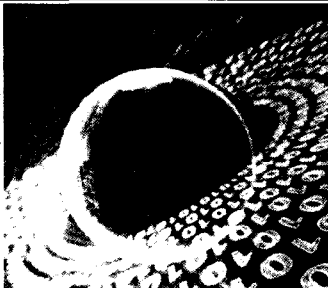


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## **BOARD OF DIRECTORS**

<b>Sri P.C.PANTULU</b>	-	<b>Managing Director &amp; CEO</b>
<b>Sri K.S.SHIVA KUMAR</b>	-	<b>Director &amp; COO</b>
<b>Sri P. CHANDRA SEKHAR</b>	-	<b>Director-Finance</b>
<b>Sri K. K. RAO</b>	-	<b>Director</b>
<b>Sri S SURENDRANATH</b>	-	<b>Director</b>
<b>Sri K.SHANKAR</b>	-	<b>Director</b>
<b>Sri K.PAWAN KUMAR</b>	-	<b>Director</b>
<b>Dr.D.JAYARAMI REDDY</b>	-	<b>Director</b>

### **AUDITORS:**

**B. Rama Rao & Co**  
**Chartered Accountants**  
**Hyderabad**

### **BANKERS:**

**IDBI Bank Ltd**  
**ICICI Bank Ltd**

### **REGISTERED OFFICE & SOFTWARE DEVELOPMENT CENTRE:**

**#11, Sripuri Colony,**  
**Kakaguda, Karkhana,**  
**Secunderabad-50015**  
**e-mail: info@cybermateinfotek.com**  
**Url : www.cybermateinfotek.com**

## Fourteenth Annual Report 2007-2008

### NOTICE

Notice is hereby given that the 14th Annual General Meeting of the shareholders of the company will be held on Friday the 17th October 2008 at 10.00 A.M. at Main Hall, Sundarayya Vignana Kendra, # 1-8-1/B/25/A, Baghlingampally, Hyderabad 500 044 A.P. India to transact the following business:

#### AS ORDINARY BUSINESS:

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

"RESOLVED THAT the Audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account of the Company for the year ended on that date and the report of the Directors and Auditors thereon be and are hereby considered and adopted"

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

"RESOLVED THAT Mr K.Koteswar Rao, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment be and is hereby re-appointed, as a Director of the Company."

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

"RESOLVED THAT Mr.Pawan Kumar Kasera, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment be and is hereby re-appointed, as a Director of the Company."

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

"RESOLVED THAT the retiring auditors M/s. B. RAMA RAO & Co., Chartered Accountants, Hyderabad, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

#### AS SPECIAL BUSINESS:

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

"RESOLVED THAT Dr.D.Jayarami Reddy, who was appointed by the board as Additional Director with effect from 31st January 2008, pursuant to Section 260 of the Companies Act 1956, and who holds office upto the date of this Annual General Meeting of the Company, being eligible for re-appointment and in respect of whom the company has received a



## Cybermate Infotek Limited

notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for office of a Director be and is hereby appointed as a director of the Company liable to retire by rotation"

### 6. Increase of Authorized Share Capital

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

"RESOLVED THAT the Authorised Capital of the Company be increased from Rs. 85.00 Crores (Rupees Eighty Five Crores Only) divided into 8,50,00,000 equity shares of Rs. 10 each to Rs 145,00,00,000 (Rupees One Forty Five Crores Only) divided into 14,50,00,000 equity shares of Rs 10 each by creation of 6,00,00,000 (Six crores Only) EQUITY SHARES OF Rs10/- each ranking pari- passu with the existing Equity shares of the company.

### 7. Alteration of Authorized Share Capital clause in Memorandum of Association

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

"RESOLVED THAT pursuant to section 16 and other applicable provisions, if any, of the companies act, 1956 the Memorandum of Association of the company is amended as follows.

By inserting in place of existing clause V, the following:

V.The authorized share capital of the company is Rs. 145,00,00,000/-(Rupees One Hundred and Forty Five Crores Only) divided in to 14,50,00,000 equity shares of Rs.10/- each with power for company to consolidate, convert, sub-divide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached there to subject to the provisions of the companies Act, 1956

### 8. Alteration of Authorized Share Capital clause in Articles of Association

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

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the companies act, 1956 and the Article 3 of the Articles of Association of the company is amended as follows.

By inserting in place of existing Article 3, the following:

3.The authorized share capital of the company is Rs. 145,00,00,000/-(Rupees One Hundred and Forty Five Crores Only) divided in to 14,50,00,000 equity shares of Rs.10/- each (Rupees Ten Only).

**Fourteenth Annual Report 2007-2008****9. Further issue of equity shares**

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and relevant provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with Stock Exchanges where the shares of the Company are listed and the Issue of Foreign Currency Convertible Bonds, Qualified Institution Placements and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and subject to the approval, consent, permission and/or sanction of the Ministry of Finance and Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance) of the Government of India, Reserve Bank of India, Securities & Exchange Board of India (SEBI) and all other appropriate and/or concerned authorities, institutions or bodies and subject to such conditions and modifications as may be prescribed by any of them in granting such approval, consent, permission or sanction, the Board of Directors (hereinafter referred to as the "Board", which term shall be

deemed to include any committee which the Board may have constituted or may hereafter constitute) be and is hereby authorized on behalf of the Company to issue, offer and allot in international offerings, in one or more foreign markets Foreign Currency Convertible Bonds (FCCBs) and/or Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/or any securities convertible into equity shares at the option of the Company and/or holder of the securities and/or securities linked to equity shares through and/or any other instruments or securities (hereinafter referred to as the "Securities") subscribed to in foreign currency(ies) for cash or stock swap or for other valuable consideration including strategic alliances, business(es) or a combination thereof, to Foreign Investors (whether Institutions and/or Incorporated Bodies and/or Individuals and whether or not such investors are members of the Company) through Public Issue(s), Private Placement(s), Preferential Allotment(s), which upon conversion of all Securities so issued or allotted could give rise to the issue of an amount (inclusive of such premium as may be determined) up to US \$ 20 million and such issue and allotment to be made at such time or times, in one or more tranches, at such price or prices, on such terms and conditions including security, rate of interest and in such manner as the Board may, in its absolute discretion think fit or deemed appropriate,



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wherever necessary in consultation with the Lead Manager(s)/ Investment Banker(s)/Advisers and/or the Underwriters, subject to guidelines of the Reserve Bank of India(RBI),FEMA, Securities and Exchange Board of India(SEBI) and Ministry of Finance, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment”.

“RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company may issue depository receipts representing the underlying equity shares or other securities issued by the Company, in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets including filing any registration statement and any amendment thereto with the respective regulatory authorities”.

“RESOLVED FURTHER THAT the Board be and it is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred to in paragraph one above or as may be necessary in accordance with the terms of the offering, all such shares

rank paripassu with the equity shares of the Company in all respects and the Board be further authorized to execute necessary documents for the purpose of listing the equity shares on the Stock Exchanges in India”.

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares or securities or instruments or securities representing the same, as described in paragraph one above, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose, including without limitation, filing a Registration Statement and other documents with the respective regulatory authorities, listing the securities on overseas stock exchanges such as Luxembourg and/or London and/or Nasdaq and/or New York Stock Exchange(NYSE) and/ or Singapore Stock Exchange and/or any of the other overseas stock exchanges, and the entering into and executing all such arrangements/ agreement(s) with any Lead Manager(s)/ Investment Banker(s)/ Underwriter(s)/ Guarantor(s)/ Depository(ies)/ Custodian(s) and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any”.

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"RESOLVED FURTHER THAT the Board be and it is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or chief executive officer or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchanges and subject to such approvals, consents, permissions and sanctions of all other

appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers conferred by this Resolution), and subject to the approval of members of the Company in the general meeting, consent of the Board of Directors of the Company be and is hereby accorded to offer, issue, allot and deliver 1,97,26,416 (One Crore Ninety Seven Lakhs Twenty Six Thousands Four Hundred Sixteen Only) convertible warrants with a face value of Rs.10 each, on preferential basis in one or more tranches, convertible into 1,97,26,416 (One Crore Ninety Seven Lakhs Twenty Six Thousands Four Hundred Sixteen Only) Equity Shares (in the exchange ratio of one equity share for one warrant issued) of the Company of the face value of Rs. 10/- each to the following persons:

S No.	Name of the Proposed Allottee	No. of warrants to be allotted
1	Mr.P.C.Pantulu	2275058
2	Mr.K.S.Shiva Kumar	987004
3	Mr.P.Chandra Sekhar	234160
4	M/s Orchasp Securities (p) Ltd	16230194
	<b>Total</b>	<b>19726416</b>



## Cybermate Infotek Limited

for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price of Rs. 10/- per warrant, which has been determined based on the provisions of Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

**RESOLVED FURTHER THAT** the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (Disclosure and Investor Protection) Guidelines, 2000 has been fixed as 16.09.2008.

### **RESOLVED FURTHER THAT**

- a) Each warrant, be convertible into one equity share, can be exercised at any time within a period of 18 months from the date of issue of such warrants and on such other terms and conditions, subject to SEBI (Disclosure and Investor Protection) Guidelines, 2000, as may be applicable, from time to time.
- b) The aforementioned allottees shall have to pay a minimum 10% of the warrant offer price i.e. Rs. 1/- per warrant as application money towards the warrants.
- c) The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants.

- d) Equity shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari passu in all respects with the existing fully paid-up Equity Shares of the Company.
- e) The warrants shall be convertible into equity shares of the company (at the sole option of the warrant holders) at any time within a period of 18 months from the date of allotment of warrants. However, the warrants holder(s) shall be eligible to exercise only such portion of the warrants, which will entitle them for voting rights not exceeding 5% in any financial year ending on 31st March, subject to not exceeding 15% (including existing share holding) by all the promoters.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution and also to seek listing of such securities at the stock exchange(s) where the existing securities of the Company are listed"

By order of the Board  
For Cybermate Infotek Limited  
Sd/-  
P. C. Pantulu  
Managing Director

Place: Secunderabad  
Date : 20th September, 2008



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### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the meeting.
2. The share transfer books and Register of Members of the Company will remain closed from 14<sup>th</sup> October 2008 to 17<sup>th</sup> October 2008 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the meeting. Please bring the Attendance slip with you duly filled in and handover the same at the entrance of the Meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. Members are requested to notify immediately any change in their address to the Company in case their shares held in dematerialized form; this information should be passed so that the information required can be made readily available at the meeting.
5. Members holding shares in physical form are requested to de-materialize the shares in electronic form to facilitate faster

transfer and avoid rejections for bad deliveries. The Share Certificates may be sent to Aarthi Consultants (p) Ltd, 1-2-285, Domalguda, Hyderabad-500029

### ITEM NO.2:

**Information on Director's seeking appointment / re-appointment as required under clause 49 of the listing agreement with stock exchanges.**

**Sri K.Koteswar Rao**, aged 61 years, is an independent director on the Board. He is an NRI. He is a Chartered Accountant by profession who has experience in large industries like Bharath Earth Movers Limited, Bangalore, A.P.Fisheries Corporation, Lasheo Group of Companies before leaving for the Middle East. He is currently managing a Construction Company viz Al Baraha Trading & Contracting Co, for the last 25 years mainly in Civil Works, Road Works, Heavy Equipment Dealing etc. at DOHA, Qatar. He is also actively involved in a number of charitable and social activities.

### ITEM NO. 3:

**Information on Director's seeking appointment / re-appointment as required under clause 49 of the listing agreement with stock exchanges.**

**Sri Pawan Kumar Kasera**, aged 44 years, is an independent director on the Board. He is a commerce graduate from Calcutta



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University. He has previously worked with Cabel India Ltd. He was the Chairman (Eastern Region) of Electronics and Computer Software Export Council (An Autonomous Organization under the Ministry of communications and information technology, Govt. Of India). Presently he is a Member- Telecom Committee (National) Electronics and Computer Software Export Council from 2004 and Chairman, Acme Group of Companies from 1980 to till date.

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

#### ITEM NO. 5:

Dr. D.Jayarami Reddy was appointed by the Board as Additional Director w.e.f 31<sup>st</sup> January 2008 pursuant to Section 260 of the Companies Act 1956. Dr. Jayarami Reddy, aged 62 years, is an independent director on the Board. He passed his MBBS from Karnataka University, Dharwad. He is a Medical Practitioner and has worked with many Hospitals Managed by various industries in India and abroad.

The company will immensely benefit from the association of Dr. Jayarami Reddy. Hence he was inducted into the Board

The board commends this resolution for approval of the members.

Except Dr. D. Jayarami Reddy, none of the directors are interested in this resolution.

#### ITEM NO. 6, 7 & 8:

##### Increase in Authorised Share Capital

The company in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from Rs. 85 to Rs. 145 Crores and for that purpose Memorandum of Association and the Articles of Association of the Company are proposed to be suitably altered as set out at Item Nos 6, 7 & 8 of the accompanying notice.

The Provisions of the Companies Act 1956 require the company to seek the approval of the Members to increase the authorized share capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

The Board of Directors of the Company accordingly recommend the passing of the resolutions set out at item no 6, 7 & 8 of the accompanying notice for the approval of the Members.

None of the Directors of the Company are interested in the proposed resolution except to the extent of their shareholding in the Company.