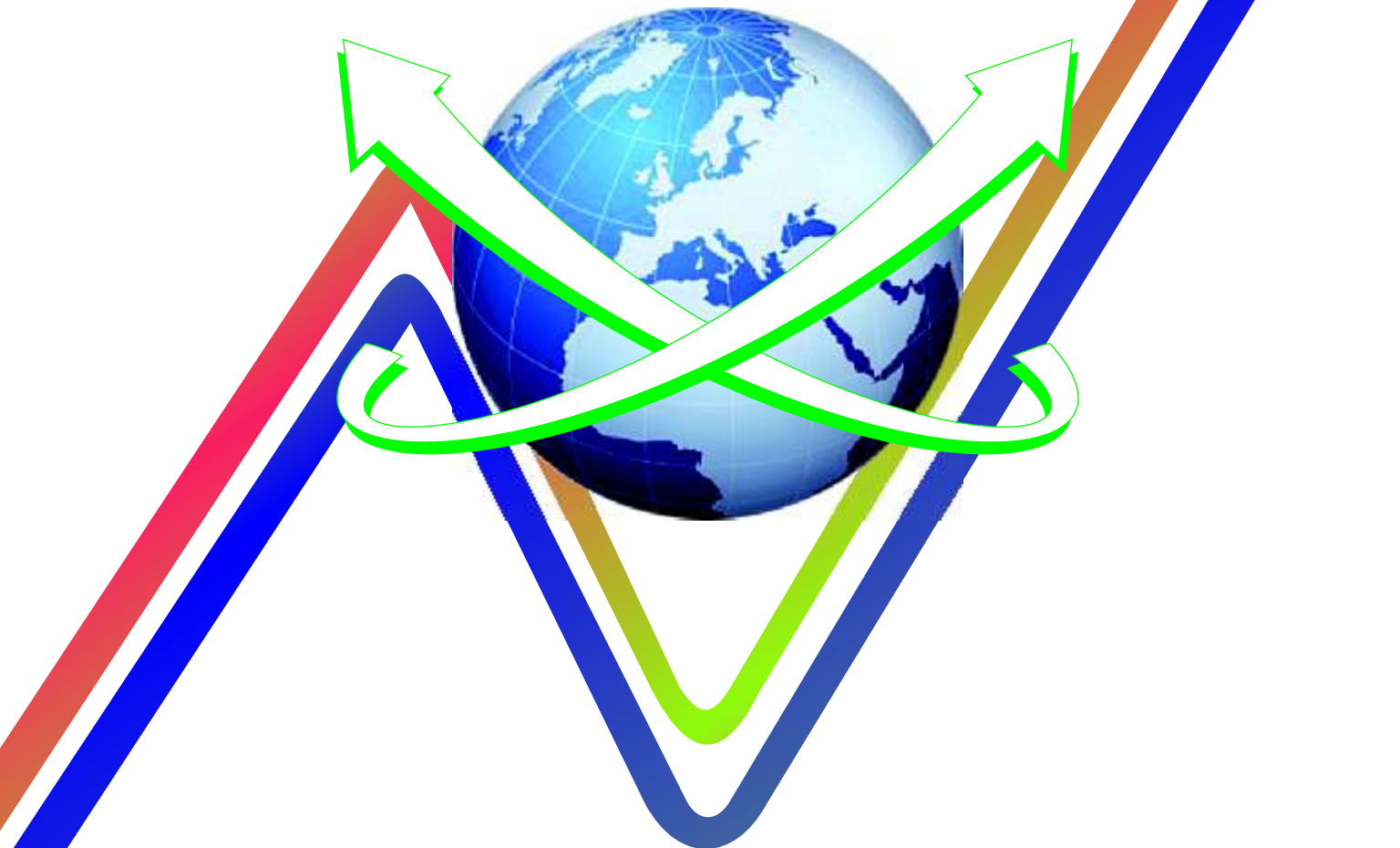


**CyberTech**  
Systems and Software Limited



***17<sup>th</sup> Annual Report***  
***2011 - 2012***

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

**Viswanath Tadimety**

*Chairman*

**Ramasubramanian Sankaran**

*Executive Director*

**Dr. Tapan Kumar Mukhopadhyay**

*Whole Time Director*

**Steven Jeske**

*Director*

**Prakash Kenjale**

*Director*

**Sudhir Joshi**

*Director*

**M. P. Bharucha**

*Director*

**Rahul Ghosh**

*Director*

**Dr. Shreepad Karmalkar**

*Director*

### **COMPANY SECRETARY**

Sateesh Wadagbalkar

### **AUDITORS**

Lodha & Co.,

Chartered Accountants, Mumbai

### **SOLICITORS & ADVOCATES**

Bharucha & Partners, Mumbai

### **BANKERS**

ICICI Bank Limited

State Bank of India

### **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.

# Contents

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Sr. No.	Particulars	Page No.
1.	Chairman's Letter to Shareholders .....	2
2.	Notice of Annual General Meeting .....	4
3.	Directors' Report .....	9
4.	Management Discussion and Analysis .....	16
5.	Auditors' Certificate on Corporate Governance .....	22
6.	Report on Corporate Governance .....	23
7.	Auditors' Report .....	31
8.	Balance Sheet .....	34
9.	Statement of Profit and Loss .....	35
10.	Cash Flow Statement .....	36
11.	Notes forming part of Balance Sheet and Statement of Profit and Loss .....	38
12.	Auditors' Report on Consolidated Financial Statements .....	57
13.	Consolidated Balance Sheet .....	58
14.	Consolidated Statement of Profit and Loss .....	59
15.	Consolidated Cash Flow Statement .....	60
16.	Notes forming part of Consolidated Balance Sheet and Consolidated Statement of Profit and Loss .....	62
17.	Statement pursuant to section 212 .....	76
18.	Accounts of Subsidiary Companies .....	77



## 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 2011 through March 2012.

### **Financial Highlights:**

CyberTech performed well in this financial year seeing a growth in both the total revenue and net profits for the company. For the year ending March 31, 2012, we achieved consolidated revenue of ₹ 573 million and net profit of ₹ 48 million. The consolidated top line revenue growth (+24%) and profit 243% compare positively to last fiscal year's (ending March 2011) of ₹ 463 million revenue and ₹14 million profit respectively. On a standalone basis, our revenue from operations has seen an increase to ₹ 257 million from ₹ 168 million (March 11) representing a 53% increase in Indian Company revenues. On a standalone basis, our net profit was ₹ 51 million versus prior year's ₹ 48 million.

### **Market conditions:**

The year ending March 31, 2012 has seen modest rebound in the in the US business conditions. While the largest of the US companies have seen a full rebound of their revenues and profits, growth has been more muted in the mid tier and small business segments of the market. Majority of the company's revenues are generated in the United States and the slowdown of the US business conditions had adversely affected our performance in the prior 2 years. I am pleased to report that we have seen a rebound in our overall business. While the brunt of the US slow down occurred during the fiscal year ending March 2010, the Euro-zone continues to be in the eye of the storm. Europe has always been a lagging indicator of the overall market conditions, but majority of the clients of CyberTech tend to be mid-tier firms (\$1-\$4M range) and have significant European exposure. As I write this letter, I see belt tightening once again in the US with grave concerns that Euro-Zone will unwind. During the current fiscal period, stabilization and growth is seen in the IT markets across the US leading to increased revenues. We expect the market conditions to improve, but rather slowly.

While I cannot say that the business conditions will revert to 2008-2009 levels, I can assure that we are not seeing further downward pressure on our business. This is indicated by increased offshore revenues of the Company.

We have used this period of tough market conditions to invest our time in our Intellectual Property and Clients. Steve Jeske and I continue to reach all our clients and reaffirmed CyberTech's commitment to them. We have also refocused our IP, Solutions and Offerings, which are sharpened around client needs of OpEx reduction and a Zero Risk approach.

### **Business operations:**

Most of the focus of the company during the current fiscal year has been spent on strengthening our business in all core areas.

- Development of Deeper Partner Alliances. We have used the last one year to increase our strength beyond our direct client business by working on a deeper Alliances model. We have made substantial progress in our alliances with ESRI ([www.esri.com](http://www.esri.com)), SAP ([www.SAP.com](http://www.SAP.com)) and Cisco Systems ([www.Cisco.com](http://www.Cisco.com)). CyberTech is a Gold partner of ESRI. We are also working with Cisco Systems to help them in a variety of Public Safety and Service Provider markets.
- Client Focus. I and Steve have invested our time personally by traveling extensively, building client relationship and developing executive relationships. The US subsidiary continues to be our primary front end providing sales and client partner management thereby driving deeper offshore focus in our company.
- Development of Company Intellectual Property. We have made substantial progress in the area of IP Development and Solution building. We have won several Public Safety, Homeland Defense 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. We have started building several apps on mobile platforms and have a team dedicated to this effort.
- Long Term Annuity Contracts. I can state that 90% of the company's 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.
- India Business. The Company has started winning several SAP and GIS projects in India. I expect this trend to continue leading to increased India revenues. We are targeting to grow Indian Domestic Business Operations to ₹ 300 Million in the next 18-24 months.

I have written for several years that one of my big focus areas was to resolve the complex income tax matter (10B applicability) that the company faced during 2002-03 timeframe. I am pleased to inform you that recently, the Mumbai Bench of the Income-tax Appellate Tribunal (the Tribunal), in the case of CyberTech Systems and Software Ltd held that customization of software amounts to 'production' of computer program and entitled for benefit under Section 10B of the Income-tax Act, 1961 (the Act). However, the Tribunal held that the interest income did not have direct nexus to the income derived by CyberTech from the business operations and therefore not liable for benefit available to Export Oriented Unit (EOU) under Section 10B of the Act. While this is good news and the company received refund order from the Income Tax, the Department is pursuing the same with superior courts. I cannot thank CyberTech's long list of well wishers that stood by the company during trying times to help us resolve this.

We continue to focus on the following long term objectives that I have laid out a few years back.

- Keep the company debt free
- Utilize the company's real estate assets to its fullest extent
- Continue to focus on off shore oriented annuity engagements
- Focus on business growth

Steven Jeske and I are fiscally conservative and consider CyberTech from a long term business holding perspective. As such the company is conservatively managed. The company's assets and liquidity, cash strength and zero debt give us great comfort during trying times.

Most of our India delivery leaders and many of the directors on the technical side of our business have all worked in the US for a decade. They understand US client needs and India delivery advantages. I take it as my primary goal for driving the sales and client satisfaction for the business.

I am pleased to inform you that your directors have recommended a dividend of ₹ one per share (10% of face value) for the sixth year in a row. We continue to enjoy the confidence of our customers resulting in opportunities that are adjacent in nature.

## **Business Outlook**

As I write this letter, there is Euro-Zone panic and uncertainty of growth in India with high inflation. While everyone agrees that this time around it will not be as bad as 2009, the general consensus is that the Indian market conditions will be slow. As a small company, our focus is unchanged. We will continue to deliver SAP Stabilization and Support Services, Public Safety and GeoSpatial Platform development and leverage our expertise as a core GIS player. I expect our revenues to trend upward in FY13. We have reworked the overall company strategy focused around Cloud Services, Location Analytics and Mobile Solutions and I expect to see significant growth in the next 2-4 years, subject to market conditions supporting us.

We have recently named Mr. Raman Subramanian as the Executive Director for the Company. Raman has worked with me for over a decade and stands for high ethics, exceptional work commitment and team building. I am excited about his new leadership position in the company. I am grateful to our Sales, Delivery 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 roster of Directors. I would like to thank my dedicated Board of Directors and our US Board representatives for their involvement, counsel and support. I thank Banshi S Mehta & Co, Chartered Accountants and Mr. Farook Irani Esq. for their valuable help. As always, I thank Mr. M.P. Bharucha of Bharucha & Partners for his friendship, help and counsel in many matters. I am grateful to Shri. B.V. Goud, Special Advisor to the Chairman for his substantial and tireless efforts to help our company. I thank all our clients for their continued support of your Company.

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

With regards,

**Viswanath Tadimety**

Thane  
August 4, 2012



## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of **CyberTech Systems and Software Limited** will be held on Friday, the 28<sup>th</sup> day of September 2012, 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 3.00 p.m. to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Company's audited Balance Sheet as at March 31, 2012 and Statement of Profit and Loss for the year ended as on that date along with Notes and the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Steven Jeske who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Prakash Kenjale who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Lodha & Co., Chartered Accountants, Mumbai, as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
"RESOLVED THAT Mr. Rahul Ghosh, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on September 30, 2011 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature to the office of a Director, be and is hereby appointed as a Director liable to retire by rotation."
7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
"RESOLVED THAT Mr. M.P. Bharucha, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on September 30, 2011 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature to the office of a Director, be and is hereby appointed as a Director liable to retire by rotation."
8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:  
"RESOLVED THAT pursuant to provisions of Section 309(4)(b) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the said Act" including any statutory modification(s) or enactment(s) thereof for the time being in force and Article 142 of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the payment of such remuneration by way of commission to any or all non executive Directors of the Company as may be decided by the Chairman, the total of such commission in any year shall not exceed one percent of the net profits of the Company.  
FURTHER RESOLVED THAT this resolution shall remain in force for a period of 5 years commencing from 2012-13"
9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
"RESOLVED THAT Mr. Ramasubramanian Sankaran, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on August 04, 2012 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature to the office of a Director, be and is hereby appointed as a Director not liable to retire by rotation."
10. 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 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the said Act' including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Article 173 of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the appointment of Mr. Ramasubramanian Sankaran as an Executive Director in the whole-time employment

of the Company, for a period of three years with effect from August 4, 2012 upon the terms and conditions approved by the Board at its meeting held on August 4, 2012."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites in such a manner as may be agreed to between the Board and Mr. Ramasubramanian Sankaran within and in accordance with and subject to the limits prescribed in Schedule XIII of the Companies Act, 1956 and if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Mr. Ramasubramanian Sankaran "

"RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, wherein any financial year, during the currency of the term of Mr. Ramasubramanian Sankaran as Executive Director of the Company, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956."

By **Order of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

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  
Date: August 4, 2012

#### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be lodged with the Company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2012 to September 28, 2012 (both days inclusive).
4. Members are requested to:
  - a. Notify immediately, change of address, if any, to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound , L.B.S. Marg, Bhandup (W), Mumbai - 400 078, if they are holding shares in physical form and to update such details with their respective Depository Participants (DPs), if they are holding shares in electronic form.
  - b. Write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting and
  - c. Bring the copy of the Annual Report along with them and to produce the Attendance Slip at the entrance of the meeting hall.
5. Members who have yet not encashed their dividend warrants for previous five years may approach the Company for issue of demand draft in lieu of the said warrant since in terms of the amendments to Section 205A and Section 205C of the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investors Education and Protection Fund and no amount could be claimed thereafter.
6. Members/Beneficial Owners are requested to quote Folio No. /DP and Client ID Nos. as the case may be, in all correspondence with the Company.
7. Members are requested to give their valuable suggestions for improvement of investor services and are also advised to quote their e-mail ID, telephone/facsimile number for prompt reply to their communications.
8. 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 fees for the financial year 2012-13 to these Stock Exchanges.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No. 6 and 7 - Appointment of Mr. Rahul Ghosh and Mr. M. P. Bharucha as Director of the Company

Mr. Rahul Ghosh and Mr. M.P. Bharucha were appointed as Additional Directors of the Company to broad base the Board. Their vast experience will be extremely useful to the Company.

Directors recommend these resolutions. Mr. Rahul Ghosh and Mr. M. P. Bharucha may be deemed to be concerned or interested in so far as the matter concerns their appointment.

No other Director is concerned or interested in these resolutions.

### Item No. 8 – Payment of commission to Non Executive Directors

The Shareholders in 12<sup>th</sup> Annual General Meeting approved the payment of commission to any or all non executive Directors of the Company as may be decided by the Chairman, the total of such commission in any year shall not exceed one percent of the net profits of the Company. The said resolution is valid for a period of 5 years commencing from F.Y. 2007-08

In order to continue to recognize valuable contribution by non executive directors, it has been decided to seek shareholders approval for a period of 5 years commencing from F.Y. 2012-13 for payment of such commission as may be decided by the Chairman of the Company from time to time.

Section 309 (4)(b) of the Companies Act, 1956 allows the Companies to make a payment of remuneration to Directors who are not in whole time employment of the Company by way of commission.

All the non-executive Directors may be deemed to be concerned or interested in the resolution.

### Item No. 9 and 10 - Appointment and remuneration of Mr. Ramasubramanian Sankaran as Executive Director

The Board of Directors of the Company in its meeting held on August 4, 2012 appointed Mr. Ramasubramanian Sankaran as an Additional Director. The Board also appointed him as Executive Director for a period of three years, w.e.f. August 4, 2012. The Board considered the recommendations of the Remuneration Committee while determining the remuneration to be payable to him.

Pursuant to provisions of Section 260 of the companies act, 1956 and Article 140 of the Articles of Association of the Company, he holds his office till the date of this Annual General Meeting. The Company has received a notice from a shareholder proposing his appointment as directors to not liable to retire by rotation.

Except Mr. Ramasubramanian Sankaran, no other Director may be deemed to be concerned or interested in this resolution.

The information as required under Schedule XIII Part II section II 1(B)(iv) is given below:

#### GENERAL INFORMATION:

1. Nature of Industry: Information Technology
2. Date or expected date of commencement of commercial production:  
Not Applicable (The Company is an existing Company)
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus:

Not Applicable

4. Financial performance based on given indicators:  
Particular Period : April 1, 2011-March 31, 2012  
Total Revenue : ₹ 312.99 Millions (Standalone)  
Profit after Tax : ₹ 50.64 Millions (Standalone)
5. Export performance and net foreign exchange collaboration, if any:  
Revenue (Export) : ₹ 233.33 Millions (Standalone)
6. Foreign Investment or collaboration, if any: The Company has investment in the following overseas subsidiaries.
  1. CyberTech Systems and Software Inc. U.S.A
  2. CyberTech Middle East WLL, Bahrain



## II Information about the Appointee:

### 1) Background Details:

Mr. Ramasubramanian Sankaran, 46, is a graduate in Commerce and has been associated with CyberTech for past 15 years.

The remuneration paid to him has been recommended by the Remuneration Committee and is subject to the approval of the shareholders by way of ordinary resolution.

### 2) Past remuneration : ₹ 20 Lakhs per annum when he was appointed as Executive Director in the Company

Last Remuneration drawn : Last drawn remuneration was ₹ 12.75 Lakhs per annum.

### 3) Job profile and his suitability:

He has been associated with CyberTech for past 15 years. He has considerable experience in Corporate Management, Finance, Taxation and Administration.

The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Ramasubramanian Sankaran, for the office of Executive Director not liable to retire by rotation.

### 4) Remuneration proposed:

**Salary:** It is inclusive of Basic, HRA, Medical expenses reimbursement, Special allowance, LTA as per Company's rules and Meal coupons, aggregating to ₹ 18, 20,004/- p.a.. In addition to this he will also be entitled to ₹ 5,00,000/- p.a. as one time annual performance bonus based on achievement of KRAs.

**Vehicle reimbursement:** ₹ 1,50,000/- p.a. towards reimbursement of actual expenses incurred on running and maintenance of vehicle for office work.

**Telephone:** Reimbursement of actual expenses up to ₹ 30,000/- p.a. incurred for office purpose for internet connection, Telephone Bills and Mobile Instrument or land line or any related expenses to activate internet connection.

**Leave:** As per Company's rules. Unavailed leave is available for encashment at the end of the tenure.

**Annual Increment and Performance Linked Bonus:** As may be recommended by the Board of Directors, subject to the approval of Shareholders and Regulatory Authorities.

**Notice period for termination:** 3 months prior notice on either side.

**Minimum remuneration:** During the currency of the tenure of Mr. Ramasubramanian Sankaran, as Executive Director, if the Company has no profits or its profits are inadequate in any financial year, the Company shall pay remuneration by way of salary including all perquisites hereinabove mentioned not exceeding the limits specified under Schedule XIII of the Companies Act, 1956.

The remuneration, terms and conditions set out above may be varied from time to time and subject to the compliance of Schedule XIII of the Companies Act, 1956 or any amendments made thereafter, as may be agreed to, between the Remuneration Committee of Board of Directors and the Executive Director.

**ESOP :** He will also be eligible for ESOP grant(s) as may be awarded by Remuneration Committee of Board of Directors as per the ESOP Scheme 2007 of the Company in future.

**Gratuity:** He will be entitled for half months salary for every completed year of service with the Company.

## 5. Other Terms and Conditions:

The Executive Director shall devote his whole time and attention to the business and affairs of the Company. He shall discharge the duties assigned to him by the Board of Directors of the Company and under the various statutes governing day today business of the Company to the best of his ability, skill and diligence.

- a) The Executive Director shall not during the continuance of his employment or at any time thereafter, divulge or disclose to any person whatsoever or make use whatsoever for his own or for whatever purpose of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to the trade secrets or secret know



# CyberTech Systems and Software Limited

how or process of the Company and the Executive Director during the continuance of his employment hereunder shall also use his best endeavor to prevent any other person from doing so.

- b) The Executive Director undertakes that without prior written consent of the Company, he shall not engage in or serve directly or indirectly whether as principal, agent, director (excluding the office merely as sitting director) partner or employee or in any other capacity either full time or part time in any business, trade, profession, other than the business of the Company.

By **Order of the Board**

**Sateesh Wadagbalkar**  
Company Secretary

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  
Date : August 4, 2012

## Information pursuant to clause 49 VI (A) of the Listing Agreement-

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting as reflected under item No. 3 & 4 of the Notice.

Name of Director	Mr. Steven Jeske	Mr. Prakash Kenjale
Date of Birth	December 09, 1952	January 15, 1950
Date of Appointment	September 30, 2008	September 28, 2006
Qualifications	Certified Public Accountant and M.B.A. from Chicago University U.S.A.	M. Tech. from IIT, Kanpur
Experience in specific Functional Areas	He was formerly the CFO of several start ups including Petcare Plus, Inc., a US \$100 m retailer and VSMLP, a Blockbuster Video Franchise	Rich experience of 31 years in the IT industry within the country and abroad at senior level including CEO
Directorship in other Companies	CyberTech Systems and Software Inc., USA CyberTech Middle East W.L.L., Bahrain	Nil
Membership on Committees of other Companies	Nil	Nil

By **Order of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

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  
Date: August 4, 2012

## 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, 2012. 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 in USA.

### FINANCIAL RESULTS

(₹ in million)

	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Gross Revenue	<b>312.99</b>	242.91	<b>573.58</b>	462.68
Profit before Interest & Depreciation	<b>86.55</b>	82.53	<b>88.56</b>	53.37
Interest	<b>0.13</b>	-	<b>0.13</b>	-
Depreciation	<b>15.70</b>	16.29	<b>20.14</b>	20.42
Profit before tax	<b>70.72</b>	66.24	<b>68.29</b>	32.95
Provision for tax	<b>20.08</b>	18.64	<b>20.08</b>	18.64
Income Tax adjustments for earlier year's –credit	-	-	-	0.51
Profit after tax	<b>50.64</b>	47.60	<b>48.21</b>	13.80
Accumulated profit b/f from previous year	<b>106.92</b>	90.19	<b>38.38</b>	55.45
Provision for Dividend (includes dividend tax of ₹ 4.30 million)	<b>(30.77)</b>	(30.87)	<b>(30.77)</b>	(30.87)
Balance to be carried forward	<b>126.79</b>	106.92	<b>55.82</b>	38.38

### DIVIDEND

Your Directors have the pleasure of recommending a dividend of ₹ 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 as well as providing geospatial solutions to domestic customers. Additionally, the Company continues to receive income from certain unutilized office premises and income from investments.

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

- Total revenue during the year 2011-12 amounted to ₹ **312.99** millions as compared to ₹ 242.91 millions during the previous year representing a growth of 28.85%. Total revenue is comprised of revenue from operations and other income, as follows.
  - Revenue from operations for the year ended March 31, 2012 amounted to ₹ **256.79** million as against ₹ 168.19 million for the previous year. Revenue increased by 52.68% primarily due to increase in offshore development and support business and also from domestic business in India.
  - Other Income amounted to ₹ **56.20** millions as against ₹ 74.72 millions. Other Income is lower on account of the termination or non renewal of contracts by tenants.
- During the year profit after tax amounted to ₹ **50.64** millions as against ₹ 47.60 millions in the previous year representing a growth of 6.39%.

### REVIEW OF CONSOLIDATED PERFORMANCE

On a Consolidated basis, the Company reported total revenue of ₹ **573.58** millions during the year as compared to ₹ 462.68 millions during the previous year representing the growth of 23.96%.

Profit after tax for the year ended March 31, 2012 amounted to ₹ **48.21** millions compared to ₹ 13.80 millions in the previous year representing a growth of 249.35%.

CyberTech is on the cusp of major growth. 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 growing strategy, the top management of the Company has realigned the organization, established autonomy in the 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.

## **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 a 100% interest in CyberTech Systems & Software incorporated on June 12, 2003 in the state of Delaware in the United States of America, whose results are consolidated herein.

CyberTech Systems & Software, Inc. (USA) reported an operating loss of ₹ 3.36 millions before interest, depreciation and tax on revenue of ₹ 493.92 millions. The net loss after tax aggregated to ₹ 7.80 millions compared to a net loss of ₹34.52 millions in the previous year.

In spite of economic recession in U.S.A., the Company is taking steps to increase the revenue of CyberTech Systems & Software, Inc. (USA) and the management is of the opinion that it will be able to wipe off the accumulated losses of CyberTech Systems & Software, Inc. (USA) in future.

## **SUBSIDIARY IN THE MIDDLE EAST**

The Company is holding 55% interest in CyberTech Middle East W.L.L. (CME), its joint venture company in Bahrain formed in August 2008. There were differences between partners of CME. As the registered Director in Bahrain, the partner in the country of Bahrain is responsible for the operations of the subsidiary but the said partner has not provided any financial information for last two years. Hence, the Company is unable to consolidate the accounts of CME. The Company has filed a suit against the said partner with the authorities in the Kingdom of Bahrain in order to gain custodianship of CME among the various other issues. The investment made by the Company in CME has been fully provided for during the current year.

However, to comply with the Indian Laws, the Board felt that the Company should prepare the financials of CME based on the best estimates. Hence, the Company appointed M/s. Hemant Mahajan and Associates, Chartered Accountants as Auditors to Audit the Accounts of CyberTech Middle East W.L.L., Bahrain for the F.Y. 2010-11 and 2011-12.

## **SUBSIDIARY COMPANIES' ACCOUNTS**

The statement required pursuant to section 212 of the Companies Act, 1956, containing details of the subsidiary, CyberTech Systems & Software Inc, USA is attached hereto.

## **BUSINESS OPERATIONS OVERVIEW AND OUTLOOK**

The Company continues to focus on both Enterprise and Public Sector Clients in the area of SAP, GIS Technologies and Custom Technology applications. It maintains strong relationships and alliances with its partners such as SAP, CISCO and ESRI which will continue to lead to business and revenue growth and improve profitability with a continued focus on offshore revenue. Even though the market place in USA may recover slowly, the strong alliances are expected to help the Company to attain Business revenue growth and improve profitability with a continued focus on offshore revenue in future. Moreover our reworked Company strategy focussed around Cloud Services, Location Analytics and Mobile Solutions you can see a significant growth in the next 2-4 years, subject to market conditions.

Company also continues to build an effective portfolio of Intellectual Property for future monetization, collaboration and risk mitigation. In fiscal 2012 company focused on building and managing of IPs. Company emphasizes to its employees for collaborative efforts for creating Intellectual Property. IPs give 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).

The Company also continues to maintain its focus on its ESRI Alliance Partnership which has helped the Company in gaining a presence in the Geographic Information Systems (GIS) Practice. The Company is proud to be one of the ESRI's main partners and expects to continue to provide a variety of GIS services to its clients worldwide.

US Market conditions continue to grow at lower pace making it harder to locate new development opportunities and these actions do not forecast a quick turn around in the US Market. However the Company continues to take all reasonable steps as discussed 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.

The spending for GIS Solutions are seeing a change in trend. The use of GIS in US as well as in Indian Market for solutions and service reaching out to end users seen an upward trend. The penetration of mobile networks and smart phones like Apple, iPhone and Android based phones help change the GIS usage across the world. The future of GIS is going to move our Enterprise space to retail / customers space during the coming years. With Cloud computing gaining momentum this will be a reality soon.

In view of the foregoing the Company is making all efforts to improve its top & bottom line in the ensuing year.

## **EXPANSION ACTIVITIES**

During the year your company has paid premium on additional FSI granted by the Maharashtra Industrial Development Corporation. Accordingly the Company has started the expansion activities in the existing office premises. The Company also intends to build another complex to make use of the additional FSI available.

## **FIXED DEPOSITS**

The Company did not accept any fixed deposits during the year within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

## **GENERAL**

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

## **GROUP STRUCTURE**

As required under clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting Group (within the meaning and as defined in the Monopolies and Restrictive Trade practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in Annexure A attached herewith and forms part of the 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 Agreement. A report on Corporate Governance is attached to this report.

## **HUMAN RESOURCES**

The Company has a vibrant work atmosphere and also has a dedicated team of skilled work force who has been able to mitigate the challenges of the economic downturn. Over the years the Company has built up a workforce with team spirit and they are motivated to face any challenges and achieve the desired targets to improve the operations of the Company. The Company is managed by a group of professionals and advisors. The Company has introduced CyberTech Management and Leadership Development programme (CML). The objective of the CML programme is to select, recruit and groom young leaders and next generation managers of the CyberTech.

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Steven Jeske and Mr. Prakash Kenjale, Directors of the Company retire by rotation at the ensuing Annual General Meeting. Mr. Steven Jeske and Mr. Prakash Kenjale being eligible, offer themselves for re-appointment.

During the year, the Board of Directors co-opted Mr. M. P. Bharucha and Mr. Rahul Ghosh as additional Directors on September 30, 2011 who hold the position as such until the conclusion of the ensuing Annual General Meeting unless are reappointed by the members in the Annual General Meeting. Mr. M. P. Bharucha and Mr. Rahul Ghosh have given their consent to act as Directors if appointed by the members

The Board of Directors of company has also appointed Mr. Ramasubramanian Sankaran as an Additional Director & Executive Director of the company w.e.f. August 4, 2012. He also holds the position of Director as such until the conclusion of the ensuing Annual General Meeting (AGM) unless is reappointed by members in the AGM. Mr. Ramasubramanian Sankaran has given his consent to act as a Director if appointed by the members.

Necessary resolutions for appointment of Mr. M. P. Bharucha, Mr. Rahul Ghosh and Mr. Ramasubramanian Sankaran as Directors have been included in the Notice convening the ensuing Annual General Meeting.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274(1) (g) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

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

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 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, 2012, the applicable accounting standards were followed and proper explanation relating to material disclosure were given.
- ii) the Directors 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, 1956 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., Chartered Accountants, Mumbai, the Statutory Auditors, holds office until the conclusion of the ensuing Annual General Meeting and is recommended by the Board for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, will be within the limits as stipulated under Section 224(1B) of the Companies Act, 1956. The members are requested to consider appointment of M/s. Lodha & Co. as Statutory Auditors at the ensuing Annual General Meeting.

The comments made by the Auditors in their 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 B 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>	Nil
<b>Pricing formula:</b>	Not Applicable
<b>Options vested:</b>	A total of 348,750 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 299,250 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 1,747,500 options were in force as on 31.3.2012

<b>ESOPs granted to senior managerial personnel:</b>	For the year ended on March 31, 2012, the Company did not grant any options to Senior Managerial Personnel. Further for the year ended on March 31, 2012, 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.
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### 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, 2012		As at March 31, 2011	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	<b>2,046,750</b>	<b>15.25</b>	1,090,750	12.86
Granted during the year	<b>0</b>	<b>0</b>	1,025,000	16.69
Exercised during the year	<b>0</b>	<b>0</b>	0	0
Forfeited/lapsed during the year	<b>299,250</b>	<b>11.20</b>	69,000	13.74
Options outstanding at end of year	<b>1,747,500</b>	<b>15.94</b>	2,046,750	15.25
Vested options pending exercise	<b>761,250</b>	<b>15.28</b>	761,750	12.91

The following summarizes information about stock options outstanding:

### As at March 31, 2012

Range of Exercise price	Number of Shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	<b>600,000</b>	<b>4</b>	<b>12.28</b>
₹ 15 to ₹ 23	<b>1,147,500</b>	<b>5</b>	<b>17.86</b>

As at March 31, 2011

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	899,250	4	11.92
₹ 15 to ₹ 23	1,147,500	6	17.33

### 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, 2012	As at March 31, 2011
Dividend yield	<b>0-10%</b>	0-10%
Expected volatility	<b>10%-20%</b>	10%-20%
Risk-free interest rate	<b>6.46% - 6.65%</b>	6.46% - 6.65%
Expected life of option	<b>0 – 7 yrs</b>	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, 2012 ₹	As at March 31, 2011 ₹
Profit attributable to Equity Shareholders	<b>50,641,079</b>	47,600,129
Add: Stock-based employee compensation expense included in net income	<b>0</b>	0
Less: Stock-based compensation expense determined under fair value based method	<b>275,750</b>	369,015
Net Profit	<b>50,365,329</b>	47,231,114
Basic and diluted earning per share (as reported)	<b>1.90</b>	1.80
Basic and diluted earning per share (under fair value method)	<b>1.88</b>	1.78

## 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 4, 2012



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

List of companies/persons constituting the Viswanath Tadimety group coming within the definition of the 'Group' as defined under the Monopolies and Restrictive Trade practices Act, 1969 and controlling the Company, includes the following:

1. Mr. Viswanath Tadimety
2. Mrs. Sukhada Tadimety
3. Ms. Amogha Tadimety
4. M/s. Red Banyan Holdings LLC
5. Mr. Tadimety Ramchandra Rao and Mrs. Tadimety Jyoti
6. Mrs. Shanta Radhakrishna Shanbhag and Mr. Radhakrishna Shrinivas Shanbhag

For and on behalf of the Board of Directors

**Viswanath Tadimety**  
Chairman

Place : Thane

Date : August 4, 2012

## ANNEXURE 'B' 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, 2012.

### CONSERVATION OF ENERGY:

The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

### TECHNOLOGY ABSORPTION:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

<b>FOREIGN EXCHANGE EARNINGS AND OUTGO:</b>	
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)	₹ 13,248,854
Outgo (Travel Expenses and other Expenses)	₹ 3,780,133
Income	₹ 233,326,883

For and on behalf of the Board of Directors

**Viswanath Tadimety**  
Chairman

Place : Thane

Date : August 4, 2012

## 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 subsidiary in USA.

### 1. INDUSTRY OVERVIEW

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and are using outsourced technology service providers to adequately address these needs. The role of technology has evolved from supporting corporations to transforming them. There is an increasing need for highly skilled technology professionals in the markets in which we operate. At the same time, corporations are reluctant to expand their internal IT departments and increase costs. These factors have increased corporations' reliance on their outsourced technology service providers and are expected to continue to drive future growth for outsourced technology services.

The Company has positioned itself well for this anticipated growth in business with an appropriate organization structure, capabilities and strategy.

#### 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 in 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 its real estate holdings, 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 office premises.

#### Company Operations

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

- **SAP** - ERP application providers (including Implementation, Upgrade and Post Implementation Support Services)
- **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 (including planning and design services, public safety solutions, data center support and Cisco support services)
- **Custom Technologies** - including Microsoft, Oracle and IBM (Application Development, Integration and Maintenance)

The Company maintains Advanced Technology Centers ("ATC") for the training, 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's focus is to sell both on-site and offshore Information Technology services in the practice areas mentioned above.

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 ongoing litigation between the partners of CyberTech Middle East W.L.L., Bahrain ("CME") the Company has filed a suit against its Joint Venture partner in the Country of Bahrain. As the registered director in Bahrain, the said partner is responsible for the operations of the subsidiary. However, he has not provided the financial information for the last year and the current year. Due to this the Company could not consolidate the accounts of CME. The Company has filed a suit in the Court of Bahrain to find a legal resolution

for all ongoing disputes and also to get custodianship of CME. In the mean time, to comply with the Indian Laws, the Board decided to prepare the Accounts of CME for F.Y. 2010-11 and F.Y. 2011-12 with available information and also with best estimates. However, the investment in the Company's books relating to CME have been fully provided for.

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

## **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.

## **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.

## **STRATEGIC BUSINESS UNITS**

CyberTech is on the cusp of major growth. 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.

The Company has recently structured around the Business Unit (BU) model. This has effect on our Sales and Delivery functions. Each BU has 6 distinct functions of Solution Engineering, Marketing, Sales, Sales Support, Delivery and Engagement Management. All the 6 functions have its specific KRAs. It serves a defined external market where management can conduct strategic planning in relation to products and markets. Heads of these SBUs will have full P&L responsibilities with direct management of Sales, Practice, and Delivery.

The new Organizational Development Structure will not only make CyberTech ready for its cusp growth but will indeed accelerate the rate of growth and help the Company to achieve newer horizons of success.

## **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.

## **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'.

## **INTELLECTUAL PROPERTY (IP)**

Company continues to build an effective portfolio of Intellectual Property for future. In fiscal 2012 company focused on building and managing of IPs. Company emphasizes to its employees for collaborative creation 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. OPPORTUNITIES AND THREATS

### Opportunities:

India has over the years developed a number of advantage factors contributing to its pre-eminent position. India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM strategic 2012, IT services exports (excluding exports relating to Business Process Outsourcing (BPO), hardware, engineering, design and product development) from India are estimated to grow by 16.30% in fiscal 2012, to record revenues of US \$40 billion. There are several key factors contributing to the growth of IT and IT enabled services (ITES) in India by Indian companies. Some of these factors are high quality delivery, significant cost benefits and abundant skilled resources.

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 phase 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 outsourcing 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.

## 3. 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.

## **Risks and Concerns:**

In addition to those general risk items identified as "Threats" to the Company above, additional risks and concerns include, but are not limited to, the following:

- **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 service 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 forayed into the local Indian market apart from the operations established in Middle East.

- **Reliance on few customers for a significant amount of revenue:**

A significant portion of Company revenue is earned from few customers. In most of these cases, revenue and the relationship with these customers continues to grow and provide the opportunity for future growth; however, loss of one of these customers will have a significant impact on the Company.

- **Legal and Statutory Risks:**

The Company's international operations are subject to local market 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.

- **Loss of Rental Income:**

Rental income used to be a substantial component of the Company's profit and is generated from a limited number of parties on mainly short-term leases. Loss of one or more parties in the short term could have a significant impact on profitability.

- **Dispute with partner:**

The Company's litigation process against its joint venture partner in CyberTech Middle East W.L.L. Bahrain will reduce the short term opportunity for new business in the Middle East region.



- **Liquidity Risks:**

Company liquidity is dependent on timely collection of its accounts and continued growth in its business. Based on the utilization of available real estate assets, and the growth in business operations coupled with cost controls, the Company expects to continue to have adequate liquidity in the near term. 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.

- **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.

- **Cost Management:**

The major cost factor in IT business is linked to manpower cost. The persistent inflation in India raises risk of growing employee cost as well as related infrastructure cost. The increasing competition and talent acquisition cost will have impact on margins as the growth rate in revenue and cost will have mismatch. The Company continues to explore options to manage the cost through improving its ability to source favorable cost talents, capacity utilization and remain focus on reusability of available talent.

- **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.

- **Pending disputed tax matters:**

Income Tax department filed an appeal with High Court, Mumbai against the ITAT order giving relief U/S 10 B of the Income Tax Act. The Company is taking all necessary steps to represent the Company's stand which is already upheld by ITAT.

The Company may from time to time make additional forward looking statements, estimates and reports to its shareholders. Actual events and results may differ.

#### 4. 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.

#### 5. FINANCIAL CONDITION

Your company had consolidated revenues of ₹ 57.36 crores and ₹ 4.82 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 has no debt to service and is currently generating positive cash flow from its business. During the year your Company has received a favourable order from Income Tax Appellate Tribunal (ITAT) in respect of A.Y. 1997-98 to A.Y. 1999-00 wherein 10B exemption has been allowed for the Income from business operations. However, as the Income Tax department has filed an appeal with the High Court, Mumbai the company has not reversed the provision for taxation of approximately ₹ 12.20 Cr in the Company's books of accounts.

The Company and/or its wholly owned subsidiary have:

- Generated cash from its business
- Gained more productivity from its assets and properties
- Successfully resolved some of its income tax disputes and
- 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 consulting business.

## 6. 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. Head count stands at 340 full time employees as at the end of the FY2012.

### **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

## 7. 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, 2012 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**

**A.M. Hariharan  
Partner  
Membership No. 38323  
Firm Registration No. 301051E**

**Mumbai  
August 4, 2012**



## 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 eight-member Board is as follows :

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

@ Retired as Director in 16<sup>th</sup> AGM on 30<sup>th</sup> September, 2011

# Appointed as Additional Director w.e.f. 30<sup>th</sup> September, 2011

During the period April 1, 2011 to March 31 2012, the Board met five times. Dates of the Board Meetings and attendance thereat are furnished hereunder:

Date of Board Meeting	May 27, 2011	August 12, 2011	September 30, 2011	November 11, 2011	February 6, 2012
Board Strength	7	7	6	8	8
No. of Directors Present	4	4	3	3	7

### 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	5	3	Not Attended
Mr. Anant Rajwade	5	2	Not Attended
Mr. Sudhir Joshi	5	4	Attended
Mr. Prakash Kenjale	5	2	Not Attended
Mr. Steven Jeske	5	2	Attended
Mr. Rahul Ghosh	5	2	Not Attended
Mr. M.P. Bharucha	5	1	Not Attended

Dr. Shreepad Karmalkar	5	1	Not Attended
Dr. Tapan Kumar Mukhopadhyay	5	4	Attended

Mr. Viswanath Tadimety, Mr. Steven Jeske and Mr. Prakash Kenjale joined deliberations on-line when not in station.

The Company held the first ever Video Conferencing meeting of Board of Directors on 6<sup>th</sup> February, 2012 and except Dr. Shreepad Karmalkar all Directors attended the said meeting.

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	–	–	–
Mr. Prakash Kenjale	ID	1	–	–
Dr. Shreepad Karmalkar	ID	–	–	–
Mr. M. P. Bharucha	NED/NID	2	–	–
Dr. Tapan Kumar Mukhopadhyay	WTD	1	1	–
Mr. Steven Jeske	NED/NID	–	–	–
Mr. Rahul Ghosh	ID	–	–	–

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

NED/NID – Non-Executive/Non-Independent 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. Anant Rajwade #	Chairman
2	Mr. Rahul Ghosh@	Member
3	Mr. Sudhir Joshi	Member/Chairman
4	Dr. Shreepad Karmalkar	Member

# Retired as Director in 16<sup>th</sup> AGM held on 30<sup>th</sup> September, 2011.

@ Member w.e.f. 30<sup>th</sup> September, 2011.

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:

- 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.
- 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.
- 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 terms of clause (2AA) of section 217 of the Companies Act, 1956
  - 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 2011-12 on May 27,2011, August 12,2011, November 11, 2011, and February 6, 2012. Attendance of the Directors was as follows :

Director	No. of Committee Meetings attended
Mr. Anant Rajwade	2
Mr. Sudhir Joshi	3
Mr. Rahul Ghosh	2
Dr. Shreepad Karmalkar	1

## Remuneration Committee

Composition of the Remuneration Committee

1	Mr. Anant Rajwade @	Chairman
2	Mr. Sudhir Joshi ##	Chairman
3	Mr. Viswanath Tadimety	Member

4	Dr. Shreepad Karmalkar	Member
5	Mr. M. P. Bharucha #	Member
6	Mr. Rahul Ghosh #	Member

@ Retired as Director in 16<sup>th</sup> AGM held on 30<sup>th</sup> September, 2011.

# Member w.e.f. 30<sup>th</sup> September, 2011

## Chairman w.e.f. 30<sup>th</sup> September, 2011

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 no meeting of Remuneration Committee was held.

#### Details of remuneration paid to the Directors and Whole Time Directors for Financial Year 2011-2012

Name	Designation	Salary ₹	Commission ₹	Sitting fees ₹	Total (₹)	Notice Period
Mr. Viswanath Tadimety	Chairman	Nil	Nil	60000	60000	Nil
Mr. Anant Rajwade	Director	Nil	150000	80000	230000	Nil
Mr. Prakash Kenjale	Director	Nil	100000	40000	140000	Nil
Mr. Steven Jeske	Director	Nil	Nil	40000	40000	Nil
Mr. Sudhir Joshi	Director	Nil	150000	160000	310000	Nil
Dr. Shreepad Karmalkar	Director	Nil	100000	40000	140000	Nil
Mr. Rahul Ghosh	Director	Nil	Nil	100000	100000	Nil
Mr. M.P. Bharucha	Director	Nil	Nil	20000	20000	Nil
Dr. Tapan Kumar Mukhopadhyay	Whole Time Director	1,288,051	Nil	Nil	1,288,051	3 Months

#### 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.	Mr. Anant Rajwade **	Member
4	Dr. Shreepad Karmalkar @	Member
5	Dr. Tapan Kumar Mukhopadhyay @	Member
6	Mr. Rahul Ghosh @	Member

# Appointed as a Chairman w.e.f. 30<sup>th</sup> September, 2011.

@ Appointed as a member on 30<sup>th</sup> September, 2011.

\*\* Retired as a Director in 16<sup>th</sup> AGM held on 30<sup>th</sup> September, 2011.

One Investor Grievance Committee Meeting was held on 21.3.2012 during the Financial Year 2011-12 and attendance of the Directors thereat was as follows:

Director	Attended/Not Attended
Mr. Sudhir Joshi	Attended
Mr. Rahul Ghosh	Attended

The Board has authorized 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 2008-2009	FY 2009-2010	FY 2010-2011
Date & Time	September 30, 2009 3 P.M.	September 30, 2010 3 P.M.	September 30, 2011 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, 2009, no special resolution was passed.

On September 30, 2010, the following one special resolution was passed.

- (1) Increase of Authorised Capital

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

#### Disclosures

(1) No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years.

#### (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 Whole Time Director and G.M. Finance on the financial statements of the company was placed before the Board.

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

The draft Directors Responsibility Statement signed by Whole Time Director dated May 28, 2012 which is to be included in Board's Report for F.Y. 2011-12 was reviewed by Audit Committee in its meeting held on May 28, 2012.

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

The risk management practices adopted by the management ensure that management controls risks. During the F.Y. 2011-12 following two types of risks were reviewed by the Audit Committee/Board.

- a. Business Risk : On May 28, 2012, Mr. Vishal Bargat, Mr. Ambadas Bhore and Mr. Shailesh Sampat and Mr. Steven Jeske gave presentation to the Board and updated the members about the Company's business Road Maps drawn by these BU heads for F.Y. 2012-13 and its associated risks.
- b. 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.

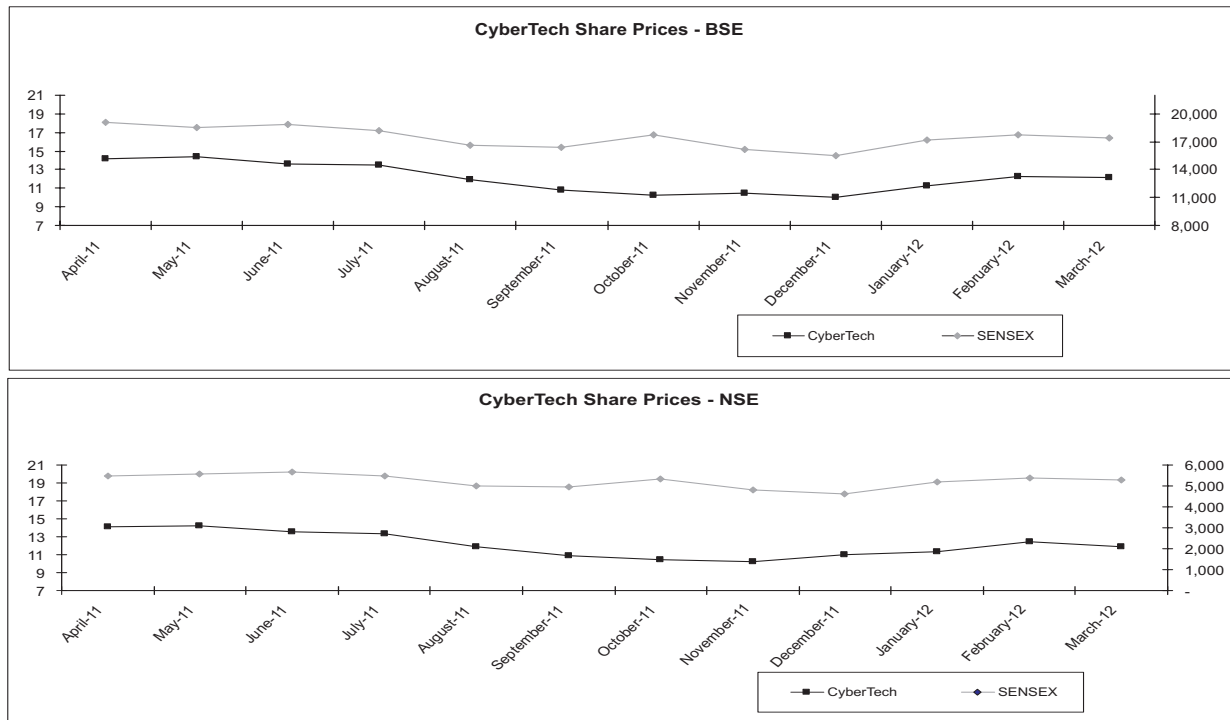
## **(11) General Shareholder information:**

- a. AGM Date : September 28, 2012
- b. Time : 3 P.M.
- c. Venue : CyberTech House, MIDC, Wagle Industrial Estate, Thane-400 604
- d. Financial year : 2011-12
- e. Date of book closure : September 24, 2012 to September 28, 2012 (both days inclusive)
- f. Dividend Payment : Dividend, if approved in the AGM shall be paid/credited on or after October 22, 2012
- 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 2011	15.85	12.51	15.90	12.65
May 2011	14.87	12.60	15.00	12.30
June 2011	16.00	13.40	16.30	12.80
July 2011	14.75	13.20	14.90	12.20
August 2011	13.52	11.10	13.50	11.00
September 2011	13.45	10.25	13.40	10.80
October 2011	11.55	10.10	11.45	10.00
November 2011	11.50	09.95	11.40	09.75
December 2011	11.45	09.80	11.90	09.50
January 2012	11.85	10.01	11.55	09.95
February 2012	14.00	11.00	14.15	10.95
March 2012	13.45	11.15	13.35	11.30

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, 2012**

Category	No. of shares held	%
Foreign Promoter Company	650000	2.4555
Foreign Promoters	7805101	29.4851
Non Nationalised Banks	18	0.0001
Non Resident Indians	1107443	4.1836
Non Resident Non Repatriable	94988	0.3588
Relatives of Directors	88650	0.3349
Relatives of Directors(NRI)	967070	3.6533
FII's/FFI's	575	0.0022
Bodies Corporate(Domestic)	537244	2.0295
Foreign company	3900000	14.7329
Trusts	1300445	4.9127
Clearing members	99496	0.3759
Insurance Companies/FI's	48133	0.1818
Public	9872180	37.2938
Total	26471343	100.0000

**Distribution of Shareholding as on March 31, 2012**

No. of shares held	Shareholders		Nominal value	
	Number	%age	₹	%age
1 – 5000	9261	79.5414	14611380	5.5197
5001 – 10000	1081	9.2845	9069120	3.4260
10001 – 20000	594	5.1018	8899480	3.3619
20001 – 30000	210	1.8037	5259830	1.9870
30001 – 40000	97	0.8331	3437380	1.2985
40001 – 50000	87	0.7472	4105070	1.5508
50001 – 100000	132	1.1337	9285120	3.5076
100001 & above	181	1.5546	210046050	79.3485
Total	11643	100.0000	264713430	100.0000

- l. Dematerialization of shares and liquidity: As on March 31, 2012 20,413,348 Equity shares ( 77.11% 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

1. We have audited the attached Balance Sheet of **CyberTech Systems and Software Limited** as at **31<sup>st</sup> March, 2012**, the Statement of Profit and Loss annexed thereto and also the Cash Flow Statement for the year ended on that date. 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.
2. 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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 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 dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable;
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2012, from being appointed as a director in terms of Section 274 (1)(g) of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the accompanying notes, 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:
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
    - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For LODHA & CO.**  
**Chartered Accountants**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**  
**Firm Registration No. 301051E**

**Mumbai**  
**May 28, 2012**



## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 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 discrepancies were noticed on such verification.
- c) No substantial part of the fixed assets has been disposed off by the Company during the year.
2. The Company being a service company primarily engaged in the business of 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 weaknesses 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 regards 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 there under. 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 information and explanations given to us and records examined, 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. Further, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable except ₹ 61,283 towards Service tax liability.
- b) According to the information and explanations given to us, there are no dues in respect of sales tax/ income-tax/ custom duty/ wealth-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	270.94*	Commissioner (appeal), Income tax
Service Tax	A.Y. 1998-00 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 31<sup>st</sup> March, 2012 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 taken any loans from financial institutions or banks. Accordingly, the provisions of clause 4(xi) of the Order are not applicable to the Company.

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. 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 on short term basis by the Company have not been used for long term purposes.
18. During the year, 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**

**A.M. Hariharan  
Partner  
Membership No. 38323  
Firm Registration No. 301051E**

**Mumbai  
May 28, 2012**



<b>BALANCE SHEET AS AT MARCH 31, 2012</b>			
	<b>NOTE NO.</b>	<b>As at March 31, 2012 ₹</b>	<b>As at March 31, 2011 ₹</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>291,456,955</b>	271,581,533
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	<b>4</b>	<b>17,310,868</b>	19,132,927
Other Long Term Liabilities	<b>5</b>	<b>6,782,569</b>	4,989,450
<b>Current Liabilities</b>			
Trade Payables	<b>6</b>	<b>37,925,629</b>	17,772,586
Other Current Liabilities	<b>7</b>	<b>6,431,228</b>	30,608,453
Short Term Provisions	<b>8</b>	<b>43,472,484</b>	39,383,246
		<b>668,093,163</b>	648,181,625
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	<b>9</b>		
Tangible Assets		<b>160,029,015</b>	163,118,909
Intangible Assets		<b>4,146,514</b>	4,264,642
Capital Work-in-Progress		<b>56,520,624</b>	6,211,536
Intangible Assets under Development		<b>3,852,729</b>	598,000
Non Current Investments	<b>10</b>	<b>106,303,250</b>	124,962,103
Long-Term Loans and Advances	<b>11</b>	<b>4,236,274</b>	3,061,445
<b>Current Assets</b>			
Current Investments	<b>12</b>	<b>77,985,500</b>	172,397,272
Trade Receivables	<b>13</b>	<b>148,442,047</b>	83,018,277
Cash and Bank Balances	<b>14</b>	<b>36,327,354</b>	11,226,756
Short-Term Loans and Advances	<b>15</b>	<b>62,764,066</b>	69,555,505
Other Current Assets	<b>16</b>	<b>7,485,790</b>	9,767,180
		<b>668,093,163</b>	648,181,625

Significant Accounting Policies and Notes to Financial Statements

1 to 35

The accompanying notes form an integral part of the financial statements

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**

**T.K. Mukhopadhyay**  
Whole Time Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 28, 2012

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012</b>			
	<b>NOTE NO.</b>	<b>For the year ended March 31, 2012</b> ₹	<b>For the year ended March 31, 2011</b> ₹
<b>INCOME</b>			
Revenue from Operations	<b>17</b>	<b>256,792,560</b>	168,190,308
Other Income	<b>18</b>	<b>56,193,237</b>	74,724,075
		<b>312,985,797</b>	242,914,383
<b>EXPENDITURE</b>			
Cost of Hardware/Software package for service delivery		<b>8,424,670</b>	7,930,730
Employee Benefits Expense	<b>19</b>	<b>155,939,242</b>	111,286,356
Finance Costs	<b>20</b>	<b>129,457</b>	-
Depreciation and amortisation expense		<b>15,699,957</b>	16,290,090
Other Expenses	<b>21</b>	<b>52,938,193</b>	41,172,032
		<b>233,131,519</b>	176,679,208
<b>Profit before Exceptional items and tax</b>		<b>79,854,278</b>	66,235,175
Exceptional Items	<b>22</b>	<b>9,135,258</b>	-
<b>Profit before tax</b>		<b>70,719,020</b>	66,235,175
Provision for Tax			
Current Tax		<b>21,900,000</b>	20,000,000
Reversal of Deferred Tax Liability (Net)		<b>(1,822,059)</b>	(1,364,954)
<b>Profit for the year</b>		<b>50,641,079</b>	47,600,129
Basic and Diluted Earnings per Share of face value of ₹10 each	<b>23</b>	<b>1.91</b>	1.80

Significant Accounting Policies and Notes to  
Financial Statements

**1 to 35**

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

**T.K. Mukhopadhyay**

Whole Time Director

**Sudhir Joshi**

Director

Place : Mumbai

Dated : May 28, 2012



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012</b>				
	For the year ended March 31, 2012		For the year ended March 31, 2011	
	₹	₹	₹	₹
<b>A. Cash flow from Operating activities</b>				
Net Profit/(Loss) before tax and exceptional items :		<b>79,854,278</b>		66,235,175
Adjustments for :				
Depreciation and amortisation expense	<b>15,699,957</b>		16,290,090	
Unrealised foreign exchange gain	<b>(3,051,516)</b>		(584,367)	
Loss on assets sold / discarded (Net)	<b>391,664</b>		228,841	
Interest income	<b>(1,742,533)</b>		(674,562)	
Finance Costs	<b>129,457</b>		-	
Sundry Balances written back (Net)	<b>(2,238,531)</b>		(814,188)	
Profit on Sale of Current Investments	<b>(16,660,172)</b>		(8,226,360)	
Provision for Doubtful Debts	<b>551,500</b>		-	
		<b>(6,920,174)</b>		6,219,454
<b>Operating profit before Working Capital changes</b>		<b>72,934,104</b>		72,454,629
Adjustments for :				
Decrease/(Increase) in Trade receivables	<b>(66,623,372)</b>		(23,165,237)	
Decrease/(Increase) in Other receivables	<b>(25,754,719)</b>		(2,492,812)	
Increase/(Decrease) in Trade & other payables	<b>2,058,375</b>	<b>( 90,319,716)</b>	4,193,532	(21,464,517)
<b>Cash Generated from Operations</b>		<b>( 17,385,612)</b>		50,990,112
Direct taxes (paid) / refund (Net)		<b>(7,528,700)</b>		2,717,722
<b>Net cash generated from / (used in) operating activities</b>	<b>(A)</b>	<b>( 24,914,312)</b>		53,707,834
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		<b>(66,801,694)</b>		(11,641,213)
Purchase of investments		<b>(183,999,700)</b>		(278,784,570)
Sale of fixed assets		<b>396,500</b>		-
Sale of investments		<b>306,071,644</b>		298,880,386
Investment in subsidiary		-		(33,738,750)
Interest received		<b>873,681</b>		501,704
<b>Net cash generated from / (used in) investing activities</b>	<b>(B)</b>	<b>56,540,431</b>		(24,782,443)

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012</b>				
	For the year ended March 31,2012		For the year ended March 31,2011	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities :</b>				
Finance Costs paid		(129,457)		-
Dividend and tax thereon paid		(30,591,607)		(30,710,605)
<b>Net cash generated from / (used in) financing activities</b>	<b>(C)</b>	<b>(30,721,064)</b>		<b>(30,710,605)</b>
<b>Net Increase / (Decrease) in cash &amp; cash equivalents</b>	<b>(A+B+C)</b>	<b>905,055</b>		<b>(1,785,214)</b>
Cash & cash equivalents (Opening)		<b>3,756,929</b>		5,542,143
Cash & cash equivalents (Closing)		<b>4,661,984</b>		3,756,929
		<b>9 05,055</b>		<b>(1,785,214)</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

**A. M. Hariharan**

Partner

**Sateesh Wadagbalkar**

Company Secretary

**T.K. Mukhopadhyay**

Whole Time Director

**Sudhir Joshi**

Director

Place : Mumbai

Dated : May 28,2012

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

### 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 Middle East 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, 1956 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) 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 are 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, 2012

### 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:

Payment 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 recognized immediately in the Statement of Profit and Loss.

- iii) Other long-term employee benefits :

Other long-term employee benefits viz. leave entitlement is 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 asset 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, 2012**

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<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>	264,713,430
[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**

	As at March 31, 2012		As at March 31, 2011	
	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 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 :**

	As at March 31, 2012		As at March 31, 2011	
	No of shares	%	No of shares	%
Tadimety Viswanath	5,421,768	20.48%	5,418,284	20.46%
Steven Jeske	2,383,333	9.00%	1,733,333	6.55%
Indotech Holdings LLC	3,900,000	14.73%	3,900,000	14.73%
Joseph Michael Vanek Trustee	1,300,000	4.91%	2,600,000	9.82%

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 FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<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>106,914,501</b>	90,182,274
Add: Profit for the year	<b>50,641,079</b>	47,600,129
Balance available for Appropriations	<b>157,555,580</b>	137,782,403
Less:		
<u>Appropriations during the year</u>		
Proposed Dividend -Final	<b>26,471,343</b>	26,471,343
Dividend Distribution Tax	<b>4,294,314</b>	4,396,559
	<b>126,789,923</b>	106,914,501
Closing Balance	<b>291,456,955</b>	271,581,533
<b>NOTE '4'</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Asset:		
Expenses allowable on payments and others	<b>4,301,664</b>	2,828,584
Deferred Tax Liability:		
Difference between Book & Tax Depreciation	<b>21,612,532</b>	21,961,511
Net Deferred Tax Liability	<b>17,310,868</b>	19,132,927
<b>NOTE '5'</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Payables for Capital expenditure	<b>775,919</b>	-
Security Deposits Received	<b>6,006,650</b>	4,989,450
	<b>6,782,569</b>	4,989,450



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>As at March 31, 2012 ₹</b>	<b>As at March 31, 2011 ₹</b>
<b>NOTE '6'</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	<b>37,925,629</b>	17,772,586
	<b>37,925,629</b>	17,772,586
<p>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.</p>		
<b>NOTE '7'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Security Deposits Received	-	26,035,500
Statutory Dues	<b>3,552,407</b>	2,743,516
Payables for Capital expenditure	<b>1,124,433</b>	426,010
Other Income received in advance	<b>448,000</b>	373,334
Unclaimed Dividend	<b>1,306,388</b>	1,030,093
	<b>6,431,228</b>	30,608,453
<b>NOTE '8'</b>		
<b>SHORT TERM PROVISIONS</b>		
Employees Benefit :		
Leave Entitlements	<b>5,506,780</b>	3,197,723
Gratuity (Refer Note 26)	<b>7,200,047</b>	5,317,621
Proposed Dividend	<b>26,471,343</b>	26,471,343
Dividend Distribution Tax	<b>4,294,314</b>	4,396,559
	<b>43,472,484</b>	39,383,246

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012****NOTE '9'****FIXED ASSETS**

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-12	Upto 31-Mar-11	for the year	On Deductions/ Adjustments	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
<b>TANGIBLE ASSETS</b>										
Leasehold Land *	3,308,683	-	-	3,308,683	678,484	50,258	-	728,742	2,579,941	2,630,199
Buildings**	115,543,480	-	-	115,543,480	18,155,013	1,883,294	-	20,038,307	95,505,173	97,388,467
Plant and Equipment	49,605,485	267,120	-	49,872,605	24,604,695	2,365,084	-	26,969,779	22,902,826	25,000,790
Furniture & Fixtures	85,373,520	1,373,079	-	86,746,599	59,517,949	5,407,781	-	64,925,730	21,820,869	25,855,571
Vehicles	3,104,997	2,635,819	1,535,805	4,205,011	1,234,097	307,132	815,789	725,440	3,479,571	1,870,900
Office Equipment	5,970,208	247,285	-	6,217,493	2,349,986	285,263	-	2,635,249	3,582,244	3,620,222
Computers	42,189,989	6,051,743	518,467	47,723,265	35,437,229	2,620,186	492,541	37,564,874	10,158,391	6,752,760
<b>SUB TOTAL</b>	<b>305,096,362</b>	<b>10,575,046</b>	<b>2,054,272</b>	<b>313,617,136</b>	<b>141,977,453</b>	<b>12,918,998</b>	<b>1,308,330</b>	<b>153,588,121</b>	<b>160,029,015</b>	<b>163,118,909</b>
<b>INTANGIBLE ASSETS</b>										
Computer-Software	17,084,307	2,662,831	-	19,747,138	12,819,665	2,780,959	-	15,600,624	4,146,514	4,264,642
<b>SUB TOTAL</b>	<b>17,084,307</b>	<b>2,662,831</b>	<b>-</b>	<b>19,747,138</b>	<b>12,819,665</b>	<b>2,780,959</b>	<b>-</b>	<b>15,600,624</b>	<b>4,146,514</b>	<b>4,264,642</b>
<b>Current Year Total</b>	<b>322,180,669</b>	<b>13,237,877</b>	<b>2,054,272</b>	<b>333,364,274</b>	<b>154,797,118</b>	<b>15,699,957</b>	<b>1,308,330</b>	<b>169,188,745</b>	<b>164,175,529</b>	<b>167,383,551</b>
Previous Year Total	318,005,075	5,725,889	1,550,295	322,180,669	139,828,483	16,290,090	1,321,455	154,797,118	167,383,551	
<b>CAPITAL WORK IN PROGRESS</b>										
Building under construction									53,782,290	3,473,202
Plant and Equipment under installation									2,738,334	2,738,334
<b>SUB TOTAL</b>									<b>56,520,624</b>	<b>6,211,536</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Softwares									3,852,729	598,000
<b>SUB TOTAL</b>									<b>3,852,729</b>	<b>598,000</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, 2012</b>		
	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<b>NOTE '10'</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>(Long Term, Unquoted, Fully paid)</b>		
<b>A In Equities-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>72,564,500</b>	72,564,500
<b>750,000</b> (750,000) common stocks of USD 1.00 each	<b>33,738,750</b>	33,738,750
CyberTech Middle East, W.L.L-Bahrain		
<b>634</b> (634) Shares of BHD 100 each	<b>7,658,853</b>	7,658,853
Less: Provision for diminution in value of investments	<b>(7,658,853)</b>	-
<b>B Others (Non-Trade)</b>		
<b>In Mutual funds</b>		
SBI-Debt Fund Series-370days-12-Growth	-	11,000,000
<b>Nil</b> (1,100,000) units of ₹10 each		
	<b>106,303,250</b>	124,962,103
Aggregate amount of unquoted investments	<b>113,962,103</b>	124,962,103
Aggregate provision for diminution in the value of investments	<b>7,658,853</b>	-
<b>NOTE '11'</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
Capital Advances	<b>1,288,933</b>	183,584
Security Deposits	<b>2,947,341</b>	2,877,861
	<b>4,236,274</b>	3,061,445
<b>NOTE '12'</b>		
<b>CURRENT INVESTMENTS</b>		
<b>(Unquoted, Fully paid)</b>		
<b>Mutual funds</b>		
UTI Treasury Advantage Fund-Institutional Plan (Growth Option)		
<b>6,103.62</b> (Previous Year 3,744) units of ₹1,000 each	<b>8,851,561</b>	4,936,118
UTI Fixed Income Interval Fund-Monthly Interval Plan-Series I- Growth Plan		
<b>Nil</b> (Previous Year 811,636) units of ₹10 each	-	10,000,000
SBI-Debt Fund Series-180 Days-14-Growth		
<b>Nil</b> (Previous Year 3,018,661) units of ₹10 each	-	30,186,610
SBI-Debt Fund Series-90days-40-Growth		
<b>Nil</b> (Previous Year 1,500,000) units of ₹10 each	-	15,000,000
SBI-Debt Fund Series-90days-57-Growth		
<b>1,799,990</b> (Previous Year NIL) units of ₹10 each	<b>17,999,900</b>	-

<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>As at March 31, 2012 ₹</b>	<b>As at March 31, 2011 ₹</b>
TATA-Fixed Income Portfolio Fund Scheme A2 Regular Growth <b>Nil</b> (Previous Year 412,422) units of ₹10 each	-	5,000,000
TFLG Tata Floater Fund Growth <b>343,366.51</b> (Previous Year Nil) units of ₹10 each	<b>5,044,500</b>	-
UTI Fixed Income Interval Fund -Quarterly Plan Series -III-Institutional Growth Plan <b>1,125,172</b> (Previous Year 2,583,223) units of ₹10 each	<b>14,089,639</b>	31,437,311
UTI Fixed Income Interval Fund-Series II-Quarterly Interval Plan-VI-Institutional Growth Plan <b>Nil</b> (Previous Year 2,483,723) units of ₹10 each	-	24,837,233
SBI-Debt Fund Series-370 days-8-Growth <b>Nil</b> (Previous Year 2,000,000) units of ₹10 each	-	20,000,000
SBI-Debt Fund Series-370days-9-Growth <b>Nil</b> (Previous Year 1,000,000) units of ₹10 each	-	10,000,000
TATA-Fixed Maturity Plan series 30-Scheme A-Growth <b>Nil</b> (Previous Year 2,100,000) units of ₹10 each	-	21,000,000
HDFC FMP 370D January 2012 (4) Growth Series XIX <b>2,099,990</b> (Previous Year Nil) units of ₹10 each	<b>20,999,900</b>	-
SBI-Debt Fund Series-370 days-12-Growth <b>1,100,000</b> (Previous Year Nil) units of ₹10 each	<b>11,000,000</b>	-
	<b>77,985,500</b>	172,397,272
Aggregate amount of unquoted investments	<b>77,985,500</b>	172,397,272
Aggregate repurchase price	<b>81,771,212</b>	179,283,337
<b>NOTE '13'</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured)</b>		
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>		
Considered good	-	1,475,075
Considered doubtful	<b>40,484,388</b>	38,456,483
	<b>40,484,388</b>	39,931,558
Less: Provision for doubtful debts	<b>(40,484,388)</b>	(38,456,483)
	-	1,475,075
<u>Other receivables</u>		
Considered good	<b>148,442,047</b>	81,543,202
	<b>148,442,047</b>	81,543,202
	<b>148,442,047</b>	83,018,277



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>As at March 31, 2012 ₹</b>	<b>As at March 31, 2011 ₹</b>
<b>NOTE '14' CASH AND BANK BALANCES</b>		
<b>I. Cash and Cash Equivalents</b>		
<b>a) Cash on hand</b>	<b>121,849</b>	44,690
<b>b) Bank Balances</b>		
- in Current Accounts	<b>4,540,135</b>	3,712,239
	<b>4,661,984</b>	3,756,929
<b>II. Other Bank Balances</b>		
in Unpaid Dividend Accounts	<b>1,306,388</b>	1,030,093
in Fixed Deposit Accounts * (including Interest accrued of ₹ 868,852; Previous year ₹ 110,048) (Long term deposits with maturity more than 3 months but less than 12 months)	<b>30,358,982</b>	6,439,734
	<b>36,327,354</b>	11,226,756
* Fixed Deposits with Banks held as margin money against the following:		
Forward Contracts	<b>5,753,149</b>	5,110,895
Guarantees issued to Municipal corporations	<b>6,394,770</b>	1,148,326
Letter of Credit	<b>4,400,000</b>	-
Overdraft facility	<b>10,000,000</b>	-
<b>NOTE '15' SHORT-TERM LOANS AND ADVANCES (Unsecured, Considered good)</b>		
Advance for Supply of goods and rendering of services	<b>20,691</b>	8,384
Loans and advances to employees	<b>311,567</b>	75,092
Deposits	<b>1,715,640</b>	232,869
Service Tax Receivable (Net)	<b>1,213,271</b>	-
Income Tax (Net of Provisions of ₹ 194,595,365; Previous year ₹ 172,695,365)	<b>59,502,897</b>	62,715,705
MAT Credit Receivable	-	6,523,455
	<b>62,764,066</b>	69,555,505
<b>NOTE '16' OTHER CURRENT ASSETS</b>		
Unbilled Revenue	<b>3,186,912</b>	5,783,570
Prepaid expenses	<b>4,219,775</b>	2,517,134
Other Receivable	<b>79,103</b>	1,466,476
	<b>7,485,790</b>	9,767,180
	<b>For the year ended March 31, 2012 ₹</b>	<b>For the year ended March 31, 2011 ₹</b>
<b>NOTE '17' REVENUE FROM OPERATIONS</b>		
From Sale of Services		
Information Technology Services	<b>256,792,560</b>	168,190,308
	<b>256,792,560</b>	168,190,308



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>For the year ended March 31,2012 ₹</b>	<b>For the year ended March 31,2011 ₹</b>
<b>NOTE '18' OTHER INCOME</b>		
Interest on:		
Deposit With banks	<b>1,366,117</b>	353,272
Others	<b>376,416</b>	321,290
	<b>1,742,533</b>	674,562
Profit on sale of Current Investments	<b>16,660,172</b>	8,226,360
Foreign Exchange Gain	<b>7,978,006</b>	1,593,102
Rent Received	<b>28,979,435</b>	67,749,132
Less: Rates and Taxes (directly attributable)	<b>1,554,490</b>	4,532,554
	<b>27,424,945</b>	63,216,578
Sundry Credit Balances written back (Net)	<b>2,238,531</b>	814,188
Miscellaneous Income	<b>149,050</b>	199,285
	<b>56,193,237</b>	74,724,075
<b>NOTE '19' EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	<b>152,244,791</b>	107,314,605
Contribution to Provident and other funds	<b>653,194</b>	649,109
Staff Welfare expenses (including Group Medical Insurance of ₹ <b>2,091,368</b> ; Previous year ₹1,380,685)	<b>5,224,168</b>	3,322,642
	<b>158,122,153</b>	111,286,356
Less:Transferred to Intangible assets under development	<b>2,182,911</b>	-
	<b>155,939,242</b>	111,286,356
<b>NOTE '20' FINANCE COSTS</b>		
Interest expenses	<b>129,457</b>	-
	<b>129,457</b>	-
<b>NOTE '21' OTHER EXPENSES</b>		
Travelling & Conveyance	<b>6,341,068</b>	5,158,737
Communication	<b>3,634,176</b>	6,070,431
Electricity Expenses	<b>6,038,879</b>	2,925,381
Insurance	<b>314,106</b>	295,383
Rates and Taxes	<b>1,278,554</b>	1,365,173
Professional fees	<b>9,763,805</b>	5,306,655
Software Programming, Consultancy and Development Charges	<b>7,273,701</b>	4,316,891
Rent	<b>1,037,000</b>	340,000



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
Auditors' Remuneration		
Audit Fees	375,000	375,000
Tax Audit fees	125,000	125,000
Other Services	156,137	132,500
Reimbursement of Expenses	28,810	33,265
	<b>684,947</b>	665,765
Repairs and Maintenance		
Buildings	1,642,180	1,454,969
Plant & Equipment	4,520,465	2,871,169
Others	1,557,344	1,509,052
	<b>7,719,989</b>	5,835,190
Security Expenses	1,988,534	2,344,627
Loss on assets sold/discarded (Net)	391,664	228,841
Provision for Doubtful debts	551,500	-
Miscellaneous Expenses	7,590,088	6,318,958
	<b>54,608,011</b>	41,172,032
Less : Transferred to Intangible Assets Under Development	1,669,818	-
	<b>52,938,193</b>	41,172,032
<b>NOTE '22'</b>		
<b>EXCEPTIONAL ITEMS</b>		
Provision for Diminution in the value of Investment in Bahrain subsidiary	7,658,853	-
Provision for Doubtful debts receivable from aforesaid subsidiary	1,476,405	-
	<b>9,135,258</b>	-
<b>Note '23'</b>		
<b>Earnings Per Share:</b>		
	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit attributable to the Shareholders	50,641,079	47,600,129
Weighted average number of Equity Shares outstanding during the year (Nos.)	26,476,302	26,476,302
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted Earnings Per Share (₹) (Not annualized)	1.91	1.80

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012****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, 2012</b>	As at March 31, 2011
Face Value of Grant	<b>10</b>	10
<b>Grants:</b>		
Outstanding at the beginning	<b>2,046,750</b>	1,090,750
Add.: Granted during the year	<b>0</b>	1,025,000
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>299,250</b>	69,000
Outstanding as at the end	<b>1,747,500</b>	2,046,750
<b>Vested:</b>		
Outstanding at the beginning	<b>761,750</b>	597,000
Add: Vested during the year	<b>348,750</b>	187,500
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>349,250</b>	22,750
Outstanding as at the end	<b>761,250</b>	761,750
<b>Grants to the Whole Time Director</b>		
Outstanding at the beginning	<b>50,000</b>	100,000
Add.: Granted during the year	<b>0</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>50,000</b>	50,000
Outstanding as at the end	<b>0</b>	50,000
<b>Vested to the Whole Time Director</b>		
Outstanding at the beginning	<b>50,000</b>	25,000
Add: Vested during the year	<b>0</b>	25,000
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>50,000</b>	0
Outstanding as at the end	<b>0</b>	50,000



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012	As at March 31, 2011
<b>Grants to Non Executive Director</b>		
Outstanding at the beginning	240,500	254,500
Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited During the year	60,500	14,000
Outstanding as at the end	180,000	240,500
<b>Vested to non-executive director</b>		
Outstanding at the beginning	165,500	142,000
Add: Vested during the year	37,500	37,500
Less : Exercised during the year	0	0
Less : Forfeited During the year	60,500	14,000
Outstanding as at the end	142,500	165,500

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, 2012		As at March 31, 2011	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	2,046,750	15.25	1,090,750	12.86
Granted during the year	0	0	1,025,000	16.69
Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	299,250	11.20	69,000	13.74
Options outstanding at end of year	1,747,500	15.94	2,046,750	15.25
Vested options pending exercise	761,250	15.28	761,750	12.91

The following summarizes information about stock options outstanding:

**As at March 31, 2012**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹7.50 to ₹15	600,000	4	12.28
₹15 to ₹23	1,147,500	5	17.86

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

As at March 31, 2011

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	899,250	4	11.92
₹ 15 to ₹ 23	1,147,500	6	17.33

**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:

	March 31, 2012	March 31, 2011
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, 2012 ₹	For the Year ended March 31, 2011 ₹
Profit attributable to Equity Shareholders	50,641,079	47,600,129
Less: Stock-based compensation expense determined under fair value based method	275,750	369,015
Net Profit	50,365,329	47,231,114
Basic and diluted earning per share (as reported)	1.91	1.80
Basic and diluted earning per share (under fair value method)	1.88	1.78

**Note '25'****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, 2012**

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

**Key Management Personnel**

Dr. Tapan Kumar Mukhopadhyay - Wholetime Director (w.e.f. March 15, 2011)

Mr. Radhakrishna Pingali - Wholetime Director (October 11, 2010 to February 11, 2011)

Mr. C N Rao - Executive Director (upto October 8, 2010)

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>233,326,883</b> (150,004,909)	- (-)	- (-)	<b>233,326,883</b> (150,004,909)
Expenses / Reimbursement of Expenses	<b>910,231</b> (3,356,373)	- (-)	<b># 1,288,051</b> # (1,706,040)	<b>2,198,282</b> (5,062,413)
Investment	- (33,738,750)	- (-)	- (-)	- (33,738,750)
Outstanding as at the year end				
Receivable	<b>142,797,510</b> (78,279,526)	<b>1,476,405*</b> (1,475,075)	- (-)	<b>144,273,915</b> (79,754,601)
Payable	- (2,115,692)	- (-)	<b>95,003</b> (-)	<b>95,003</b> (2,115,692)
Investment	<b>106,303,250</b> (106,303,250)	<b>7,658,853*</b> (7,658,853)	- (-)	<b>113,962,103</b> (113,962,103)

# Remuneration

**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 except provision of ₹ 1,476,405 towards doubtful debts and provision for diminution in the value of investments ₹ 7,658,853 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, 2012**

**Note '26'**

**Defined Benefit Plan in respect of gratuity payable - as per actuarial valuation**

**Change in present value of obligation**

(Amount in ₹)

		<b>As at March 31, 2012</b>	As at March 31, 2011
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>5,317,621</b>	3,799,460
2	Interest Cost	<b>438,704</b>	313,455
3	Current Service Cost	<b>1,553,459</b>	1,359,629
4	Benefits paid during the year	<b>(314,185)</b>	(640,221)
5	Actuarial (gain)/loss on Defined Benefit Obligation	<b>204,448</b>	485,298
6	Present Value of Defined Benefit Obligation, end of the year	<b>7,200,047</b>	5,317,621

**Amounts recognized in the Balance Sheet**

(Amount in ₹)

		<b>As at March 31, 2012</b>	As at March 31, 2011
1	Present Value of Defined Benefit Obligation	<b>7,200,047</b>	5,317,621
2	Fair Value of plan assets	<b>Nil</b>	Nil
3	Net Liability recognized in the Balance Sheet	<b>7,200,047</b>	5,317,621

**Net gratuity cost for the year ended March 31, 2012**

(Amount in ₹)

		<b>For the year ended March 31, 2012</b>	For the year ended March 31, 2011
1	Current Service Cost	<b>1,553,459</b>	1,359,629
2	Interest Cost on obligation	<b>438,704</b>	313,455
3	Expected Return on plan assets	<b>Nil</b>	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2012	<b>204,448</b>	485,298
5	Net Gratuity Cost	<b>2,196,611</b>	2,158,382

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

(Rate per annum)

		<b>As at March 31, 2012</b>	As at March 31, 2011
1	Rate of Interest	<b>8.50%</b>	8.25%
2	Salary Growth	<b>6.00%</b>	5.00%
3	Withdrawal rate	<b>5.00%</b>	5.00%



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**Note '27'**

**Leases:**

(A) With an objective to use Company's idle resources and to strengthen the cash flows, the Company earns income by leasing its vacant premises. The income from which is recognised and disclosed as Rent received under Note No. 18.

(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. 21 under the head 'Rent'.

**Note '28'**

**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) ₹ **30,224,097** (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 the Company's favour 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)

b) Disputed Service Tax Matters ₹ **6,607,614** (Previous year ₹6,607,614)

**(B) Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹**19,839,521** (Previous year Nil)

**(C) 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, 2012</b>	As at March 31, 2011
Forward Exchange Contracts:		
No. of Contracts	<b>8</b>	6
Type	<b>Sell</b>	Sell
US \$ Equivalent (Lacs)	<b>17.50</b>	13.50
₹ Equivalent (Lacs)	<b>913.43</b>	624.31

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

Particulars	<b>As at March 31, 2012</b>		As at March 31, 2011	
	<b>USD</b>	₹	USD	₹
Trade Receivables	<b>1,021,947</b>	<b>52,354,345</b>	379,521	16,854,528
Trade Payables	<b>10,008</b>	<b>542,710</b>	47,640	2,115,692



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**Note '29'**

During the Year the Company has received a favourable order from Income Tax Appellate Tribunal (ITAT) in respect of AY1997-98 to AY 1999-00 wherein exemption u/s 10B of the Income Tax Act 1961 has been allowed for the Income from Business Operations. However, the order giving effect to the ITAT Order is not yet received and also considering the chances of Income Tax Department filing higher appeals with the High Court, the Company has not reversed the provision for taxation of approximately ₹ 12.20 Crores and also not recognised the interest receivable on the said amount.

**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 financial statements.

	<b>For the year ended March 31, 2012</b>	For the year ended March 31, 2011
	₹	₹
<b>Note '32'</b>		
Expenditure in foreign currency:		
Travel Expenses (Net of reimbursements)	<b>728,043</b>	138,945
Directors sitting fees	<b>40,000</b>	40,000
Professional Fees	<b>2,101,859</b>	-
Other Expenses	<b>910,231</b>	3,356,373
<b>Note '33'</b>		
Dividend remitted in foreign currency :	<b>13,248,854</b>	9,284,389
Dividend relating to the year	<b>2010-11</b>	2009-10
Number of Equity Shares held (Nos.)	<b>13,248,854</b>	9,284,389
Number of Non-Resident Shareholders (Nos.)	<b>34</b>	32
<b>Note '34'</b>		
Earnings in foreign exchange:		
Information Technology Services	<b>233,326,883</b>	150,004,909



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**Note '35'**

In the current year, financial statements have been prepared as per Revised Schedule VI. 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 35

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

**Sateesh Wadagbalkar**  
Company Secretary

**T.K. Mukhopadhyay**  
Whole Time Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 28, 2012

## AUDITORS' REPORT

### To The Board of Directors

#### CyberTech Systems and Software Limited

1. We have audited the attached Consolidated Balance Sheet of **CyberTech Systems and Software Limited** and its subsidiaries (collectively referred as "the Group") as at 31<sup>st</sup> March, 2012 and also, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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.
2. 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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. *The Company has not consolidated the accounts of CyberTech Middle East W.L.L., (Bahrain), a subsidiary company, in these financial statements for the reason mentioned in Note No. 23.*
4. *Subject to what is stated in para 3 above, we report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006.*
5. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, *subject to what is stated in para 3 above having consequential impact on assets, liabilities, reserves and surplus as at the close of the year and profit for the year, which is presently not ascertained* and read together with the accompanying notes, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2012;
  - ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended as on that date; and
  - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For LODHA & CO.**  
**Chartered Accountants**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**  
**Firm Registration No. 301051E**

**Mumbai**  
**May 28, 2012**



<b>CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012</b>			
	<b>NOTE NO.</b>	<b>As At March 31, 2012 ₹</b>	<b>As At March 31, 2011 ₹</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>225,737,714</b>	201,774,992
<b>Minority Interest</b>		-	552,913
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	<b>4</b>	<b>17,310,868</b>	19,132,927
Other Long Term Liabilities	<b>5</b>	<b>6,782,569</b>	4,989,450
<b>Current Liabilities</b>			
Short Term Borrowings	<b>6</b>	-	544,267
Trade Payables	<b>7</b>	<b>78,198,014</b>	60,774,098
Other Current Liabilities	<b>8</b>	<b>8,427,303</b>	32,808,132
Short Term Provisions	<b>9</b>	<b>43,472,484</b>	39,383,246
	<b>TOTAL</b>	<b>644,642,382</b>	624,673,455
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	<b>10</b>		
Tangible Assets		<b>161,869,916</b>	167,862,439
Intangible Assets		<b>10,102,001</b>	12,898,394
Capital Work-in-Progress		<b>56,520,624</b>	6,211,537
Intangible Assets under Development		<b>19,193,207</b>	598,000
Non Current Investments	<b>11</b>	-	11,000,000
Long-Term Loans and Advances	<b>12</b>	<b>4,466,041</b>	3,353,901
<b>Current Assets</b>			
Current Investments	<b>13</b>	<b>77,985,500</b>	172,397,272
Trade Receivables	<b>14</b>	<b>102,620,673</b>	93,006,994
Cash and Bank Balances	<b>15</b>	<b>111,498,260</b>	62,315,052
Short-Term Loans and Advances	<b>16</b>	<b>73,818,220</b>	76,694,082
Other Current Assets	<b>17</b>	<b>26,567,940</b>	18,335,784
	<b>TOTAL</b>	<b>644,642,382</b>	624,673,455

Significant Accounting Policies and Notes to Consolidated Financial Statements

1 to 34

The accompanying notes form an integral part of the financial statements

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**

**T.K. Mukhopadhyay**  
Whole Time Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 28, 2012

<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012</b>			
	<b>NOTE NO.</b>	<b>For the year ended March 31, 2012</b> ₹	<b>For the year ended March 31, 2011</b> ₹
<b>INCOME</b>			
Revenue from Operations	<b>18</b>	<b>516,084,088</b>	386,743,230
Other Income	<b>19</b>	<b>57,494,122</b>	75,943,368
		<b>573,578,210</b>	462,686,598
<b>EXPENDITURE</b>			
Cost of Hardware/Software package for service delivery		<b>8,424,670</b>	7,930,730
Employee Benefits Expense	<b>20</b>	<b>338,371,272</b>	275,547,149
Finance Costs	<b>21</b>	<b>129,457</b>	-
Depreciation and amortisation expense		<b>20,139,045</b>	20,419,926
Other Expenses	<b>22</b>	<b>135,986,067</b>	125,842,562
		<b>503,050,511</b>	429,740,367
<b>Profit before Exceptional items and tax</b>		<b>70,527,699</b>	32,946,231
Exceptional Items	<b>23</b>	<b>2,237,768</b>	-
<b>Profit before tax</b>		<b>68,289,931</b>	32,946,231
Provision for Tax			
Current Tax		<b>21,900,000</b>	20,000,000
Reversal of Deferred Tax Liability (Net)		<b>(1,822,059)</b>	(1,364,954)
Income tax adjustments for earlier years		-	508,414
<b>Profit for the year</b>		<b>48,211,990</b>	13,802,771
Basic and Diluted Earnings per Share of face value of ₹10 each	<b>24</b>	<b>1.82</b>	0.52

Significant Accounting Policies and Notes to Consolidated Financial Statements

1 to 34

The accompanying notes form an integral part of the financial statements

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**

**T.K. Mukhopadhyay**  
Whole Time Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 28, 2012



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

	For the year ended March 31, 2012		For the year ended March 31, 2011	
	₹	₹	₹	₹
<b>A. Cash flow from Operating activities</b>				
Net Profit/(Loss) before tax and exceptional items :		<b>70,527,699</b>		32,946,231
Adjustments for :				
Depreciation	<b>20,139,045</b>		20,419,926	
Loss on assets sold / discarded (Net)	<b>391,664</b>		228,841	
Interest income	<b>(2,038,632)</b>		(852,555)	
Interest Paid	<b>129,457</b>		-	
Sundry Balances written back (Net)	<b>(3,243,317)</b>		(1,855,488)	
Profit on Sale of Current Investments	<b>(16,660,172)</b>		(8,226,360)	
Provision for Doubtful Debts	<b>551,500</b>		-	
		<b>(730,455)</b>		9,714,364
<b>Operating profit before Working Capital changes</b>		<b>69,797,244</b>		42,660,595
Adjustments for :				
Decrease/(Increase) in Trade receivables	<b>(15,892,702)</b>		(21,351,547)	
Decrease/(Increase) in Other receivables	<b>(38,093,248)</b>		(1,707,896)	
Increase/(Decrease) in Trade & other payables	<b>6,372,791</b>		(8,415,996)	
		<b>(47,613,159)</b>		(31,475,439)
<b>Cash Generated from Operations</b>		<b>22,184,085</b>		11,185,156
Direct taxes (paid) / refund (Net)		<b>(7,528,700)</b>		7,718,110
<b>Net cash generated from / (used in) operating activities</b>	<b>(A)</b>	<b>14,655,385</b>		18,903,266
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		<b>(82,584,880)</b>		(12,299,205)
Purchase of investments		<b>(183,999,700)</b>		(278,784,570)
Sale of fixed assets		<b>396,500</b>		-
Sale of investments		<b>306,071,644</b>		298,880,386
Interest received		<b>1,169,780</b>		679,697
<b>Net cash generated from / (used in) investing activities</b>	<b>(B)</b>	<b>41,053,344</b>		8,476,308

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012</b>				
	<b>For the year ended March 31,2012</b>		<b>For the year ended March 31,2011</b>	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities :</b>				
Finance Costs paid		(129,457)		-
Dividend and tax thereon paid		(30,591,607)		(30,710,605)
<b>Net cash generated from / (used in) financing activities</b>	<b>(C)</b>	<b>(30,721,064)</b>		<b>(30,710,605)</b>
<b>Net Increase / (Decrease) in cash &amp; cash equivalents</b>	<b>(A+B+C)</b>	<b>24,987,665</b>		<b>(3,331,031)</b>
Cash & cash equivalents (Opening)		<b>54,845,225</b>		58,176,256
Cash & cash equivalents (Closing)		<b>79,832,890</b>		54,845,225
		<b>24,987,665</b>		<b>(3,331,031)</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

**T. K. Mukhopadhyay**  
Whole Time Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 28, 2012



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**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 %

# Refer Note No. 23

- (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.

**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, 2012 ₹</b>	<b>As at March 31, 2011 ₹</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>	264,713,430
[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, 2012**

**(a) Reconciliation of Share Capital**

	As at March 31, 2012		As at March 31, 2011	
	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 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 :**

	As at March 31, 2012		As at March 31, 2011	
	No of shares	%	No of shares	%
Tadimety Viswanath	5,421,768	20.48%	5,418,284	20.46%
Steven Jeske	2,383,333	9.00%	1,733,333	6.55%
Indotech Holdings LLC	3,900,000	14.73%	3,900,000	14.73%
Joseph Michael Vanek Trustee	1,300,000	4.91%	2,600,000	9.82%

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 CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<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>Foreign Currency Translation Reserve</b>		
	<b>5,239,474</b>	(1,276,918)
<b>Surplus</b>		
Opening Balance	<b>38,384,875</b>	55,450,009
Add: Profit for the year	<b>48,211,990</b>	13,802,771
Balance available for Appropriations	<b>86,596,865</b>	69,252,780
Less:		
<u>Appropriations during the year</u>		
Proposed Dividend -Final	<b>26,471,343</b>	26,471,343
Dividend Distribution Tax	<b>4,294,314</b>	4,396,559
	<b>55,831,208</b>	38,384,878
Closing Balance	<b>225,737,714</b>	201,774,992
<b>NOTE '4'</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Asset:		
Expenses allowable on payments and others	<b>4,301,664</b>	2,828,584
Deferred Tax Liability:		
Difference between book & tax depreciation	<b>21,612,532</b>	21,961,511
Net Deferred Tax Liability	<b>17,310,868</b>	19,132,927
<b>NOTE '5'</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Payables for Capital expenditure	<b>775,919</b>	-
Security Deposits Received	<b>6,006,650</b>	4,989,450
	<b>6,782,569</b>	4,989,450
<b>NOTE '6'</b>		
<b>SHORT TERM BORROWINGS</b>		
Vehicle Loans from bank	-	544,267
	-	544,267

<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>As at March 31, 2012 ₹</b>	<b>As at March 31, 2011 ₹</b>
<b>NOTE '7'</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	<b>78,198,014</b>	60,774,098
	<b>78,198,014</b>	60,774,098
<p>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.</p>		
<b>NOTE '8'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Security Deposits Received	-	26,035,500
Statutory Dues	<b>3,552,407</b>	2,743,516
Payables for Capital expenditure	<b>1,124,433</b>	426,010
Other Income received in advance	<b>448,000</b>	373,334
Advance from Customers	<b>1,011,793</b>	412,192
Others	<b>984,282</b>	1,787,487
Unclaimed Dividend	<b>1,306,388</b>	1,030,093
	<b>8,427,303</b>	32,808,132
<b>NOTE '9'</b>		
<b>SHORT TERM PROVISIONS</b>		
Employees Benefit :		
Leave Entitlements	<b>5,506,780</b>	3,197,723
Gratuity (Refer Note No. 27)	<b>7,200,047</b>	5,317,621
Proposed Dividend	<b>26,471,343</b>	26,471,343
Dividend Distribution Tax	<b>4,294,314</b>	4,396,559
	<b>43,472,484</b>	39,383,246



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**NOTE '10'**

**FIXED ASSETS**

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-12	Upto 31-Mar-11	for the year	On Deductions/ Adjustments	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
<b>TANGIBLE ASSETS</b>										
Leasehold Land *	3,308,683	-	-	<b>3,308,683</b>	678,484	50,258	-	<b>728,742</b>	<b>2,579,941</b>	2,630,199
Buildings **	115,543,480	-	-	<b>115,543,480</b>	18,155,013	1,883,294	-	<b>20,038,307</b>	<b>95,505,173</b>	97,388,467
Plant and Equipment	49,959,844	587,308	154,561	<b>50,392,591</b>	24,719,531	2,417,631	38,130	<b>27,099,032</b>	<b>23,293,559</b>	25,240,313
Furniture & Fixtures	90,008,701	1,373,079	2,073,681	<b>89,308,099</b>	61,941,278	5,407,781	(138,171)	<b>67,487,230</b>	<b>21,820,869</b>	28,067,423
Vehicles	4,861,007	2,635,819	3,291,815	<b>4,205,011</b>	1,622,344	307,132	1,204,036	<b>725,440</b>	<b>3,479,571</b>	3,238,663
Office Equipment	5,970,208	247,285	-	<b>6,217,493</b>	2,349,986	285,263	-	<b>2,635,249</b>	<b>3,582,244</b>	3,620,222
Computers	44,915,148	7,372,606	408,711	<b>51,879,043</b>	37,237,996	3,280,845	248,357	<b>40,270,484</b>	<b>11,608,559</b>	7,677,152
<b>SUB TOTAL</b>	<b>314,567,071</b>	<b>12,216,097</b>	<b>5,928,768</b>	<b>320,854,400</b>	<b>146,704,632</b>	<b>13,632,204</b>	<b>1,352,352</b>	<b>158,984,484</b>	<b>161,869,916</b>	<b>167,862,439</b>
<b>INTANGIBLE ASSETS</b>										
Computer-Software	17,084,307	2,662,831	-	<b>19,747,138</b>	12,819,665	2,780,959	-	<b>15,600,624</b>	<b>4,146,514</b>	4,264,642
Goodwill	34,535,008	-	(5,168,242)	<b>39,703,250</b>	25,901,256	3,725,882	(4,120,625)	<b>33,747,763</b>	<b>5,955,487</b>	8,633,752
<b>SUB TOTAL</b>	<b>51,619,315</b>	<b>2,662,831</b>	<b>(5,168,242)</b>	<b>59,450,388</b>	<b>38,720,921</b>	<b>6,506,841</b>	<b>(4,120,625)</b>	<b>49,348,387</b>	<b>10,102,001</b>	<b>12,898,394</b>
<b>Current Year Total</b>	<b>366,186,386</b>	<b>14,878,928</b>	<b>760,526</b>	<b>380,304,788</b>	<b>185,425,553</b>	<b>20,139,045</b>	<b>(2,768,273)</b>	<b>208,332,871</b>	<b>171,971,917</b>	<b>180,760,833</b>
Previous Year Total	361,740,983	6,383,881	1,938,478	366,186,386	166,670,008	20,419,926	1,664,381	185,425,553	180,760,833	
<b>CAPITAL WORK IN PROGRESS</b>										
Building under construction									<b>53,782,290</b>	3,473,202
Plant and Equipment under installation									<b>2,738,334</b>	2,738,334
<b>SUB TOTAL</b>									<b>56,520,624</b>	6,211,536
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Softwares									<b>19,193,207</b>	598,000
<b>SUB TOTAL</b>									<b>19,193,207</b>	598,000

\* 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, 2012</b>		
	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<b>NOTE '11'</b> <b>NON CURRENT INVESTMENTS</b> (Long Term, Unquoted, Fully paid) Others (Non-Trade) In Mutual funds	-	11,000,000
	-	11,000,000
<b>NOTE '12'</b> <b>LONG-TERM LOANS AND ADVANCES</b> Capital Advances Security Deposits	<b>1,288,933</b> <b>3,177,108</b>	183,584 3,170,317
	<b>4,466,041</b>	3,353,901
<b>NOTE '13'</b> <b>CURRENT INVESTMENTS</b> (Unquoted, Fully paid) In Mutual funds	<b>77,985,500</b>	172,397,272
	<b>77,985,500</b>	172,397,272
<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 Considered doubtful  Less: Provision for doubtful debts  <u>Other receivables</u> Considered good	 <b>15,369</b> <b>41,936,912</b>  <b>41,952,281</b> <b>(41,936,912)</b>  <b>15,369</b>  <b>102,605,304</b> <b>102,605,304</b> <b>102,620,673</b>	 20,732,984 38,141,244  58,874,228 (39,719,930)  19,154,298  73,852,696 73,852,696 93,006,994
<b>NOTE '15'</b> <b>CASH AND BANK BALANCES</b> <b>I. Cash and Cash Equivalents</b> <b>a) Cash on hand</b> <b>b) Bank Balances</b> - in Current Accounts  <b>II. Other Bank Balances</b> in Unpaid Dividend Accounts in Fixed Deposit Accounts * (including Interest accrued of ₹ 868,852; Previous year ₹ 110,048) (Long term deposits with maturity more than 3 months but less than 12 months)	  <b>121,849</b>  <b>79,711,041</b>  <b>79,832,890</b>  <b>1,306,388</b> <b>30,358,982</b>  <b>111,498,260</b>	  44,690  54,800,535  54,845,225  1,030,093 6,439,734  62,315,052



<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	As at March 31, 2012 ₹	As at March 31, 2011 ₹
* Fixed Deposits with Banks held as margin money against the following:		
Forward Contracts	5,753,149	5,110,895
Guarantees issued to Municipal corporations	6,394,770	1,148,326
Letter of Credit	4,400,000	-
Overdraft facility	10,000,000	-
<b>NOTE '16'</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Advance for Supply of goods and rendering of services	10,146,813	460,404
Loans and advances to employees	1,133,143	161,630
Deposits	1,822,096	232,869
Income Tax (Net of Provision of ₹ 194,595,365; Previous Year ₹ 172,695,365)	59,502,897	69,315,724
Service Tax Receivable (Net)	1,213,271	-
MAT Credit Receivable	-	6,523,455
	<b>73,818,220</b>	<b>76,694,082</b>
<b>NOTE '17'</b>		
<b>OTHER CURRENT ASSETS</b>		
Unbilled Revenue	19,170,057	12,410,593
Interest accrued but not due	8,504	11,408
Prepaid expenses	7,310,276	4,447,307
Other Receivable	79,103	1,466,476
	<b>26,567,940</b>	<b>18,335,784</b>
	<b>For the year ended March 31, 2012 ₹</b>	<b>For the year ended March 31, 2011 ₹</b>
<b>NOTE '18'</b>		
<b>REVENUE FROM OPERATIONS</b>		
From Sale of Services		
Information Technology Services	516,084,088	386,743,230
	<b>516,084,088</b>	<b>386,743,230</b>
<b>NOTE '19'</b>		
<b>OTHER INCOME</b>		
Interest on:		
Deposit With banks	1,662,216	531,265
Others	376,416	321,290
	<b>2,038,632</b>	<b>852,555</b>
Profit on sale of Current Investments	16,660,172	8,226,360
Foreign Exchange Gain	7,978,006	1,593,102
Rent Received	28,979,435	67,749,132
Less: Rates and Taxes (directly attributable)	1,554,490	4,532,554
	<b>27,424,945</b>	<b>63,216,578</b>
Sundry Credit Balances written back (Net)	3,243,317	1,855,488
Miscellaneous Income	149,050	199,285
	<b>57,494,122</b>	<b>75,943,368</b>

<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>For the year ended March 31, 2012 ₹</b>	<b>For the year ended March 31, 2011 ₹</b>
<b>NOTE '20'</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	<b>327,718,147</b>	262,099,213
Contribution to Provident and other funds	<b>653,194</b>	649,109
Staff Welfare expenses	<b>13,486,973</b>	12,798,827
	<b>341,858,314</b>	275,547,149
Less: transferred to Intangible Assets under Development	<b>3,487,042</b>	-
	<b>338,371,272</b>	275,547,149
<b>NOTE '21'</b>		
<b>FINANCE COSTS</b>		
Interest expenses	<b>129,457</b>	-
	<b>129,457</b>	-
<b>NOTE '22'</b>		
<b>OTHER EXPENSES</b>		
Travelling & Conveyance	<b>21,559,735</b>	15,517,459
Communication	<b>6,740,600</b>	8,598,514
Electricity Expenses	<b>6,402,765</b>	3,287,382
Insurance	<b>2,192,143</b>	2,060,593
Rates and Taxes	<b>1,993,106</b>	1,773,882
Professional fees	<b>24,176,623</b>	15,699,190
Software Programming, Consultancy and Development Charges	<b>42,422,934</b>	51,383,698
Rent	<b>5,948,242</b>	5,938,118
Auditors' Remuneration		
Audit Fees	<b>807,683</b>	785,122
Tax Audit fees	<b>125,000</b>	125,000
Other Services	<b>156,137</b>	132,500
Reimbursement of Expenses	<b>28,810</b>	33,265
	<b>1,117,630</b>	1,075,887
Repairs and Maintenance		
Buildings	<b>1,642,180</b>	1,454,969
Plant & Equipment	<b>7,261,945</b>	4,739,912
Others	<b>2,309,443</b>	1,984,110
	<b>11,213,568</b>	8,178,991
Security Expenses	<b>1,988,534</b>	2,344,627
Loss on assets sold/discarded (Net)	<b>391,664</b>	228,841
Provision for Doubtful debts	<b>551,500</b>	223,163
Miscellaneous Expenses	<b>11,538,562</b>	9,532,217
	<b>138,237,606</b>	125,842,562
Less: Transferred to Intangible Assets under Development	<b>2,251,539</b>	-
	<b>135,986,067</b>	125,842,562
<b>NOTE '23'</b>		
<b>EXCEPTIONAL ITEMS</b>		
Share in losses of Subsidiary Company	<b>2,237,768</b>	-
	<b>2,237,768</b>	-
Due to the ongoing litigation between the partners of CyberTech Middle East WLL, Bahrain ('CME'), the Company has filed a suit against its partner in the Country of Bahrain. As the registered director in Bahrain, the partner has been responsible for the operations of the subsidiary and has not provided any financial information. Hence, the group is unable to consolidate the accounts of CME and has filed a suit in Bahrain in order to gain custodianship of CME and its records. However, the investment in the said subsidiary has been fully provided for and disclosed as Exceptional items		



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**Note : '24'**

**Earnings Per Share:**

	<b>For the year ended March 31, 2012</b>	For the year ended March 31, 2011
Profit attributable to the Shareholders (₹)	<b>48,211,990</b>	13,802,771
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 (₹) (Not annualized)	<b>1.82</b>	0.52

**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 92,64,970 shares (Previous year 92,64,970 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, 2012</b>	As at March 31, 2011
Face Value of Grant	<b>10</b>	10
<b>Grants:</b>		
Outstanding at the beginning	<b>2,046,750</b>	1,090,750
Add.: Granted during the year	<b>0</b>	1,025,000
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>299,250</b>	69,000
Outstanding as at the end	<b>1,747,500</b>	2,046,750
<b>Vested:</b>		
Outstanding at the beginning	<b>761,750</b>	597,000
Add: Vested during the year	<b>348,750</b>	187,500
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited During the year	<b>349,250</b>	22,750
Outstanding as at the end	<b>761,250</b>	761,750
<b>Grants to the Whole Time Director</b>		
Outstanding at the beginning	<b>50,000</b>	100,000



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited During the year	50,000	50,000
Outstanding as at the end	0	50,000
<b>Vested to the Whole Time Director</b>		
Outstanding at the beginning	50,000	25,000
Add: Vested during the year	0	25,000
Less : Exercised during the year	0	0
Less : Forfeited During the year	50,000	0
Outstanding as at the end	0	50,000
<b>Grants to Non Executive Director</b>		
Outstanding at the beginning	240,500	254,500
Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited During the year	60,500	14,000
Outstanding as at the end	180,000	240,500
<b>Vested to non-executive director</b>		
Outstanding at the beginning	165,500	142,000
Add: Vested during the year	37,500	37,500
Less : Exercised during the year	0	0
Less : Forfeited During the year	60,500	14,000
Outstanding as at the end	142,500	165,500

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, 2012		As at March 31, 2011	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	2,046,750	15.25	1,090,750	12.86

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

Granted during the year	0	0	1,025,000	16.69
Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	299,250	11.20	69,000	13.74
Options outstanding at end of year	1,747,500	15.94	2,046,750	15.25
Vested options pending exercise	761,250	15.28	761,750	12.91

The following summarizes information about stock options outstanding:

**As at March 31, 2012**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	600,000	4	12.28
₹ 15 to ₹ 23	1,147,500	5	17.86

**As at March 31, 2011**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	899,250	4	11.92
₹ 15 to ₹ 23	1,147,500	6	17.33

**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, 2012	As at March 31, 2011
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, 2012 ₹	For the Year ended March 31, 2011 ₹
Profit attributable to Equity Shareholders	48,211,990	13,802,771
Less: Stock-based compensation expense determined under fair value based method	275,750	369,015
Net Profit	47,936,240	13,433,756
Basic and diluted earning per share (as reported)	1.81	0.51
Basic and diluted earning per share (under fair value method)	1.81	0.51

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**Note : '26'**

**Related Party Disclosures**

A. List of Related Parties:

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

Dr. Tapan Kumar Mukhopadhyay	Wholetime 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#	- (-)	#18,795,701 #(15,262,835)	18,795,701 (15,262,835)
Outstanding as at the year end			
Payable	984,282 (856,177)	901,194 (705,544)	1,885,476 (1,561,721)

# Remuneration

**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 : '27'**

**Defined Benefit Plan in respect of gratuity payable - as per actuarial valuation**

**Change in present value of obligation**

		As at March 31, 2012 ₹	As at March 31, 2011 ₹
1	Present Value of Defined Benefit Obligation, beginning of the year	5,317,621	3,799,460
2	Interest Cost	438,704	313,455
3	Current Service Cost	1,553,459	1,359,629
4	Benefits paid during the year	(314,185)	(640,221)
5	Actuarial (gain)/loss on Defined Benefit Obligation	204,448	485,298
6	Present Value of Defined Benefit Obligation, end of the year	7,200,047	5,317,621



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**Amounts recognized in the Balance Sheet**

		<b>As at March 31, 2012</b> ₹	As at March 31, 2011 ₹
1	Present Value of Defined Benefit Obligation	<b>7,200,047</b>	5,317,621
2	Fair Value of plan assets	<b>Nil</b>	Nil
3	Net Liability recognized in the Balance Sheet	<b>7,200,047</b>	5,317,621

**Net gratuity cost for the year ended March 31, 2012**

		<b>For the Year ended</b> <b>March 31, 2012</b> ₹	For the Year ended March 31, 2011 ₹
1	Current Service Cost	<b>1,553,459</b>	1,359,629
2	Interest Cost on obligation	<b>438,704</b>	313,455
3	Expected Return on plan assets	<b>Nil</b>	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2012	<b>204,448</b>	485,298
5	Net Gratuity Cost	<b>2,196,611</b>	2,158,382

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

		(Rate per annum)	
		<b>As at March 31, 2012</b>	As at March 31, 2011
1	Rate of Interest	<b>8.50%</b>	8.25%
2	Salary Growth	<b>6.00%</b>	5.00%
3	Withdrawal rate	<b>5.00%</b>	5.00%

**Note : '28'**

**Leases:**

- a) With an objective to use Parent Company's idle resources and to strengthen the cash flows, It earns income by leasing its vacant premises. The income from which is recognised and disclosed as Rent received under Note No. 19
- b) The Group 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'.

**Note : '29'**

**Segment Reporting**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012****Note : '30'****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) ₹ **30,224,097** (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 the Company's favour 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)
- b) Disputed Service Tax Matters ₹ **6,607,614** (Previous year ₹6,607,614)

**(B) Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ **19,839,521** (Previous year Nil)

**Note : '31'**

During the year the Holding Company has received a favourable order from Income Tax Appellate Tribunal (ITAT) in respect of AY1997-98 to AY1999-00 wherein 10B exemption has been allowed for the Income from Business Operations. However the order giving effect to the ITAT Order is not yet received and also considering the chances of Income Tax Department filing higher appeals with the High Court, the Company has not reversed the provision for taxation of approximately ₹12.20 Crores and also not recognised the interest receivable on the said amount.

**Note : '32'**

In the opinion of the Board, assets other than fixed assets have a value on realisation in the ordinary course of business at least 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 : '33'**

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 : '34'**

In the current year, financial statements have been prepared as per Revised Schedule VI, previous years' figures have been re-grouped/ re-arranged, wherever necessary, to conform to the current year's classification/presentation.

Signatures to Note 1 to 34

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

**Sateesh Wadagbalkar**  
Company Secretary

**T.K. Mukhopadhyay**  
Whole Time Director

**Sudhir Joshi**  
Director

Place : Mumbai  
Dated : May 28, 2012



**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, 2012	March 31, 2012
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, 2012	Nil	Nil
b)	Not dealt with in the Accounts of CyberTech Systems and Software Ltd. (Amount in ₹)	(7,802,141)	(1,249,719)
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, 2012	Nil	Nil
b)	Not dealt with in the Accounts of CyberTech Systems and Software Ltd. (Amount in ₹)	(64,984,145)	(11,012,393)

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

Place: Mumbai  
Date: May 28, 2012

**Sateesh Wadagbalkar**  
Company Secretary

**T.K. Mukhopadhyay**  
Whole-Time 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 2012.

#### COMPANY FINANCIAL RESULTS:

U.S.Dollars(\$)

	2011-2012	2010-2011
Gross Revenue	<b>10,273,740</b>	8,114,646
Profit/(Loss) before Interest & Depreciation	<b>(69,953)</b>	(655,603)
Interest	<b>NIL</b>	NIL
Depreciation	<b>92,335</b>	90,628
Profit/(Loss) before tax	<b>(162,288)</b>	(746,231)
Provision for tax	<b>NIL</b>	NIL
Current Tax	<b>NIL</b>	NIL
Income Tax Adjustments for earlier years	<b>NIL</b>	11,157
Profit after tax	<b>(162,288)</b>	(757,388)
Profit b/f from previous year	<b>(1,350,763)</b>	(593,375)
Balance to be carried forward	<b>(1,513,051)</b>	(1,350,763)

#### 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 \$ 162,288 on the revenue of \$ 10,273,740. The operating loss before interest and depreciation was \$ 69,953. 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

Date : August 4, 2012  
Place : Thane

## AUDITORS' REPORT

### To The Members

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

1. We have audited the attached Balance Sheet of **CyberTech Systems and Software Inc. (USA)** as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss annexed thereto and also the Cash Flow Statement for the year ended on that date. 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.
2. 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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 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 dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 (hereinafter referred to as "the Act");
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accompanying notes, 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:
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - (ii) In the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
    - (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For LODHA & CO.**  
**Chartered Accountants**

**A.M. Hariharan**  
**Partner**  
**Membership No. 38323**  
**Firm Registration No. 301051E**

**Mumbai**  
**May 28, 2012**



<b>BALANCE SHEET AS AT MARCH 31, 2012</b>					
	<b>NOTE NO.</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2011</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>39,234,496</b>	765,850	34,127,272
Reserves and Surplus	<b>3</b>	<b>56,099</b>	<b>2,873,953</b>	218,387	9,731,609
<b>Current Liabilities</b>					
Trade Payables	<b>4</b>	<b>3,573,490</b>	<b>183,069,892</b>	2,258,042	100,621,289
Other Current Liabilities	<b>5</b>	<b>38,963</b>	<b>1,996,075</b>	49,363	2,199,678
	<b>TOTAL</b>	<b>4,434,402</b>	<b>227,174,416</b>	3,291,642	146,679,849
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Fixed Assets	<b>6</b>				
Tangible Assets		<b>35,934</b>	<b>1,840,900</b>	18,736	834,900
Intangible Assets		<b>116,250</b>	<b>5,955,487</b>	193,750	8,633,752
Intangible Assets under Development		<b>329,200</b>	<b>16,864,916</b>	-	-
Long Term Loans and Advances	<b>7</b>	<b>4,485</b>	<b>229,767</b>	6,563	292,456
<b>Current Assets</b>					
Trade Receivables	<b>8</b>	<b>1,892,956</b>	<b>96,976,136</b>	1,613,591	71,903,713
Cash and Bank Balances	<b>9</b>	<b>1,467,322</b>	<b>75,170,906</b>	1,116,661	49,759,866
Short Term Loans and Advances	<b>10</b>	<b>215,941</b>	<b>11,062,658</b>	150,309	6,697,965
Other Current Assets	<b>11</b>	<b>372,314</b>	<b>19,073,646</b>	192,032	8,557,196
	<b>TOTAL</b>	<b>4,434,402</b>	<b>227,174,416</b>	3,291,642	146,679,849

Significant Accounting Policies and Notes to Financial Statements

1 to 21

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 28, 2012



<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012</b>					
	<b>NOTE NO.</b>	<b>For the year ended March 31, 2012</b>	<b>For the year ended March 31, 2012</b>	<b>For the year ended March 31, 2011</b>	<b>For the year ended March 31, 2011</b>
		<b>US Dollars</b>	<b>₹</b>	<b>US Dollars</b>	<b>₹</b>
<b>INCOME</b>					
Revenue from Operations	<b>12</b>	<b>10,246,681</b>	<b>492,618,411</b>	8,087,889	368,557,823
Other Income	<b>13</b>	<b>27,059</b>	<b>1,300,885</b>	26,757	1,219,293
		<b>10,273,740</b>	<b>493,919,296</b>	8,114,646	369,777,116
<b>EXPENDITURE</b>					
Employee Benefits Expense	<b>14</b>	<b>3,867,199</b>	<b>185,919,072</b>	3,604,653	164,260,793
Depreciation and amortisation expense		<b>92,335</b>	<b>4,439,088</b>	90,628	4,129,836
Other Expenses	<b>15</b>	<b>6,476,494</b>	<b>311,363,277</b>	5,165,596	235,396,218
		<b>10,436,028</b>	<b>501,721,437</b>	8,860,877	403,786,847
<b>Profit / (Loss) before Tax</b>		<b>(162,288)</b>	<b>(7,802,141)</b>	(746,231)	(34,009,731)
Provision for Tax					
Income Tax adjustments for earlier years		-	-	11,157	508,414
<b>Profit / (Loss) for the year</b>		<b>(162,288)</b>	<b>(7,802,141)</b>	(757,388)	(34,518,145)
Basic and Diluted Earnings per Share	<b>17</b>	<b>(0.21)</b>	<b>(10.19)</b>	(0.31)	(14.34)

Significant Accounting Policies and Notes to  
Financial Statements

**1 to 21**

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 28, 2012

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012</b>				
	For the year ended March 31, 2012		For the year ended March 31, 2011	
	US Dollars	₹	US Dollars	₹
<b>A. Cash flow from Operating activities</b>				
Net Profit (Loss) before tax	(162,288)	(7,802,141)	(746,231)	(34,009,732)
Adjustments for:				
Depreciation and amortisation expense	92,335	4,439,088	90,628	4,129,836
Interest income	(6,159)	(296,099)	(3,906)	(177,993)
Sundry Credit Balances written back	(20,900)	(1,004,786)	(22,851)	(1,041,300)
Effect of exchange rate change	-	5,905,496	-	229,154
	<b>65,276</b>	<b>9,043,699</b>	63,871	3,139,697
<b>Operating profit before Working Capital changes</b>	<b>(97,012)</b>	<b>1,241,558</b>	(682,360)	(30,870,035)
Adjustments for:				
Decrease/(Increase) in Trade receivables	(279,365)	(25,072,423)	(274,142)	(11,498,975)
Decrease/(Increase) in Other receivables	(243,926)	(14,818,454)	20,088	1,056,757
Increase/(Decrease) in Trade & Other payables	1,325,948	82,265,900	46,764	1,012,998
	<b>802,657</b>	<b>42,375,023</b>	(207,290)	(9,429,220)
<b>Cash generated from operations</b>	<b>705,645</b>	<b>43,616,581</b>	(889,650)	(40,299,255)
Direct taxes refund received	-	-	109,732	5,000,388
<b>Net cash generated from / (used in) operating activities</b>	<b>705,645</b>	<b>43,616,581</b>	(779,918)	(35,298,867)
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(361,233)	(18,505,967)	(14,766)	(657,992)
Interest received	6,249	300,426	3,906	177,993
<b>Net cash generated from / (used in) investing activities</b>	<b>(354,984)</b>	<b>(18,205,541)</b>	(10,860)	(479,999)
<b>C. Cash flow from financing activities :</b>				
Increase in Common Stock	-	-	750,000	33,413,467
<b>Net cash generated from / (used in) financing activities</b>	-	-	750,000	33,413,467
<b>Net Increase / (Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>350,661</b>	<b>25,411,040</b>	(40,778)	(2,365,399)
Cash & cash equivalents (Opening)	1,116,661	49,759,866	1,157,439	52,125,265
Cash & cash equivalents (Closing)	1,467,322	75,170,906	1,116,661	49,759,866
	<b>350,661</b>	<b>25,411,040</b>	(40,778)	(2,365,399)

**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

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

**Steven Jeske**  
Director

Place : Mumbai  
Dated : May 28, 2012

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

### Note '1'

#### 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 an 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.

##### 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	3 years
Furniture & Fixtures	3 years
Plant & Machineries	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 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.

##### 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, 2012**

	As at	As at	As at	As at
	March 31, 2012	March 31, 2012	March 31, 2011	March 31, 2011
	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>5,123,000</b>	100,000	4,456,130
<b>750,000</b> (Previous Year 750,000)				
Common Stock of USD.1.00 each	<b>750,000</b>	<b>38,422,500</b>	750,000	33,420,975
	<b>850,000</b>	<b>43,545,500</b>	850,000	37,877,105
<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>811,996</b>	15,850	706,297
<b>750,000</b> (Previous year 750,000)				
Common Stock of USD.1.00 each, fully paid up	<b>750,000</b>	<b>38,422,500</b>	750,000	33,420,975
	<b>765,850</b>	<b>39,234,496</b>	765,850	34,127,272

**(a) Reconciliation of Share Capital**

As at March 31, 2012	Face Value of USD 0.01 each		Face Value of USD 1.00 each	
	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>706,297</b>	<b>811,996</b>	<b>33,420,975</b>	<b>38,422,500</b>

\*change is on account of reinstatement

As at March 31, 2011	Face Value of USD 0.01 each		Face Value of USD 1.00 each	
	Opening	Closing	Opening	Closing
No of shares	1,585,000	1,585,000	-	750,000
Amount in USD	15,850	15,850	-	750,000
Amount in ₹*	713,805	706,297	-	33,420,975

\*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, 2012**

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

	As at March 31, 2012		As at March 31, 2011	
	No of shares	%	No of shares	%
CyberTech Systems and Software Limited (Holding Company)				
Face Value of USD 0.01 each	<b>1,585,000</b>	<b>100</b>	1,585,000	100
Face Value of USD 1.00 each	<b>750,000</b>	<b>100</b>	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	As at	As at	As at
	March 31, 2012	March 31, 2012	March 31, 2011	March 31, 2011
	US Dollars	₹	US Dollars	₹
<b>NOTE '3'</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Securities Premium Account</b>				
Balance as per last Balance Sheet	<b>1,569,150</b>	<b>80,387,555</b>	1,569,150	69,923,364
<b>Foreign Currency Translation Reserve</b>	-	<b>(4,727,316)</b>	-	4,792,389
<b>Surplus</b>				
Opening Balance	<b>(1,350,763)</b>	<b>(64,984,145)</b>	(593,375)	(30,465,999)
Add: Profit/(Loss) for the year	<b>(162,288)</b>	<b>(7,802,141)</b>	(757,388)	(34,518,145)
Closing Balance	<b>(1,513,051)</b>	<b>(72,786,286)</b>	(1,350,763)	(64,984,144)
	<b>56,099</b>	<b>2,873,953</b>	218,387	9,731,610
<b>NOTE '4'</b>				
<b>TRADE PAYABLES</b>				
Trade Payables	<b>3,573,490</b>	<b>183,069,892</b>	2,258,042	100,621,289
	<b>3,573,490</b>	<b>183,069,892</b>	2,258,042	100,621,289
<b>NOTE '5'</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Advance from Customers	<b>19,750</b>	<b>1,011,793</b>	9,250	412,192
Others	<b>19,213</b>	<b>984,282</b>	40,113	1,787,486
	<b>38,963</b>	<b>1,996,075</b>	49,363	2,199,678

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**NOTE '6'**

**FIXED ASSETS**

(Amount in US Dollars)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-12	Upto 31-Mar-11	for the year	On Deductions/ Adjustments	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
<b>TANGIBLE ASSETS</b>										
Computers	55,337	25,783	-	81,120	39,071	13,742	-	52,813	28,307	16,266
Furniture & Fixtures	50,000	-	-	50,000	50,000	-	-	50,000	-	-
Plant & Machinery	3,900	6,250	-	10,150	1,430	1,093	-	2,523	7,627	2,470
<b>SUB TOTAL</b>	<b>109,237</b>	<b>32,033</b>	<b>-</b>	<b>141,270</b>	<b>90,501</b>	<b>14,835</b>	<b>-</b>	<b>105,336</b>	<b>35,934</b>	<b>18,736</b>
<b>INTANGIBLE ASSETS</b>										
Goodwill	775,000	-	-	775,000	581,250	77,500	-	658,750	116,250	193,750
<b>SUB TOTAL</b>	<b>775,000</b>	<b>-</b>	<b>-</b>	<b>775,000</b>	<b>581,250</b>	<b>77,500</b>	<b>-</b>	<b>658,750</b>	<b>116,250</b>	<b>193,750</b>
<b>Current Year Total</b>	<b>884,237</b>	<b>32,033</b>	<b>-</b>	<b>916,270</b>	<b>671,751</b>	<b>92,335</b>	<b>-</b>	<b>764,086</b>	<b>152,184</b>	<b>212,486</b>
Previous Year Total	869,471	14,766	-	884,237	581,123	90,628	-	671,751	212,486	-
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Softwares									329,200	
<b>SUB TOTAL</b>									<b>329,200</b>	<b>-</b>

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-12	Upto 31-Mar-11	for the year	On Deductions/ Adjustments	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
<b>TANGIBLE ASSETS</b>										
Computers	2,465,889	1,320,863	(369,026)	4,155,778	1,741,055	660,659	(303,896)	2,705,610	1,450,168	724,834
Furniture & Fixtures	2,058,250	-	(503,250)	2,561,500	2,058,250	-	(503,250)	2,561,500	-	-
Plant & Machinery	173,789	320,188	(26,008)	519,985	63,723	52,547	(12,983)	129,253	390,732	110,066
<b>SUB TOTAL</b>	<b>4,697,928</b>	<b>1,641,051</b>	<b>(898,284)</b>	<b>7,237,263</b>	<b>3,863,028</b>	<b>713,206</b>	<b>(820,129)</b>	<b>5,396,363</b>	<b>1,840,900</b>	<b>834,900</b>
<b>INTANGIBLE ASSETS</b>										
Goodwill	34,535,008	-	(5,168,242)	39,703,250	25,901,256	3,725,882	(4,120,625)	33,747,763	5,955,487	8,633,752
<b>SUB TOTAL</b>	<b>34,535,008</b>	<b>-</b>	<b>(5,168,242)</b>	<b>39,703,250</b>	<b>25,901,256</b>	<b>3,725,882</b>	<b>(5,760,883)</b>	<b>33,747,763</b>	<b>5,955,487</b>	<b>8,633,752</b>
<b>Current Year Total</b>	<b>39,232,936</b>	<b>1,641,051</b>	<b>(6,066,526)</b>	<b>46,940,513</b>	<b>29,764,284</b>	<b>4,439,088</b>	<b>(11,521,766)</b>	<b>39,144,126</b>	<b>7,796,387</b>	<b>9,468,652</b>
Previous Year Total	38,963,126	657,992	388,182	39,232,936	25,977,374	4,129,836	342,926	29,764,284	9,468,652	-
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Softwares									16,864,916	
<b>SUB TOTAL</b>									<b>16,864,916</b>	<b>-</b>



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>				
	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011	As at March 31, 2011
	US Dollars	₹	US Dollars	₹
<b>NOTE '7'</b> <b>LONG TERM LOANS AND ADVANCES</b>				
Security Deposits	4,485	229,767	6,563	292,456
	<b>4,485</b>	<b>229,767</b>	6,563	292,456
<b>NOTE '8'</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	300	15,369	29,503	1,314,692
Considered doubtful	28,353	1,452,524	28,353	1,263,447
	<b>28,653</b>	<b>1,467,893</b>	57,856	2,578,139
Less: Provision for doubtful debts	(28,353)	(1,452,524)	(28,353)	(1,263,447)
	<b>300</b>	<b>15,369</b>	29,503	1,314,692
Other receivables Considered good	1,892,656	96,960,767	1,584,088	70,589,021
	<b>1,892,656</b>	<b>96,960,767</b>	1,584,088	70,589,021
	<b>1,892,956</b>	<b>96,976,136</b>	1,613,591	71,903,713
<b>NOTE '9'</b> <b>CASH AND BANK BALANCES</b> <b>Cash and Cash Equivalents</b>				
Bank Balances				
With non-scheduled Banks				
- in Current Accounts	1,051,131	53,849,441	310,719	13,846,025
- in Call Accounts	416,191	21,321,465	805,942	35,913,841
	<b>1,467,322</b>	<b>75,170,906</b>	1,116,661	49,759,866
<b>NOTE '10'</b> <b>SHORT TERM LOANS AND ADVANCES</b> (Unsecured ,Considered good)				
Advances for Supply of goods and rendering of services	197,660	10,126,122	-	-
Recoverable from employees	16,037	821,576	1,942	86,538
Income Tax receivable	-	-	148,111	6,600,019
Interest accrued but not due	166	8,504	256	11,408
Rental deposits	2,078	106,456	-	-
	<b>215,941</b>	<b>11,062,658</b>	150,309	6,697,965
<b>NOTE '11'</b> <b>OTHER CURRENT ASSETS</b>				
Unbilled Revenue	311,988	15,983,145	148,717	6,627,023
Prepaid expenses	60,326	3,090,501	43,315	1,930,173
	<b>372,314</b>	<b>19,073,646</b>	192,032	8,557,196



<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>				
	<b>For the year ended March 31,2012</b>		<b>For the year ended March 31,2011</b>	
	<b>US Dollars</b>	<b>₹</b>	<b>US Dollars</b>	<b>₹</b>
<b>NOTE '12'</b> <b>REVENUE FROM OPERATIONS</b>				
From Sale of Services				
Information Technology Services	<b>10,246,681</b>	<b>492,618,411</b>	8,087,889	368,557,823
	<b>10,246,681</b>	<b>492,618,411</b>	8,087,889	368,557,823
<b>NOTE '13'</b> <b>OTHER INCOME</b>				
Interest Received	<b>6,159</b>	<b>296,099</b>	3,906	177,993
Sundry Credit Balances written back (Net)	<b>20,900</b>	<b>1,004,786</b>	22,851	1,041,300
	<b>27,059</b>	<b>1,300,885</b>	26,757	1,219,293
<b>NOTE '14'</b> <b>EMPLOYEE BENEFITS EXPENSE</b>				
Salaries	<b>3,873,455</b>	<b>186,781,658</b>	3,396,701	154,784,608
Welfare	<b>171,870</b>	<b>8,262,805</b>	207,952	9,476,185
	<b>4,053,325</b>	<b>195,044,463</b>	3,604,653	164,260,793
Less:Transferred to Intangible Assets under development	<b>178,126</b>	<b>9,125,391</b>	-	-
	<b>3,867,199</b>	<b>185,919,072</b>	3,604,653	164,260,793
<b>NOTE '15'</b> <b>OTHER EXPENSES</b>				
Travelling & Conveyance	<b>316,555</b>	<b>15,218,667</b>	227,319	10,358,722
Communication	<b>64,615</b>	<b>3,106,424</b>	55,478	2,528,083
Electricity Expenses	<b>7,569</b>	<b>363,886</b>	7,944	362,001
Insurance	<b>39,064</b>	<b>1,878,037</b>	38,737	1,765,210
Rates and Taxes	<b>14,863</b>	<b>714,552</b>	8,969	408,709
Professional fees	<b>299,793</b>	<b>14,412,818</b>	228,061	10,392,535
Software Programming, Consultancy and Development Charges	<b>5,619,155</b>	<b>270,622,440</b>	4,340,496	197,792,496
Less:Transferred to Intangible Assets under development	<b>151,074</b>	<b>7,739,525</b>	-	-
	<b>5,468,081</b>	<b>262,882,915</b>	4,340,496	197,792,496
Rent	<b>102,156</b>	<b>4,911,242</b>	122,849	5,598,118
Auditors' Remuneration				
Audit Fees	<b>8,000</b>	<b>384,607</b>	8,000	364,553
Service Tax	<b>1,000</b>	<b>48,076</b>	1,000	45,569
	<b>9,000</b>	<b>432,683</b>	9,000	410,122
Repairs and Maintenance				
Plant & Equipment	<b>57,024</b>	<b>2,741,480</b>	41,009	1,868,743
Others	<b>15,644</b>	<b>752,099</b>	10,425	475,058
	<b>72,668</b>	<b>3,493,579</b>	51,434	2,343,801
Bad Debts	-	-	16,442	765,225
Less: Provision for Doubtful debts	-	-	(11,647)	(542,062)
	-	-	4,795	223,163
Miscellaneous Expenses	<b>82,130</b>	<b>3,948,474</b>	70,514	3,213,258
	<b>6,476,494</b>	<b>311,363,277</b>	5,165,596	235,396,218



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

**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. Information Technology Services.

**Note '17'**

**Earnings Per Share:**

	<b>For the year ended March 31, 2012</b>	<b>For the year ended March 31, 2012</b>	For the year ended March 31, 2011	For the year ended March 31, 2011
Profit /(Loss) attributable to the Shareholders	<b>USD (162,288)</b>	<b>₹ (7,802,141)</b>	USD (757,388)	₹ (34,518,146)
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>2,406,918</b>	<b>2,406,918</b>	2,406,918	2,406,918
Nominal Value of Equity Shares:	<b>USD 0.33</b>	<b>₹ 16.80</b>	USD 0.01	₹ 0.45
Basic and Diluted Earnings Per Share (Not annualised)	<b>USD (0.21)</b>	<b>₹ (10.19)</b>	USD (0.31)	₹ (14.34)

**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:

Holding Company :

CyberTech Systems and Software Ltd., India

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

(i) Fellow Subsidiary :

CyberTech Middle East W.L.L., Bahrain

(ii) Associate :

CyberTech Systems Inc., USA

(iii) 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) above</b>	<b>Referred in (A)(1) above</b>	<b>Referred in (A)(2)(ii) above</b>	<b>Referred in (A)(2)(ii) above</b>	<b>Referred in (A)(2)(iii) above</b>	<b>Referred in (A)(2)(iii) above</b>
	<b>USD</b>	<b>₹</b>	<b>USD</b>	<b>₹</b>	<b>USD</b>	<b>₹</b>
1) Expenses	<b>49,18,287</b> (3,307,632)	<b>236,451,258</b> (150,725,689)	- (2,044)	- (91,081)	<b>364,167</b> (297,500)	<b>17,507,650</b> (13,556,795)

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

2) Outstanding as at the year end Payable	<b>2,771,946</b> (1,729,521)	<b>142,006,773</b> (77,069,642)	<b>19,213</b> (19,213)	<b>984,306</b> (856,177)	<b>15,833</b> (15,833)	<b>811,141</b> (705,544)
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**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'**

- (a) In the opinion of the Board, Assets other than fixed assets 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.
- (b) The accounts of certain Banks, Trade Receivable, Trade Payables and Loans and Advances, 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 '21'**

In the current year, financial statements have been prepared as per Revised Schedule VI, 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 21

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

**Steven Jeske**  
Director

Place : Mumbai  
Dated : May 28, 2012

## Audit Report 2012

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 31<sup>st</sup> March 2012 and also the Statement of Profit and Loss 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. The registered director is not an affiliated party with CyberTech Systems and Software Limited, the holding company. 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 borrowings of BHD 3,467 (2011 – BHD 3,467) as on 21<sup>st</sup> 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 absence of any additional information, We are therefore 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 31<sup>st</sup> March 2012, 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 31<sup>st</sup> March 2012 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

Thane

Dated: July 27, 2012

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN  
BALANCE SHEET AS AT MARCH 31, 2012**

	NOTE NO.	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011	As at March 31, 2011
		Bahrain Dinars	₹	Bahrain Dinars	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	115,300	15,894,451	115,300	13,866,843
Reserves & Surplus	3	(95,498)	(13,164,685)	(85,792)	(10,317,870)
<b>Current Liabilities</b>					
Short term Borrowings	4	3,467	477,936	3,467	416,967
Trade Payables	5	237,620	32,756,630	232,257	27,932,969
		260,889	35,964,332	265,232	31,898,909
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Fixed Assets	6				
Tangible Assets		18,474	2,546,697	22,817	2,744,263
<b>Current Assets</b>					
Trade Receivables	7	192,516	26,538,908	192,516	23,153,418
Cash and Bank Balances	8	21,399	2,949,916	21,399	2,573,604
Short Term Loans and Advances	9	12,300	1,695,592	12,300	1,479,290
Other Current Assets	10	16,200	2,233,219	16,200	1,948,334
		260,889	35,964,332	265,232	31,898,909

Significant Accounting Policies and Notes on Financial Statements

1-17

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 : July 27, 2012

Place: Oakbrook

Dated : July 20, 2012

<b>CYBERTECH MIDDLE EAST W.L.L., BAHRAIN</b>					
<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012</b>					
	NOTE NO.	For the year ended March 31, 2012		For the year ended March 31, 2011	
		Bahrain Dinars	₹	Bahrain Dinars	₹
<b>INCOME</b>					
Revenue from Operations	11	-	-	83,568	10,301,377
		-	-	83,568	10,301,377
<b>EXPENDITURE</b>					
Cost of Hardware/Software for service delivery		-	-	688	84,809
Employee Benefits Expense	12	-	-	30,515	3,761,504
Finance Costs		-	-	132	16,272
Depreciation/Amortisation		4,344	559,322	5,010	617,579
Other Expenses	13	5,362	690,397	34,824	4,292,715
		9,706	1,249,719	71,169	8,772,879
<b>Profit / (Loss) before Tax</b>		(9,706)	(1,249,719)	12,399	1,528,498
Provision for Tax		-	-	-	-
<b>Profit / (Loss) after Tax</b>		(9,706)	(1,249,719)	12,399	1,528,498
Basic and Diluted Earnings per Share		(8.42)	(1,084)	10.75	1,326

Significant Accounting Policies and Notes on Financial Statements

1-17

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 : July 27, 2012

Place: Oakbrook  
 Dated : July 20, 2012

**CYBERTECH MIDDLE EAST W.L.L. BAHRAIN  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2012**

	For the year ended March 31, 2012		For the year ended March 31,2011	
	Bahrain Dinars	₹	Bahrain Dinars	₹
<b>A. Cash flow from Operating activities:</b>				
Net Profit (Loss) before tax and exceptional items :	(9,706)	(1,249,719)	12,399	1,528,498
Adjustments for :				
Depreciation	4,344	559,322	5,010	617,579
Effect of exchange rate change	-	327,541	-	(80,161)
	4,344	886,863	5,010	537,418
<b>Operating profit before Working Capital changes</b>	(5,362)	(362,856)	17,409	2,065,916
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	-	-	(66,983)	(8,185,805)
Increase/(Decrease) Trade payables	5,362	739,168	56,038	6,888,287
	5,362	739,168	(10,945)	(1,297,518)
<b>Cash used in operations</b>	-	376,312	6,464	768,398
<b>Net cash used in operating activities</b>	-	376,312	6,464	768,398
<b>B. Cash flow from investing activities:</b>				
Increase/(Decrease) in Unsecured Loans	-	-	(1,091)	(127,367)
(Purchase)/Sale of fixed assets	-	-	4,902	604,143
<b>Net cash from investing activities</b>	-	-	3,811	476,776
<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>	-	376,312	10,275	1,245,174
Cash & cash equivalents (Opening)	21,399	2,573,604	11,124	1,328,430
Cash & cash equivalents (Closing)	21,39219	2,949,916	21,399	2,573,604
	-	376,312	10,275	1,245,174

**Note**

- Cash and Cash equivalents includes :  
Balance with Scheduled Banks in Current Accounts **21,399 2,949,916** 21,399 2,573,604
- 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 : July 27, 2012

For and on behalf of the Board of Directors

**Steven Jeske**  
Director  
Place : Oakbrook  
Dated : July 20, 2012



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

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2012

#### 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 registered address of the company is Flat No 51, Building no 580, Road no 1706, Block 317, City Manama/DIPL Area. The certificate of registration was initially valid up to 14/08/2009 and renewable thereafter. 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 England. With CSSL holding 55% shares in the venture the balance 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 has stopped providing information including information regarding the books of accounts and financial transactions of CME. CSSL has filed an action against the JV partner with the relevant authorities in the Kingdom of Bahrain to gain custodianship of the company among the various other issues. These matters are still under dispute.

Inconsequence, CSSL has no access to the books of accounts, as of date of 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.

#### 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, 2012**

**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 31<sup>st</sup> 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 21<sup>st</sup> 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 31<sup>st</sup> July 2012. 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 21<sup>st</sup> July 2010. These are subject confirmation and there might be a material change at time of confirmation.

	As at March 31, 2012 Bahrain dinars	As at March 31, 2012 ₹	As at March 31, 2011 Bahrain dinars	As at March 31, 2011 ₹
<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>41,355,900</b>	300,000	36,080,250
	<b>300,000</b>	<b>41,355,900</b>	300,000	36,080,250
<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>15,894,451</b>	115,300	13,866,843
	<b>115,300</b>	<b>15,894,451</b>	115,300	13,866,843

**(a) Reconciliation of Share Capital**

	Face Value of BHD 100 each	
	Opening	Closing
<b>As at March 31, 2012</b>		
<b>No of shares</b>	<b>1,153</b>	<b>1,153</b>
<b>Amount in BHD</b>	<b>115,300</b>	<b>115,300</b>
<b>Amount in ₹*</b>	<b>13,866,843</b>	<b>15,894,451</b>

\*change is on account of reinstatement

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

	Face Value of BHD 100 each	
	Opening	Closing
As at March 31, 2011		
No of shares	1,153	1,153
Amount in BHD	115,300	115,300
Amount in ₹*	706,297	13,866,843

\*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, 2012		As at March 31, 2011	
	No of shares	%	No of shares	%
CyberTech Systems and Software Limited (Holding Company)	<b>634</b>	<b>55</b>	634	55
Gold Coast Way	<b>519</b>	<b>45</b>	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, 2012</b>				
	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011	As at March 31, 2011
	Bahrain dinars	₹	Bahrain dinars	₹
<b>NOTE '3</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Surplus</b>				
Opening Balance	(85,792)	(11,012,393)	(98,191)	(12,540,891)
Profit after tax for the year transferred from Statement of Profit and Loss	(9,706)	(1,249,719)	12,399	1,528,498
Closing Balance	(95,498)	(12,262,112)	(85,792)	(11,012,393)
Foreign Currency Translation Reserve		(902,573)		694,523
	(95,498)	(13,164,685)	(85,792)	(10,317,870)
<b>NOTE 4'</b>				
<b>SHORT TERM BORROWINGS</b>				
Vehicle Loan from Bank	3,467	477,936	3,467	416,967
	3,467	477,936	3,467	416,967
<b>NOTE '5'</b>				
<b>TRADE PAYABLES</b>				
Others	225,020	31,019,682	219,657	26,417,598
Advance from customers	12,600	1,736,948	12,600	1,515,371
	237,620	32,756,630	232,257	27,932,969

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN  
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012**

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

(Amount in Bahrain Dinars)

DESCRIPTION	GROSS BLOCK ( At Cost )				DEPRECIATION			NET BLOCK		
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-12	Upto 31-Mar-11	for the year	On Deductions/ Adjustments	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
<b>TANGIBLE ASSETS</b>										
Computers	2,171	-	-	2,171	1,043	543	-	1,586	585	1,128
Furniture & Fixtures	21,578	-	-	21,578	5,215	2,158	-	7,373	14,205	16,363
Vehicles	6,704	-	-	6,704	2,159	1,341	-	3,500	3,204	4,545
Office Equipments	1,512	-	-	1,512	730	302	-	1,032	480	782
<b>Current Year Total</b>	<b>31,965</b>	-	-	<b>31,965</b>	<b>9,147</b>	<b>4,344</b>	-	<b>13,491</b>	<b>18,474</b>	<b>22,818</b>
Previous Year Total	39,965	-	8,000	31,965	7,236	5,010	3,099	9,147	22,818	

(Amount in ₹)

DESCRIPTION	GROSS BLOCK ( At Cost )				DEPRECIATION			NET BLOCK		
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments during the year	As at 31-Mar-12	Upto 31-Mar-11	for the year	On Deductions/ Adjustments	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
<b>TANGIBLE ASSETS</b>										
Computers	261,101	-	(38,178)	299,279	125,439	69,915	(23,281)	218,635	80,644	135,662
Furniture & Fixtures	2,595,132	-	(379,460)	2,974,592	627,195	277,858	(111,337)	1,016,390	1,958,202	1,967,937
Vehicles	806,273	-	(117,894)	924,167	259,658	172,664	(50,164)	482,486	441,681	546,615
Office Equipment	181,844	-	(26,590)	208,434	87,795	38,885	(15,584)	142,264	66,170	94,049
<b>Current Year Total</b>	<b>3,844,350</b>	-	<b>(562,122)</b>	<b>4,406,472</b>	<b>1,100,087</b>	<b>559,322</b>	<b>(200,366)</b>	<b>1,859,775</b>	<b>2,546,697</b>	<b>2,744,263</b>
Previous Year Total	4,772,780	-	928,430	3,844,350	864,151	617,579	381,643	1,100,087	2,744,263	



<b>CYBERTECH MIDDLE EAST W.L.L., BAHRAIN</b>				
<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2012</b>				
	As at	As at	As at	As at
	March 31, 2012	March 31, 2012	March 31, 2011	March 31, 2011
	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	192,516	26,538,908	192,516	23,153,418
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
	<b>192,516</b>	<b>26,538,908</b>	192,516	23,153,418
<b>NOTE '8'</b> <b>CASH AND BANK BALANCES</b>				
<b>Bank Balances</b>				
With non-scheduled Bank	21,399	2,949,916	21,399	2,573,604
- in Current Accounts	21,399	2,949,916	21,399	2,573,604
	<b>21,399</b>	<b>2,949,916</b>	21,399	2,573,604
<b>NOTE '9'</b> <b>SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured ,Considered good)				
Advance to Suppliers	12,300	1,695,592	12,300	1,479,290
	<b>12,300</b>	<b>1,695,592</b>	12,300	1,479,290
<b>NOTE '10'</b> <b>OTHER CURRENT ASSETS</b>				
Unbilled Revenues	16,200	2,233,219	16,200	1,948,334
	<b>16,200</b>	<b>2,233,219</b>	16,200	1,948,334
	<b>For the year ended</b>		For the year ended	
	<b>March 31, 2012</b>		March 31, 2011	
	Bahrain dinars	₹	Bahrain dinars	₹
<b>NOTE '11'</b> <b>INCOME FROM OPERATIONS</b>				
From sale of Services	-	-	83,568	10,301,377
Information Technology Services	-	-	83,568	10,301,377
	<b>-</b>	<b>-</b>	<b>83,568</b>	<b>10,301,377</b>

<b>CYBERTECH MIDDLE EAST W.L.L., BAHRAIN</b>				
<b>NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012</b>				
	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Bahrain dinars	₹	Bahrain dinars	₹
<b>NOTE '12'</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
Salaries	-	-	30,515	3,761,504
	-	-	30,515	3,761,504
<b>NOTE '13'</b>				
<b>OTHER EXPENSES</b>				
Travelling & Conveyance	-	-	2,393	294,973
Communication	-	-	4,107	506,281
Electricity Expenses	-	-	1,011	124,654
Professional fees	-	-	600	1,251,184
Rent	<b>4,800</b>	<b>618,035</b>	10,150	73,962
Audit Fees				
Audit Fees	<b>500</b>	<b>64,379</b>	500	61,635
Service Tax	<b>62</b>	<b>7,983</b>	62	7,618
	<b>562</b>	<b>72,362</b>	562	69,253
Repairs and Maintenance	-	-	3,031	373,630
Loss on sale of assets	-	-	2,301	283,643
Miscellaneous Expenses	-	-	10,669	1,315,135
	<b>5,362</b>	<b>690,397</b>	34,824	4,292,715
<b>14 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.				
<b>15 Earnings Per Share:</b>				
	<b>For the year ended March 31, 2012</b>	<b>For the year ended March 31, 2012</b>	For the year ended March 31, 2011	For the year ended March 31, 2011
Profit /(Loss) attributable to the Shareholders	<b>BHD (9,706)</b>	<b>₹ 1,322,081</b>	BHD 12,399	₹ 1,528,498
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	12026
Basic and Diluted Earnings Per Share (Not annualised)	<b>BHD (8.42)</b>	<b>₹ (1147)</b>	BHD 10.75	₹ 1326

**CYBERTECH MIDDLE EAST W.L.L., BAHRAIN**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2012**

**16 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	Referred in (A)(1) above
	March 31, 2012	March 31,2012
	BHD	₹
1) Expenses	-	-
	(762)	(93,931)
2) Outstanding as at the year end Payable	<b>12,540</b>	<b>1,728,677</b>
	(12,540)	(1,508,154)

**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.

17 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

Thane  
 Date: July 27, 2012

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

**Steven Jeske**  
 Director

Oakbrook, USA  
 Date: July 20, 2012



## SEVENTEENTH ANNUAL GENERAL MEETING



# CyberTech Systems and Software Limited

Registered Office: 'CyberTech House', Plot No. B-63/64/65, Road No. Raod No. 21/34,  
J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400 604

### 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 Seventeenth  
Annual General Meeting of the Company to be held on Friday 28.09.2012 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 3 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. Raod No. 21/34,  
J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400 604

### ADMISSION SLIP

**DATE :**  
28<sup>th</sup> September, 2012

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

**TIME :**  
3:00 PM

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

I hereby record my presence at the Seventeenth Annual General Meeting of the Company on Friday 28.09.2012  
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.





**B00K-POST**



*If undelivered, please return to:*  
**'CyberTech House'**

Plot No. B-63-65, Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (W) - 400 604.  
<http://india.cybertech.com>