) Fellow Subsidiary

CyberTech Systems Inc., USA

Transactions entered with Related Parties in the ordinary course of business:

Particulars	Referred in (A)(1) above March 31, 2014	Referred in (A)(1) above March 31, 2013
	<b>BHD</b>	<b>₹</b>
2) Outstanding as at the year end Payable	<b>12,540</b> (12,540)	<b>1,728,677</b> (1,728,677)

**Note:**

- i) Related party relationship is as identified by the Company and relied upon by the Auditors.
- ii) No amounts have been written off/ back and provided for in respect of the related party during the year.
- iii) Figures in bracket represent previous year figures.

15 Previous period's figures have been re-grouped/re-arranged wherever necessary to conform to the current year's classification/presentation.

**For HEMANT MAHAJAN & ASSOCIATES**

Chartered Accountants  
Firm Reg.No. 117419W

**CA.Hemant P. Mahajan**

Proprietor  
M.No 102526

Place : Thane

Date : August 6, 2014

**For and on behalf of the Board of Directors****Steven Jeske**

Director

Place : Oakbrook, USA

Date : August 1, 2014



**Note:**

# NINETEENTH ANNUAL GENERAL MEETING



## CyberTech Systems and Software Limited

**Registered Office:** 'CyberTech House', Plot No. B-63/64/65, Road No. 21/34,  
J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400 604  
(CIN) : L72100MH1995PLC084788 WEBSITE : <http://india.cybertech.com>

### PROXY FORM

DP ID/Client-ID/Folio No.	No. of Shares

I / We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member / members of CyberTech Systems and Software Limited, appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him, \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my / our proxy to vote for me / us and on my / our behalf at the Nineteenth  
Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at the Registered Office of the Company  
at 'CyberTech House', Plot No. B-63/64/65, Road No.#21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West) 400 604 at  
4 p.m. and at any adjournment thereof.

Revenue  
Stamp

Signed by

Note: This form duly completed should be deposited at the Registered Office of the Company before 48 hours of the meeting.  
# Applicable for investors holding shares in electronic form.



## CyberTech Systems and Software Limited

**Registered Office:** 'CyberTech House', Plot No. B-63/64/65, Road No. 21/34,  
J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400 604  
(CIN) : L72100MH1995PLC084788 WEBSITE : <http://india.cybertech.com>

### ADMISSION SLIP

**DATE :**  
Tuesday, September 30, 2014

**VENUE :**  
Plot No. B-63/64/65, Road No. #21/34,  
J. B. Sawant Marg, MIDC,  
Wagle Estate, Thane (West)

**TIME :**  
4 P.M.

DP ID/Client-ID/Folio No.	No. of Shares

I hereby record my presence at the Nineteenth Annual General Meeting of the Company on Tuesday, September 30, 2014.  
Please tick in the appropriate box.

Member     Proxy

Name of the Proxy in Block Letter

Member's Signature

Proxy's Signature

*Please bring this attendance slip to the Meeting.*

# Applicable for investors holding shares in Electronic Form.





## Photographs of CyberTech's Esri and ArcGIS Center of Excellence



Office Place



Office Place



Office Place



Office Place



Time off Area



Senior Management and Directors Offices



If undelivered, please return to:

**'CyberTech House'**

Plot No. B-63/64/65, Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane(W) - 400604, India.

(CIN) : L72100MH1995PLC084788

<http://india.cybertech.com>