



CyberTech
Systems and Software Ltd.

12th

Annual Report
2006-2007

www.sansco.net





CyberTech Systems and Software Limited

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of **CyberTech Systems and Software Limited** will be held on Friday the 24th day of August, 2007, at the Registered Office of the Company at CyberTech House, Plot No. B - 63 to 65, Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West) - 400 604 at 4.00 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, 2007 and the Profit and Loss Account for the year ended as on that date along with Schedules and the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Viswanath Tadimety, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT M/s Lodha & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

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 Mr. Prakash S. Kenjale, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on September 28, 2006 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."

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Articles 171 and 172 of the Articles of Association of the Company, Mr.C.N. Rao, who was appointed as an Additional Director, with effect from October 9, 2006 by the Board of Directors of the Company at its meeting held on September 28, 2006 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."

7. 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 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. C.N. Rao as an Executive Director in the whole-time employment of the Company, for a period of three years with effect from October 9, 2006 upon the terms and conditions approved by the Board of Directors at its meeting held on September 28, 2006."

"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. C.N.Rao within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Mr. C.N.Rao."

"RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, wherein any financial year, during the currency of the term of Mr. C.N.Rao 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."

"RESOLVED FURTHER THAT the directors of the Company are hereby authorised to do all such acts as are necessary to give effect the above resolution."

8. 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 the Articles of Association of the Company and pursuant to the provisions of Sections 79A, 81 (1A) and all other applicable provisions, if any of the Companies Act, 1956, including any statutory modifications or re-enactment thereof as may be for the time being in force (hereinafter referred as the " Act") and all other powers enabling and subject to Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines and subject to such approvals, sanctions , if any as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, if any , as may be agreed to by the Board of Directors of the Company (hereinafter referred as the "Board"), which term shall include its Remuneration Committee constituted by the Board to exercise its powers , including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board of Directors of the company to create, offer , issue and allot at any time to and for the benefit of employees who are nominated , including the directors of the Company , whether working in India or outside India , except the Directors of the Promoter Group, who are not eligible under the SEBI Guidelines under the Employees Stock Option Plan, 2007 (hereinafter referred as ESOP Scheme 2007) such number of equity shares of the face value of Rs 10 each not exceeding 12,35,633 equity shares in the aggregate , as the Board may deem

fit for subscription for cash, in one or more tranches at an exercise price per share equivalent to the closing market price on the day of the grant, on the terms and conditions set out in the Explanatory Statement attached to this notice concerning this item and such other terms and conditions as the Board may decide in their absolute discretion prior to the issue and offer thereof, provided the Board of Directors be and is hereby authorized to proportionately increase the number of equity shares specified in the event of stock split or issue of bonus shares.

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to the terms and conditions as approved by the members, the Board be and is hereby authorized to finalise the ESOP Scheme to grant options under the ESOP Scheme at such time or times as it may decide in its absolute discretion as to when the said equity shares are to be issued, the number to be so issued and all other terms and conditions as could be applicable.

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 (including the Remuneration Committee) or any Whole-time Director or Directors or officer of the Company to give effect to the aforesaid.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time and to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in relation to implementation of the ESOP Scheme or in regard to the offer, issue, allotment or utilization of the proceeds without being required to seek further consent or approval of the members and FURTHER to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit for giving effect to and Implementation of the ESOP Scheme 2007.

9. 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 Sections 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 re-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 not exceeding one per cent of the net profits of the Company.

FURTHER RESOLVED THAT this resolution shall remain in force for a period of five years commencing from the year 2007-08."

By Order of the Board of Directors

Suresh Thakur Desai
Company Secretary

Registered Office:

CyberTech House
Plot No.B - 63-65, Road No.21/34,
J. B. Sawant Marg, MIDC,
Wagle Estate, Thane (West) - 400 604
Date: July 24, 2007

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 Explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of Items No.5 and 9 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 20, 2007 to August 25, 2007 (both days inclusive).
5. Members are requested to:
 - (a) Notify immediately, change of address, if any, to the Company's Registrar and Share Transfer Agent, Intime Spectrum Registry 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.
6. Members who have yet not encashed their dividend warrants may approach the Company for revalidation/ issue of duplicate dividend warrant since in terms of the amendments to Section 205A and Section 205C of the Companies Act, 1956 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 an no amount could be claimed thereafter.
7. 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.
8. Members are requested to give their valuable suggestions for improvement of investor services and are also advised to quote their e-mail Ids, telephone/facsimile number for prompt reply to their communications.
9. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, Sundays and Holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
10. The Company's Equity Shares are listed on Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited. The Company has paid the annual listing fees for the financial year 2007- 2008 to these Stock Exchanges.

III. OTHER INFORMATION:

1. Reason for loss or inadequate profits: Not applicable
2. Steps taken or proposed to be taken for improvement: : Not Applicable.

The Directors recommend, that resolution be passed as reflected at Item No 6 and 7 of the Notice. None of the Directors except Mr. C.N Rao is concerned or interested in the said resolution.

Item No. 8 - ESOP Plan 2007

The shareholders at the meeting held on September 25, 2000 had approved the ESOP Plan 2000. The Plan was valid for 7 years from the date of the Resolution. Hence the Company proposes to initiate new ESOP Plan 2007.

- (1) No. of ESOPs that could be granted during the entire period of seven years from the date of the new scheme will be 12,35,633 equity shares. The maximum number of shares which shall be offered under the New plan in each financial year shall not exceed 5% of the outstanding fully paid up equity shares of the Company.
- (2) All the employees with a designation of senior manager and above shall be eligible for the grant after completion of six months employment of the Company. All other employees will become eligible after completion of twelve months of employment.
- (3) The options granted will vest at the rate of 25% of the options granted after the completion of first year, second year, third year and fourth year from the date of the grant.
- (4) The options will be priced at the closing price on the applicable stock exchanges (where the volume of shares traded of the Company on the day of the grant is the higher).
- (5) The persons to whom the Options are granted may exercise all or part of the options vested before the expiry of seven years from the date of the grant.
- (6) The options will be granted to the eligible employees at the discretion of the Remuneration (Compensation) Committee of the Board.
- (7) The Remuneration (Compensation) Committee of the Board shall decide the quantum of options to be granted to any eligible employee.
- (8) The Company agrees to follow the accounting policies as prescribed under clause 13.1 of the SEBI (Employees Stock Option) Guidelines 1999.

Item No. 9

Non Executive Directors of the Company are currently paid only sitting fees. They are persons of professional eminence and are spending considerable time for supervising and guiding the Company Management.

In order to recognize their valuable contribution to the Company management it is recommended that non-executive directors may be paid such commission as may be decided by the Chairman, the total of such commission paid to the non-executive Directors not exceeding one per cent of net profits of the company.

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

This resolution shall remain in force for a period of five years commencing from the year 2007-08.

All the non-executive directors may be deemed to be concerned or interested in the Resolution.

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 of the Notice.

Names of Directors	Mr. Viswanath Tadimety
Date of Birth	October 5, 1962
Date of Appointment	May 23, 1995
Qualification	M.Tech from Indian Institute of Technology, Chennai
Experience in specific Functional Areas	Rich experience of over 20 years in Information Technology, specializing in network systems and integrations.
Directorship in other Companies	1) Coriant, Inc. USA 2) CyberTech Systems and Software Inc. USA 3) CyberTech Europe, S.A.
Membership on Committees of other Companies	Nil

By Order of the Board of Directors

Suresh Thakur Desai
Company Secretary

Registered Office:

CyberTech House
Plot No.B - 63-65, Road No.21/34,
J. B. Sawant Marg, MIDC,
Wagle Estate, Thane (West) - 400 604
Date: July 24, 2007,

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5 - Appointment of Mr. Prakash S. Kenjale**

Mr. Prakash Kenjale was appointed as an Additional Director of the Company to further broad base the Board. He has more than 30 years of experience of working in the Information and Technology field. He has worked in the US, the UK, France, The Netherlands, Switzerland, Spain, Portugal, Turkey, Israel, India, Singapore, Malaysia, Australia and New Zealand. He is a US citizen of Indian origin. His vast experience will be extremely useful to the Company.

Directors recommend the Resolution. Mr. Prakash Kenjale may be deemed to be concerned or interested in so far as the matter concerns his appointment. No other director is concerned or interested in this resolution.

Item No. 6 and 7 Appointment and Remuneration of Mr. C.N. Rao

Mr. C.N. Rao was appointed as an additional director by the Board of Directors at its meeting held on September 28, 2007. The Board also appointed him as an Executive Director for a period of three years, with effect from October 9, 2007. The Board considered the recommendations of the Remuneration Committee while determining the remuneration payable to him.

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, 2006-March 31, 2007
Total Revenue:	Rs. 2171.39 Lakhs
Profit (Loss) after Tax:	Rs. 493.49 Lakhs
5. Export performance and net foreign exchange collaboration, if any:
Revenue (Export): Rs. 1633.18 Lakhs
6. Foreign Investment or collaboration, if any: The Company has investment in the following overseas subsidiaries/ Joint Venture:
 1. CyberTech Systems and Software Inc.
 2. CyberTech Europe
 3. Corliant Inc. (Joint Venture Partner)

II Information about the Appointee:

- 1) Background Details:
Mr. C. N. Rao, 62, is B.Com Hons. and LLB from the University of Kolkata and Associate Member of all the three professional bodies viz., ACAI, ICWAI and ICSI. Prior to joining CSSL, he has a total of over thirty-five years experience including twenty-four years as head of Finance and I.T in a large public sector undertaking. The remuneration paid to him has been recommended by the Remuneration Committee and is subject to the approval of the shareholders by way of special resolution.
- 2) Past remuneration: New Appointment
Last Remuneration drawn: Last drawn remuneration with was Rs.12 Lakhs per annum.
- 3) Job profile and his suitability:
Since Mr. C.N.Rao has total of 35 years of rich experience in industry and having headed finance and I.T. Department of a large public sector undertaking, the Board considers him to be the most suitable person.
The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. C.N. Rao for the office of Executive Director not liable to retire by rotation.
- 4) Remuneration proposed:
The details of Structure of salary components and perquisites, benefits as approved were communicated to shareholders on October 24, 2006, as required in terms of section 302 of the Companies Act, 1956, hence not specifically covered herein.
- 5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:
The remuneration payable to the appointee has been benchmarked with the remuneration being drawn by similar positions in IT industry and such benchmark has been considered by the Remuneration Committee/Board of Directors of the Company.
- 6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:
The appointee has no pecuniary relationship directly or indirectly with the Company.



CyberTech Systems
and
Software Limited

Registered Office : 'CyberTech House', Plot No. B-63/64/65, Road No.21/34,
J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400604

PROXY FORM

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 Eleventh Annual General Meeting of the Company to be held
on Friday, 24th day of August, 2007 at the Registered Office of the Company at 'CyberTech', Plot No. B-63/64/65, Road
No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West) 400604 at 4.00 p.m. and at any adjournment
thereof.

- DP. ID : _____ Client ID : _____
Folio No. : _____
Signed this _____ day of _____ 2007

Revenue Stamp

Note : This form duly completed should be deposited at the Registered Office of the Company before 48 hours of the meeting.

- Applicable for investors holding shares in electronic form.



CyberTech Systems
and
Software Limited

Registered Office : 'CyberTech House', Plot No. B-63/64/65 Road No.21/34,
J. B. Swant Marg, MIDC, Wagle Estate, Thane (West), 400604.

ATTENDANCE SLIP

(Please complete this attendance slip and hand over at the entrance of the meeting hall.)

I hereby record my presence at the Eleventh Annual General Meeting of the Company to be held on Friday 24th day
of August, 2007 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), 400604. at 4.00 p.m.

- DP. ID : _____ Client ID : _____
Folio No. : _____
Full Name of the Shareholder / Proxy _____

(In BLOCK letters)

Signature

Please bring this attendance slip to the Meeting

- Applicable for investors holding shares in Electronic Form.

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BOARD OF DIRECTORS

Viswanath Tadimety
Chairman

Anant Rajwade
Director

Ashok Datar
Director

Arun Shah
Director

Praksh Kenjale
Director
from 28.09.2006

C.N. Rao
Executive Director
from 09.10.2006

COMPANY SECRETARY
Suresh Thakur Desai

AUDITORS

Lodha & Co.,
Chartered Accountants, Mumbai

SOLICITORS & ADVOCATES

Amarchand Mangaldas
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013.

BANKERS

UTI Bank Limited
ICICI Bank Limited

**REGISTRAR & SHARE TRANSFER AGENT
(COMMON AGENCY)**

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai- 400 078.

REGISTERED OFFICE

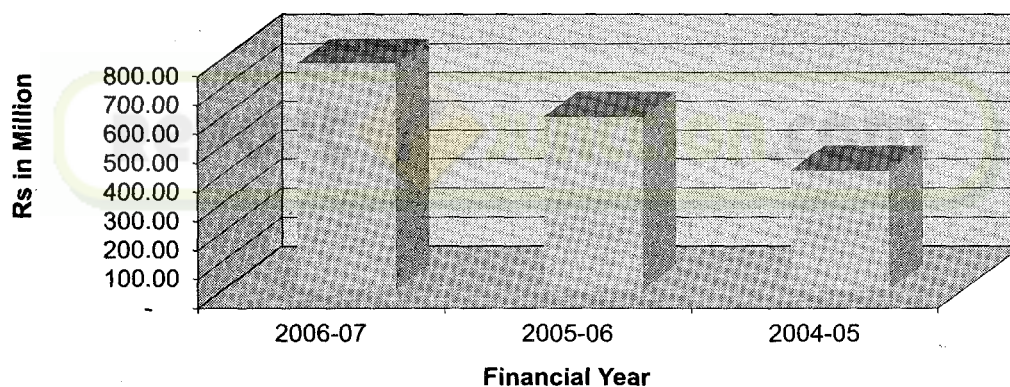
'CyberTech House',
Plot No.B - 63-65, Road No.21/34,
J. B. Sawant Marg, MIDC,
Wagle Estate, Thane (West) - 400 604

FINANCIAL HIGHLIGHTS

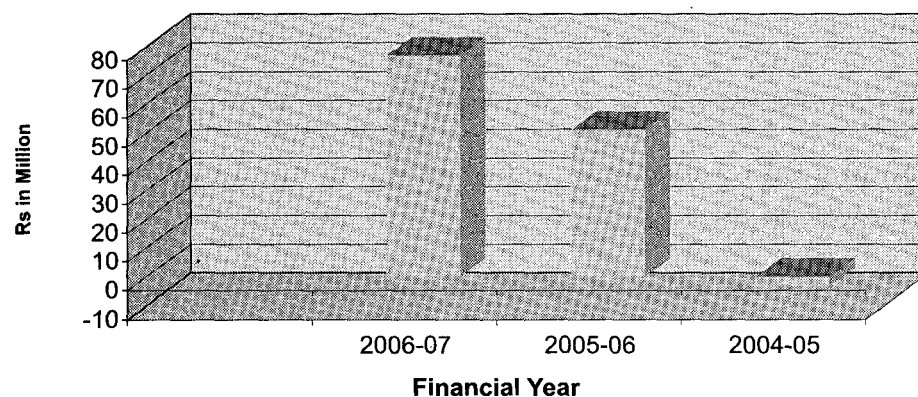
(Rs. In Million)

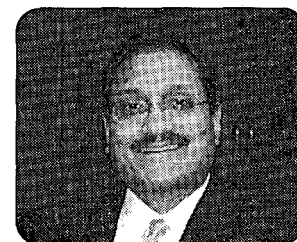
	Consolidated			Standalone		
	2006-07	2005-06	2004-05	2006-07	2005-06	2004-05
	(12 Months)	(12 Months)	(9 Months)	(12 Months)	(12 Months)	(9 Months)
Total Revenue	782.26	596.88	411.13	217.14	100.49	70.94
Net Profit	76.95	51.13	(3.21)	70.51	44.10	(5.95)
Net Worth	464.88	405.47	354.26	447.56	386.96	342.78
Earning per Share	3.10	2.20	(0.14)	2.84	1.90	(0.26)

CyberTech Consolidated Revenue



CyberTech Consolidated Net Profit





Vish Tadmety

LETTER TO FELLOW SHAREHOLDERS

My Fellow Shareholders,

It gives me immense pleasure to report that our Company has achieved a revenue growth of 131% and net profit growth of 561% on a consolidated basis for the year ending March 31 2007. As several long term shareholders have observed, there has been a significant improvement of the Company's performance over the last three years. This strong performance is a result of several strategic initiatives under taken by the Company on multiple fronts. Protection and enhancement of shareholder value continues to be my utmost goal.

As I have stated in my past letters, our Company objectives continue to remain the same:

- a. Streamline and restructure the Company to be India oriented,
- b. Utilize the Company's Real Estate Capacity to its fullest extent,
- c. Resolve our complex Tax challenges,
- d. Keep the Company debt free, unless financing productive assets,
- e. Restore the Company Dividend over time, and
- f. Grow our business.

I am extremely happy to report that substantial progress has been achieved on each of these priority areas:

- The Company continues to focus on the offshore model which is more cost effective and profitable. Except for the Public Sector business, all work continues to be offshore oriented.
- While our properties at Andheri and the excess capacity at Thane continue to generate revenue, our own use of the Thane property is also optimised.
- During the year the ITAT has recalled its earlier orders denying certain claims made by the Company for the assessment years 1997-2000. These matters will now be re-examined on merits at ITAT. While on one hand tax demands have reduced as a