



CyberTech

Systems and Software Limited



GEOCIVICTM
A SMART CITY INITIATIVE

18th Annual Report 2012 - 2013



COMPANY INFORMATION

BOARD OF DIRECTORS

Viswanath Tadimety
Chairman

Ramasubramanian Sankaran
Executive Director

Steven Jeske
Director

Sudhir Joshi
Director

Rahul Ghosh
Director

Prakash Kenjale
Director

M. P. Bharucha
Director

Dr. N.L. Sarda
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.

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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 2012 through March 2013. For the year ending March 31, 2013, we achieved consolidated revenue of ₹ 752 million and net profit of ₹ 88 million. This compares against a consolidated top line revenue and net profit from last fiscal year (ending March 2012) of ₹574 million and ₹48 million respectively, representing a substantial growth of 31% in top line and 83 % in net profit. On a standalone basis, our revenue has increased to ₹ 448 million from ₹ 313 million (ending March 2012) representing a 43% increase in revenue. On a standalone basis, our net profit was ₹ 112 million versus prior year's ₹ 51 million. All in all it was a good year.

Rapidly Changing Technology and Market conditions:

We have considerable stabilization in the US and Global financial markets and client purchasing trends. IT business is cyclical in nature and business and projects are bound to come back, considering the very nature of obsolescence of IT infrastructure. However, technology trends are changing rapidly. I have elaborated more about this trend later further down in this letter.

We now have a successful India Business that has completed over 2 full years of operation. However, majority of the Company's revenues are generated in the United States and the North American geography continues to be our key market. The India diversification of revenues and the improving US business conditions will increase our overall growth.

CyberTech has now become a significant player in the area of mapping solutions and GeoSpatial Applications. This segment of information technology has become an attractive and growing part in an otherwise stagnant IT landscape of Enterprises and Public Government organizations. The strength of our Esri relationship has allowed us to harness this developing mapping market potential which we clearly see growing over the next several years. This is a positive trend in favor of CyberTech.

New implementations of complex ERP solutions such as SAP have come to a standstill and SAP is trying to refocus itself in newer areas such as Business Analytics, In-memory Computing, Application Life Cycle Management and Mobile Applications. While these cloud based trends are new areas for SAP growth, they hardly replace big ERP implementations. CyberTech has directed its focus on these newer SAP trends and build expertise in the emerging area.

Cost Reduction and Application Management Services continue to a key component of revenue for all the leading Indian IT service providers. CyberTech continues our Application Management and Support Services focus and a large percentage of our clients depend on CyberTech for their mission critical IT support.

All this trends prove that IT infrastructure and management is rapidly moving to Cloud based, pay by use services. CyberTech is positioning itself by migrating most of our clients to a more managed service oriented delivery platform. All Application Development services are moving from complex 'Waterfall' model to rapidly implementable 'Agile Scrum' approaches. In recognition of these ongoing market trends, CyberTech continues to evolve its Service Offerings, Client Management approach and Solution Delivery Platforms.

I encourage my fellow shareholders to visit our newly redesigned website www.cybertech.com that clearly identifies our market alignment and client approach.

CyberTech Business operations:

Our number one focus in the Company during the current fiscal year has been to strengthen our Technical Solutions and Business Approach in our core solution areas to adapt to cloud and pay by use models:

- **Geo2.0 and GeoShield Platforms:** To leverage the opportunity in the market in GeoSpatial areas, CyberTech has developed a rapidly evolving Geo2.0 platform. CyberTech simply believes the approach of developing new and complex GIS applications is dead. Using our Geo2.0 approach, Clients can implement new mapping and Geospatial applications at a fraction of the cost, reduce the time to market and eliminate risk. The Geo2.0 platform is an ongoing and continuously increasing set of CyberTech owned mapping components (Geo2.0 components), which are like building blocks. Using these Geo2.0 building blocks, like a Lego TM set, our clients can quickly assemble their solutions. Please see our microsite for Geo2.0, www.appmaps.com that describes our platform.
- **CyberSupport and Application Management Platform:** CyberTech has been involved in Application Management and Support Services for over 8 years. Our initial focus has been to provide SAP post implementation and support services in the areas of SAP BASIS, ABAP programming and Functional Module Support. This year we have completely revamped our Support offering with a newly branded Application Management Platform, *CyberSupport*. Each client gets a unique support portal through which they interact with CyberTech. All support metrics and Service Level Agreements (SLAs) are clearly visible and clients can measure CyberTech performance quantitatively. This increases Client Satisfaction, provides transparency and reduces cost. We believe this platform is transformative for CyberTech as our future vision is to make this the Platform of Interaction for all clients. CyberSupport is a shared services platform that pulls down client cost and delivers dependable service with measurable performance metrics.
- **GeoCivic and India Business:** I am pleased to announce we launched GeoCivic, our Local Government eGovernance platform. GeoCivic has several pieces of mission critical software that Cities and Local Governments need, such as Property Tax assessment and collections, Emergency Management, Public Health and Election Results Management. India Sales team is performing well and we have won projects in Thane, Mumbai, Pune, Bangalore and Hyderabad cities. I am expecting rapid growth in GeoCivic and thank the leadership of Vishal Bargat and his team. I expect this trend to lead to increased India revenues.
- **SAP and S2 Platforms:** In alignment with SAP's focus around mobility and Cloud, we have created a major focus on SAP Next

Generation platforms. This includes Business Intelligence (Business Objects), SAP Mobility, Application Life Cycle Management and In Memory computing (HANA).

- **Client Focus:** I continue to invest my time personally with all clients, travel extensively, building client and executive relationships. Steve Jeske or I own executive relationships with almost all our clients in the US. CyberTech US continues to be our front-end providing sales and client partner management thereby driving deeper offshore focus in our Company.
- **Development of Company Intellectual Property:** We continue to make substantial progress in the area of IP Development and Solution building. We have won several more Public Safety, Police 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. I thank our friend and partner, Joseph Vanek Esq. of Vanek Vickers P.C. for pushing me down the trail of IP development. As an IP lawyer, Joe personally wrote our contracts and defined the approach we have to follow and helped us substantially.
- **Long Term Annuity Contracts:** I can state that 90% of the CyberTech 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.

As I state in all my letters, my core value has been to do the right thing for CyberTech for long period of time. Our goal is to do well in good markets but to do better in bad markets while aiming for sustainable growth. CyberTech continues to focus on the long term objectives that I have laid out in all my prior communications:

- Continue to focus on off shore oriented annuity engagements
- Focus on business growth
- Manage our assets and Property to optimum returns

Steven Jeske and I are fiscally conservative and consider CyberTech from a long term business holding perspective. The Company's assets and liquidity, cash strength give us comfort. We now have Mr. Raman Subramanian as our Executive Director, who shares our vision and values.

I am pleased to inform you that your Directors have recommended a dividend of Re one per share (10% of face value) for the seventh year in a row since Steve and I took over the management of the company. 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 good client base that will allow us to have sustainable growth with deeper focus.

Business Outlook

CyberTech will grow, focus and excel in mapping solutions, SAP implementation and CyberSupport Services. I am excited about our Public Safety and GeoSpatial Platform development that leverages our expertise as a core GIS player. For the next year, I expect our offshore revenues to trend upward while US will be win more recurring revenue projects.

The Company has last year structured around the Business Unit (BU) model. Each BU has 6 distinct functions of Solution Engineering, Marketing, Sales, Sales Support, Delivery and Engagement Management. All the 6 functions have its specific Key Result areas (KRAs). Heads of these SBUs will have full P&L responsibilities with direct management of Sales, Practice, and Delivery. The BU leaders are getting the rhythm and this model will give a structure to scale and grow the business.

For the upcoming year, I expect we will win several Public Safety (GeoShield) and Local Government (GeoCivic) projects. These are bundled software plus support services projects. I expect that our CyberSupport engagements will continue to grow for the upcoming year.

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.

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, Mr. Farook Irani Esq and Vispi Patel and Associates, Chartered Accountants for their valuable help. I thank Mr. M. P. Bharucha Esq. 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 can't thank Mr. Goud enough.

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

With regards,

Vish Tadimety

Trevose, PA
August 13, 2013



NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of CyberTech Systems and Software Limited will be held on Monday, September 30, 2013, 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 4 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, 2013 and the Statement of Profit and Loss 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. Sudhir Joshi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Shreepad Karmalkar 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 Dr. N.L. Sarda, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on September 28, 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 liable to retire by rotation."

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 13, 2013

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 23, 2013 to September 30, 2013 (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 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 2013–2014 to these Stock Exchanges.

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

Item No. 6-Appointment of Dr. N.L. Sarda as Director of the Company

Dr. N.L. Sarda was appointed as an Additional Director of the Company to further broad base the Board. His vast experience will be extremely useful to the Company.

Directors recommend the Resolution. Dr. N.L. Sarda 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.

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 13, 2013

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. Sudhir Joshi	Dr. Shreepad Karmalkar
Date of Birth	February 27, 1947	June 25, 1961
Date of Appointment	September 30, 2010	September 30, 2010
Qualifications	B.Sc.	PhD. in Electronic Engineering IIT Madras, B.Tech (EE), IIT Madras
Experience in specific Functional Areas	Forty Years	Twenty Three Years
Directorship in other Companies	1. CyberTech Systems and Software Inc, USA 2. Federal Bank Limited 3. National Securities Clearing Corporation Limited	Nil



Membership on Committees of other Companies	1. Audit Committee Member of National Securities Clearing Corporation Limited 2. Finance Committee Member and Investment Committee Member of Federal Bank Limited	Nil
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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 13, 2013

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, 2013. This report includes both standalone results for the Company (CyberTech Systems and Software Ltd.) as well as consolidated results for the Company and its wholly owned subsidiary CyberTech Systems and Software Inc in the USA.

FINANCIAL RESULTS

(₹ in million)

	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Gross Revenue	447.93	312.99	752.14	573.58
Profit before Interest & Depreciation	178.79	86.55	164.36	88.56
Interest	0.69	0.13	0.69	0.13
Depreciation	16.19	15.70	25.52	20.14
Profit/(Loss) before tax	161.91	70.72	138.15	68.29
Provision for tax	50.07	20.08	50.07	20.08
Profit/(Loss) after tax	111.84	50.64	88.08	48.21
Accumulated profit b/f from previous year	126.79	106.92	55.82	38.38
Provision for Dividend (includes dividend tax of ₹ 4.50 million)	30.97	30.77	30.97	30.77
Balance to be carried forward	207.66	126.79	112.93	55.82

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. We are happy to inform that during the year the Company has made an effort to develop a product suite that is useful for all Municipalities requirements. This year saw a raise in Offshore and Domestic revenue compared to last year. During the year company received refunds from Income Tax Department that were contested in the Appellate Authorities by the Income Tax Department. Additionally, the Company continued to receive income from surplus office premises as rental income.

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

- Total revenue during the year **2012-13** amounted to ₹ **447.93** million as compared to ₹ 312.99 million during the previous year. Total revenue is comprised of revenue from operations and other income, as follows.
 - Revenue from operations for the year ended **March 31, 2013** amounted to ₹ **340.11** million as against ₹ 256.79 million for the previous year. Operating revenue includes both software support and development activities. Revenue is increased by 32.45% due to increase in domestic business in India as well as Offshore business.
 - Other Income amounted to ₹ **107.82** million as against ₹ 56.19 million for the previous year.
- Profit before interest, depreciation and tax amounted to ₹ **178.79** million against ₹ 86.55 million in the previous year. Thus, Profit before interest, depreciation and tax increased by whopping 106.57%

REVIEW OF CONSOLIDATED PERFORMANCE

On a Consolidated basis, the Company reported total revenue of ₹ **752.14** million during the year as compared to ₹ 573.58 million during the previous year.



CyberTech Systems and Software Limited

Profit after tax for the year ended March 31, 2013 amounted to ₹ **88.07** million compared to ₹ 48.21 million in the previous year. Consolidated Net profit after Tax increased by 82.67%

CyberTech is on major growth path. The Company has grown its GIS and India Business substantially over the past 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 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 as well as big foray in to Domestic GIS market.

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 Report.

WHOLLY OWNED SUBSIDIARY IN USA

The Company owns a 100% interest in CyberTech Systems and Software Inc., USA (also known as "CSSI") incorporated on June 12, 2003 in the state of Delaware in the United States of America, whose results are consolidated herein.

CyberTech Systems and Software, Inc. (USA) reported an operating loss of ₹ **14.43** million before interest, depreciation and tax on revenue of ₹ **606.92** million. The net loss after tax aggregated to ₹ **24.14** million.

The Company is taking steps to increase the revenue of CyberTech Systems and Software, Inc. (USA) and the management is of the opinion that it will be able to wipe off the accumulated losses of CyberTech Systems and Software, Inc. (USA) gradually.

SUBSIDIARY IN THE MIDDLE EAST

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 business differences between the partners of CyberTech Middle East WLL, Bahrain, the Company has filed a suit against its partner in the Country of Bahrain and hence CME is non operational. During the current year the company has filed an arbitration settlement in the London Courts.

However, to comply with the Indian Laws, the Company appointed M/s. Hemant Mahajan and Associates, Chartered Accountants of Thane as Auditor to Audit the Accounts of CyberTech Middle East W.L.L., Bahrain for the Financial Year 2012-13.

SUBSIDIARY COMPANIES' ACCOUNTS

The statement required pursuant to section 212 of the Companies Act, 1956, containing details of the subsidiaries, CSSI and CME is attached hereto.

BUSINESS OPERATIONS OVERVIEW AND OUTLOOK

The company has been exploring new areas which have the potential growth to Company's business and recently has come up with an application catering to various Municipal offices of Local Government.

CyberTech's India Business Unit, on Friday, 17th May 2013, announced the launch of GeoCivic™, its GIS-based application suite. GeoCivic™ is a comprehensive suite of GIS applications, designed to help Local Governments, leverage geographic intelligence for optimum civic planning and development.

The launch, held at the Trident, Nariman Point, Mumbai, was a success with the presence of many senior dignitaries from leading Local and State Governments across the country. Highly informative sessions delivered by CyberTech's leadership and product teams threw light on how Indian Local Governments can leverage GeoCivic™ to drive their mission-critical governance objectives.

The event also boasted of a very impressive list of guest speakers, including some of the very prominent Senior Indian Government Delegates and Global Technology Thought Leaders. The event marked the beginning of CyberTech's journey in India as a market-driven, IP-centric technology solutions provider. The company believes that this product suite will be major factor for the company's future business growth.