



CyberTech

Systems and Software Limited

16th Annual Report
2010 - 2011

COMPANY INFORMATION

BOARD OF DIRECTORS

Viswanath Tadimety
Chairman

Anant Rajwade
Director

Steven Jeske
Director

Prakash Kenjale
Director

Sudhir Joshi
Director

Dr. Shreepad Karmalkar
Director

Dr. Tapan Kumar Mukhopadhyay
Whole Time Director

COMPANY SECRETARY

Sateesh Wadagbalkar

AUDITORS

Lodha & Co.,
Chartered Accountants, Mumbai

SOLICITORS & ADVOCATES

Bharucha & Partners, Mumbai

BANKERS

AXIS Bank Limited
ICICI Bank Limited

REGISTRAR & SHARE TRANSFER AGENT (COMMON AGENCY)

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.

REGISTERED OFFICE

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

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LETTER TO FELLOW SHAREHOLDERS

Dear Fellow Shareholders,

I am pleased to provide you detailed information on the performance of our Company for the financial year April 2010 through March 2011. For the year ending March 31, 2011, we achieved consolidated revenue of ₹ 467 millions and net profit of ₹ 14 millions. The top line revenue and profit compare negatively to last fiscal year's (ending March 2010) of ₹ 509 millions revenue and ₹ 19 millions profit respectively. On a standalone basis, our revenue has seen an increase to ₹ 247 millions from ₹ 207 millions (ending March 2010) representing a 20% increase in offshore revenues. On a standalone basis, our net profit was ₹ 48 millions versus prior year's ₹ 44 millions.

Market conditions:

The year ending March 31, 2011 has seen stabilization in the US and Global Markets. 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. The brunt of the US slow down occurred during the fiscal year ending March 2010. 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 market conditions have picked up to pre-2008 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 clients. I have reached all our clients, spent time with them, reaffirmed CyberTech's commitment to them at this tough market time. We have also refocused our Solutions and Offerings, which are sharpened to be focused around client needs of OpEx reduction.

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), SAP (www.SAP.com) and Cisco Systems (www.Cisco.com). CyberTech is a Platinum 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 have invested my time personally by traveling extensively, building client relationship and 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.

My general philosophy has been to do the right thing for CyberTech for long period of time with a goal to do well in good markets but to do better in bad markets aiming for sustained growth. We continue to focus on the following long term objectives that I have laid out a few years back:

- Resolve our complex income tax challenges

- 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 with zero debt. 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 fifth year in a row. We continue to enjoy the confidence of our customers resulting in opportunities that are adjacent in nature.

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

Business Outlook:

As I write this letter, there is reentry of panic and uncertainty to the Global markets, including US and India. While everyone agrees that this time around it will not be as bad as 2009, the general consensus is that the 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 offshore revenues to trend upward while US will be essentially flat for FY12.

We have also strengthened the US Presales and Client Management Leadership in GIS areas. We have added sales leadership in India and expanding our India sales team. We continue to strengthen our SAP and ESRI alliances which should lead to very positive impact on our Company once the market conditions improve and the growth cycle begins.

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

The Company adheres to high level of transparency and corporate governance. We have an eminent Board of Directors. I am grateful for their association with me and CyberTech.

It is with much disappointment that I inform you that Shri Anant Rajwade has decided not to offer himself for re-election as a Director. Shri Rajwade as you all know is an Industry Leader and a Risk Expert providing Indian Corporate Risk Advisory Services. Shri Rajwade has counseled me during good times and bad, taught me frugality and focus, provided great consistency to the Board and helped in ways beyond words. I thank him for his years of service and would welcome his involvement with the Company in an informal capacity.

I would like to thank my dedicated Board of Directors and our US Board representatives for their involvement, counsel and support. I thank Bansi S Mehta & Co, Chartered Accountants 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. I am grateful to Shri. B.V. Goud, Special Advisor to the Chairman for his substantial help in many matters and for his tireless efforts to help our Company. 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

Mumbai
August 17, 2011



NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of CyberTech Systems and Software Limited will be held on Friday, the 30th Day of September 2011, 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, Wagale Estate, Thane (West) - 400 604 at 3 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, 2011 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 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:

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT Mr. Sudhir Joshi, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on September 30, 2010 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 Dr. Shreepad Karmalkar, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on September 30, 2010 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 Dr. Tapan Kumar Mukhopadhyay, who was appointed as an Additional Director by the Board of Directors of the Company as on March 15, 2011 by way of circular resolution 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."
8. 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 Dr. Tapan Kumar Mukhopadhyay as Whole Time Director in the whole-time employment of the Company, for a period of three years with effect from March 15, 2011 upon the terms and conditions approved by the Board at its meeting held on March 15, 2011."
"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 Dr. Tapan Kumar Mukhopadhyay 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 Dr. Tapan Kumar Mukhopadhyay."
"RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any financial year, during the currency of the term of Dr. Tapan Kumar Mukhopadhyay as Whole Time Director of the Company, if 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."
"RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to do all such acts as are necessary to give effect to the above resolution."

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, Wagale Estate, Thane (West) – 400 604.
Dated : August 12, 2011

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 22, 2011 to September 30, 2011 (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 not yet encashed their dividend warrants for previous four 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 2011-2012 to these Stock Exchanges.

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

Item Nos. 5 and 6 - Appointment of Mr. Sudhir Joshi and Dr. Shreepad Karmalkar as Directors of the Company

Mr. Sudhir Joshi and Dr. Shreepad Karmalkar were appointed as an Additional Directors of the Company to further broad base the Board. Pursuant to provisions of Section 260 of the companies act, 1956 and Article 140 of the Articles of Association of the Company, they hold their offices till the date of this Annual General Meeting. The Company has received a notice from a shareholder proposing their appointment as Directors to retire by rotation. Their vast experience were extremely useful to the Company.

Directors recommend the resolution. Mr. Sudhir Joshi and Dr. Shreepad Karmalkar 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 this resolution

Item Nos. 7 and 8 Appointment and Remuneration of Dr. Tapan Kumar Mukhopadhyay as Whole Time Director.

Dr. Tapan Kumar Mukhopadhyay was appointed as an Additional Director by the Board of Director on March 15, 2011 by passing a resolution by circulation. The Board also appointed him as Whole Time Director for a period of three years with effect from March 15, 2011. The Board considered the recommendations of Remuneration Committee while determining the remuneration 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.

The information as required under Schedule XIII Part II 1(B)(IV) is given below.

I. 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, 2010-March 31, 2011
Total Revenue : ₹ 247.45 Millions (Standalone)
Profit (Loss) after Tax : ₹ 47.60 Millions (Standalone)
5. Export performance and net foreign exchange collaboration, if any:
Revenue (Export) : ₹ 150.00 Millions (Standalone)
6. Foreign Investment or collaboration, if any: The Company has investment in the following overseas subsidiaries/ Joint Venture:
 - i. CyberTech Systems and Software Inc. U.S.A
 - ii. CyberTech Middle East W.L.L., Bahrain

II Information about the Appointee:

- 1) Background Details:
Dr. Tapan Kumar Mukhopadhyay, aged 61, is B.Sc Hons. In Chemistry, B.Tech (Chemical Engg) M.Tech (Chemical Engg), PGDBM, Ph.D.

Prior to joining CSSL, he has more than thirty six years of experience in SAIL, Financial Institutions and Banking Sector. He has retired as Chief General Manager and Country Head (Administration & Premises) from IDBI BANK after serving 30 years in the institution in different senior executive positions including positions as Head of Project Finance, Project Management and Project Monitoring Department besides holding independent charges of different branches/zones. He had opened 200 new bank branches and 400 ATMs of IDBI Bank all over India during 2008 to 2009 as Country Head. In his service tenure with IDBI Bank, he was appointed as a Nominee Director of IDBI Bank on the Board of various private sector companies like J.K.Tyres & Industries Ltd., BPL Mobile Communications Ltd., Hindustan Sanitary Wares Ltd., IFB Industries Ltd., Visuvious Industries Ltd., Manor Floatel Ltd., Alok Industries Ltd., Uniworth Ltd. and State Industrial Development Corporations of Sikkim, Bihar, Rajasthan, Assam and West Bengal etc.
- 2) Past remuneration : New appointment
Last Remuneration drawn : Last drawn remuneration was ₹ 40 Lakhs p.a.
- 3) Job profile and his suitability :
Dr. Tapan Kumar Mukhopadhyay has more than 36 years of experience in SAIL, Financial Institutions and Banking Sector in senior executive positions and being appointed as a Nominee Director of IDBI on the Boards of various companies, The Board considers him to be the suitable person.
- 4) Remuneration proposed:
The details structure of salary components and perquisites, benefits as recommended by the Remuneration Committee and approved by the Board of Directors were communicated to the shareholders on March 23, 2011 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.

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
Dated : August 12, 2011

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

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

Name of Director	Mr. Viswanath Tadimety
Date of Birth	October 5, 1962
Date of Appointment	May 23, 1995
Qualifications	M. Tech from Indian Institute of Technology
Experience in specific Functional Areas	Rich experience of over 24 years in Information Technology, specializing in network systems and integrations
Directorship in other Companies	CyberTech Systems and Software, Inc. CyberTech Middle East W.L.L.
Membership on Committees of other Companies	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
Dated : August 12, 2011



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Annual Report together with the Audited Statements of Accounts for the financial year ended March 31, 2011. This report includes both standalone results of the Company (CyberTech Systems and Software Ltd.) as well as consolidated results of the Company and its subsidiary CyberTech Systems and Software Inc in the USA. The Company has made an application to Ministry of Corporate Affairs under section 212 (8) of the Companies Act, 1956 for not incorporating the Accounts of CyberTech Middle East, W.L.L., Bahrain as the Accounts of the aforesaid Company has not yet been received. The financial highlights for the year under review are given below:

FINANCIAL RESULTS

(₹ in millions)

	Standalone		Consolidated	
	2010-11	2009-10	2010-11	2009-10
Gross Revenue	247.45	207.40	467.22	509.26
Profit before Interest & Depreciation	82.53	80.03	53.37	51.47
Interest	-	0.02	-	0.03
Depreciation	16.29	18.05	20.42	23.54
Profit/(Loss) before tax	66.24	61.96	32.95	27.90
Provision for tax	18.64	18.11	18.64	18.11
Income Tax adjustments for earlier year's	-	-	0.51	(8.88)
Profit after tax	47.60	43.85	13.80	18.67
Less Minority Interest (Loss)	-	-	-	(2.85)
Accumulated profit b/f from previous year	90.19	77.31	55.45	64.89
Provision for Dividend(includes dividend tax of ₹ 4.50 millions)	30.87	30.97	30.87	30.97
Balance to be carried forward	106.92	90.19	38.38	55.44

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. Additionally, the Company continued to receive substantial income from certain real estate rentals and interest income.

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

- Total revenue during the year 2010-11 amounted to ₹ 247.45 millions as compared to ₹ 207.40 millions during the previous year representing a growth of 19.31%. Total revenue is comprised of revenue from operations and other income, as follows:
 - Revenue from operations for the year ended March 31, 2011 amounted to ₹ 168.19 millions as against ₹ 124.35 millions for the previous year. Operating revenue includes both software support and development activities. Revenue increased 35.25% primarily due to an increase in domestic business in India,
 - Other Income, primarily rent and interest, amounted to ₹ 79.26 millions as against ₹ 83.05 millions.
 - Profit after tax amounted to ₹ 47.60 millions as against ₹ 43.85 millions in the previous year representing a growth of 8.55%. The increase in profit of the Company is on the lower side mainly due to the fact that Indian costs including payroll continue to increase based on market conditions, although at a lower rate.

REVIEW OF CONSOLIDATED PERFORMANCE

On a Consolidated basis, the Company reported total revenue of ₹467.22 millions during the year as compared to ₹ 509.26 millions during the previous year. It is not comparable with the earlier year as it does not include the revenue of CyberTech Middle East, W.L.L., Bahrain.