



**CYBERMATE
INFOTEK LIMITED**

We win, when you win!

An ISO 9001:2008 Company



18th Annual Report 2011-12

BOARD OF DIRECTORS:

Sri P.C. PANTULU	- Managing Director & CEO
Sri K.S. SHIVA KUMAR	- Director & COO
Sri P. CHANDRA SEKHAR	- Director-Finance
Sri K. K. RAO	- Director
Sri K. SHANKAR	- Director
Sri K. PAWAN KUMAR	- Director
Dr. D. JAYARAMI REDDY	- Director

AUDITORS:

P.MURALI & CO
Chartered Accountants,
Somajiguda, Hyderabad

BANKERS:

State Bank of Travancore.
ICICI Bank Ltd.
Axis Bank Ltd
Punjab National Bank
Bank of Baroda
IDBI Bank Ltd

**REGISTERED OFFICE &
SOFTWARE DEVELOPMENT CENTRE:**

#11, Sripuri Colony,
Kakaguda, Karkhana,
Secunderabad-500015
e-mail: info@cybermateinfotek.com
Url : www.cybermateinfotek.com

INDEX

Contents	Page No
Notice	3
Director's Report	9
Report on Corporate Governance	18
Auditor's Report	25
Balance Sheet	29
Statement of Profit and Loss	30
Cash Flow Statement	31
Notes	33

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the shareholders of the company will be held on Saturday, the 29th September 2012 at 10.00. A.M. at Belsons Taj Mahal Hotel, IV th Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad. 500003, 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 2012 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. 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.”

3. 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.”

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

“RESOLVED THAT M/s P.MURALI & CO, Chartered Accountants, Hyderabad be and are hereby appointed as 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 modifications (s) the following resolution as Special Resolution

“RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof, for the time being in force), in super cession of any earlier resolution, the consent of the Company be and is hereby accorded for the increase in remuneration of Mr. K.S. Shiva Kumar, as Director (Operations) & Chief Operating Officer with effect from 1st April, 2012 till 31st March, 2017 (both days inclusive) as set out hereunder”.

1. Basic Rs.1,10,000/-per month (in the scale of 1,10,000-10,000-1,50,000 p.m.)
2. Commission: 1% of the net profits of the Company as per the provisions of Section 198 and 309 of the Companies Act, 1956

3. Perquisites: (subject to the maximum of annual salary)
 - i. Housing: 40% of the salary over and above 10% payable by the director himself. In case the company provides accommodation the company shall recover 10% of the salary from the Director.
 - ii. The expenditure incurred by the Company on gas, electricity, water and furnishing etc. shall be valued as per the Income Tax rules, 1962. This shall however, be subject to a ceiling of 10% of his salary.
 - iii. Medical Reimbursement: Expenses incurred for the Director and family subject to a ceiling of one month's salary in year of 3 months salary in a block of 3 years
 - iv. Leave Travel Concession: For the Director and his family consist of spouse, dependent children and parents once in year incurred in accordance with the rules specified by the Company.
 - v. Club fees: Fees of Clubs subject, to a maximum of two clubs. This will not include admission and life membership.
 - vi. Personal Accident Insurance: Premium not exceeding Rs. 2000/- per annum.
 - vii. Provident Fund, super annuation Fund/ Annuity Fund: As per Company's rules.
 - viii. Gratuity: As per company's rules
 - ix. Leave:
 - a. Casual leave: As per Company Rules.
 - b. Sick Leave: As per Company Rules.
 - c. Privilege Leave: As per Company Rules.
 - x. Leave Encashment: As per Company Rules.
 - xi. Residential Telephone: Residential telephone be provided at the expense of the company. The company will pay the Telephone bill including STD and Trunk calls for the official business.
 - xii. Car: Entitled to use office car with driver for official purpose. Alternatively if he owns a car with driver he shall be entitled for reimbursement of expense of Rs. 4,500/- p.m.
 - xiii. The following shall not be included in the computation of the ceiling on perquisites:
 - a. Contribution to Provident fund, Super Annuation Fund/ Annuity Fund to the extent either singly or put together are not taxable under Income Tax Act, 1961
 - b. Gratuity payable at the rate not exceeding half-month's salary for each completed year of service.
4. Minimum Remuneration: In the event of loss or inadequacy of profits in any year during the period of his appointment, Mr. K.S. Shiva Kumar will be paid the remuneration as above as minimum remuneration. Mr. K.S. Shiva Kumar will not be entitled to any sitting fee for

attending meetings of the Board or any committee thereof.

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and 314 read with Schedule XIII and other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof, for the time being in force), subject to the approval of the members of the company, the consent of the Company be and is hereby accorded to the Board of Directors for the appointment and the payment of remuneration of Mr. P Chandra Sekhar, as Director-Finance for the Five years with effect from 1st April 2012 to 31st March 2017 (both days inclusive) as set out hereunder:

1. Salary: Rs.50,000 per month (In the scale of 50,000-10,000-90,000 P.M.).
2. Perquisites:
 - i) Medical Reimbursement: Expenses incurred for the Director and family subject to a ceiling of one month's salary in a year of 3 months salary in a block of 3 years.
 - ii) Leave Travel Concession: For the Director and his family consists of spouse, dependent children and parents once in a year incurred in accordance with the rules specified by the company.
 - iii) Club Fees: Fees of Clubs subject, to a

maximum of two clubs. This will not include admission and life Membership.

- iv) Personal Accident Insurance: Premium not exceeding Rs.2000/- per annum.
- v) Provident Fund, Super Annuation Fund/Annuity Fund: As per Company's rules.
- vi) Gratuity: As per company's rules
- vii) Leaves:
 - Casual Leaves : As per Company Rules.
 - Sick leaves : As per Company Rules.
 - Privilege Leaves : As per Company Rules.
- viii) Leave Encashment: As per Company' Rules.
- ix) Residential Telephone:
 - x) Residential telephone be provided at the expense of the company. The Telephone bill including STD. and Trunk calls for the official business will be paid by the Company.
 - xi) Car: Entitled to use office car with driver for official purpose. Alternatively if he owns a car with driver he shall be entitled for reimbursement of expenses of Rs.4500/- p.m.
3. The following shall not be included in the computation of the ceiling on perquisites:
 - a. Contribution to provident fund, super annuation Fund/Annuity Fund to the extent either singly or put together are not taxable under income tax Act, 1961.
 - b. Gratuity payable at the rate not exceeding

half month's salary for each completed year of service.

4. Minimum Remuneration: In the event of loss or inadequacy of profits in any year during the period of his appointment, Mr. P Chandra Sekhar will be paid the remuneration as above as minimum remuneration. Mr. P. Chandra Sekhar will not be entitled to any sitting fee for attending meetings of the Board or any committee thereof."

By the order of the Board
For Cybermate Infotek Limited

Sd/-

Place : Secunderabad

P.C. Pantulu

Date : 13th August, 2012

Managing Director

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 25th September 2012 to 29th September, 2012 (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.

6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

1. secretarial@cybermateinfotek.com
2. info@aarthiconsultants.com

EXPLANATORY STATEMENT (Pursuant to Section 173 (2) of The Companies Act, 1956)

Item No. 05

Mr. K.S. Shiva Kumar was re-appointed as Director (Operations) & Chief Operating Officer at the Annual General Meeting held on 30th September 2010 with effect from 01st April 2010 for a period of two years. Your Directors consider that the re-appointment of Mr. K.S. Shiva Kumar will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Mr. K.S. Shiva Kumar as Director (Operations) & Chief Operating Officer the of the Company for a further period of five years with effect from April

01st 2012 at remuneration as provided in the resolution.

Your Directors recommend the resolution as set out in Item no. 05 of the Notice for approval of the Members.

No Directors other than Mr. K.S. Shiva Kumar is interested in this resolution.

Item No. 06

Mr. P Chandra Sekhar was re-appointed as Director Finance at the Annual General Meeting held on 30th September 2007 with effect from 01st April 2007 for a period of five years. Your Directors consider that the re-appointment of Mr. P Chandra Sekhar will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Mr. P Chandra Sekhar as Director Finance the of the Company for a further period of five years with effect from April 01st 2012 at remuneration as provided in the resolution.

Your Directors recommend the resolution as set out in Item no. 06 of the Notice for approval of the Members.

Except Mr. P. Chandra Sekhar and Sri P.C. Pantulu, a relative of the director, none of the directors are interested in this resolution.

ADDITIONAL INFORMATION
(as per Clause 49 of the listing agreement):

(As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:)

BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM:

Name of Director	Mr. Pawan Kumar Kasera
Expertise in specific functional area	IT AND ITES
Date of Birth	23.09.1956
List of other Companies in which Directorship is held as on 31st March, 2012	7
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr.K.K Rao
Expertise in specific functional area	Finance
Date of Birth	01.11.1946
List of other Companies in which Directorship is held as on 31st March, 2012	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr. K.S. Shiva Kumar
Expertise in specific functional area	IT AND ITES
Date of Birth	02.04.1967
List of other Companies in which Directorship is held as on 31st March, 2012	7
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr. P Chandra Sekhar
Expertise in specific functional area	Finance
Date of Birth	19.03.1975
List of other Companies in which Directorship is held as on 31st March, 2012	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Directors' Report:

To the Members,

Your Directors have pleasure in presenting their 18th Annual Report of the business and operations of your company for the year ended March 31st 2012.

Financial Results:

	(Rs. in lakhs)	
	2011-12	2010-11
Operational Income	1218.31	1267.39
Other Income	56.41	32.53
Total Revenues	1274.72	1299.92
Incr/(Decr) in Stock	-349.72	45.02
Profit before Depreciation,		
Interest & Tax	296.28	421.10
Depreciation	252.69	242.06
Interest	29.69	47.21
Profit before tax	13.90	131.83
Extra-ordinary Items/Prior Period Adjustment		
Income		
(a) Grant from Govt of Nagaland	10.00	--
(b) Security Deposits	59.43	--
Expenditure		
(a) Deferred tax - Past Years(223.87)	--	--
Profit Before Tax	(140.53)	131.83
Provision for tax	--	44.37
Profit after Tax	(140.53)	87.46

Overview of Operations:

Your company is engaged in the business of providing Custom Built Software development, product development and IT Services to customers in domestic and overseas locations.

During the year the company faced many challenges in terms of liquidity. The company is continuing to make efforts to tide over the working capital issues by raising additional funds either as debt or as equity. The company is now working on several options to retire the debt by restructuring the debt of the company in the first stage there by reducing the interest costs and then to raise additional funds by placing secured debentures etc.

In a sense the company is now gearing up to position itself in the Healthcare IT services and Product space by improved marketing strategies and strategic tie-ups to bundle its product offerings as well as services with third parties.

The turnover of the company has dropped marginally by 3.87 % over the previous year. Profit before Tax dropped by 29.64 %.

Fixed Deposits

Your company has not accepted any deposits and, as such no amount of principal or interest was outstanding on the date of Balance Sheet.

Directors:

Sri Pawan Kumar Kasera and Sri. Kanamarkapudi Koteswar Rao are to retire at the conclusion of this annual general meeting and being eligible offer themselves for reappointment. The Board of Directors recommend their appointment.

In accordance with the requirements of Clause 49 of the Listing Agreement executed with the stock exchanges as also in pursuance of section 292A of the Companies Act 1956, following steps have been taken by the Board of Directors:

- The Board of Directors comprises seven members (inclusive of three executive