

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.

Contents

Sr. No.	Particulars	Page No.
1.	Chairman's Letter to Shareholders	2
2.	Notice of Annual General Meeting	4
3.	Directors' Report	8
4.	Management Discussion and Analysis	16
5.	Auditors' Certificate on Corporate Governance	22
6.	Report on Corporate Governance	23
7.	Auditors' Report	31
8.	Balance Sheet	34
9.	Profit and Loss Account	35
10.	Cash Flow Statement	36
11.	Schedules and Notes forming part of Balance Sheet and Profit and Loss Account	38
12.	Auditors' Report on Consolidated Financial Statements	53
13.	Consolidated Balance Sheet	54
14.	Consolidated Profit and Loss Account	55
15.	Consolidated Cash Flow Statement	56
16.	Schedules and Notes forming part of Consolidated Balance Sheet and Consolidated Profit and Loss Account	58
17.	Statement pursuant to section 212	69
18.	Accounts of Subsidiary Company- CyberTech Systems and Software Inc., (USA)	70



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, Wagle 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, Wagle 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.

Profit after tax for the financial year ended March 31, 2011 amounted to ₹ 13.80 millions compared to ₹ 18.67 millions in the previous year. The Consolidated profit was lower due to the fact that the market for IT services continues to be highly challenging and volatile in the US and the public sector is also reducing their spending levels as budgets are strained.

The consolidated group continues to focus on delivering services to its identified market segments in its core technology areas. Its sales and delivery organizations have been aligned to an offshore centric model.

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 of Consolidated Results.

WHOLLY OWNED SUBSIDIARY IN USA

The Company owns a 100% interest in CyberTech Systems and Software, Inc., 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 ₹ 29.88 millions before interest, depreciation and tax on revenue of ₹ 368.56 millions. The net loss after tax aggregated to ₹ 34.52 millions.

The Company is taking steps to selectively grow the business of CyberTech Systems and Software, Inc. (USA) and management is currently of the opinion that it will be able to gradually reverse the accumulated losses of CyberTech Systems and Software, Inc. (USA).

SUBSIDIARY IN THE MIDDLE EAST

CyberTech Systems and Software Ltd. (CSSL) formed a Subsidiary Company in Bahrain viz, CyberTech Middle East W.L.L., Bahrain along with a joint venture partner, during the year 2008 in order to explore business opportunities prevailing in the region. CSSL holds 55% share of the Subsidiary Company.

During the year under review, there has been an ongoing disagreement between the partners regarding management and direction of the joint venture, as well as a redirection of activities by our joint venture partner. Recently CyberTech Systems and Software Ltd. is finding different avenues including legal course of action to resolve the issue.

Since the Audited Accounts of CyberTech Middle East W.L.L, Bahrain were not available, the same could not be placed before the Board. Your Directors therefore, applied for an exemption from the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 for not attaching the accounts of the said subsidiary in the Annual Report of the Company.

SUBSIDIARY COMPANIES' ACCOUNTS

The statement required pursuant to section 212 of the Companies Act, 1956, containing details of the subsidiary, CyberTech Systems and Software Inc, USA is attached hereto. The details of CyberTech Middle East W.L.L., Bahrain are not attached as the Company has made an application for an exemption under Section 212(8) of the Companies Act, 1956.

INCREASE OF AUTHORISED CAPITAL

During the year under review, Company has increased its Authorised Capital from ₹ 30,00,00,000/- (₹ Thirty Crores only) to ₹ 36,00,00,000/- (₹ Thirty Six Crores only) divided into 3,60,00,000 Equity Shares of ₹ 10/- each pursuant to a special resolution passed in the 15th Annual General Meeting in order to explore any investment opportunities of the Company in future.

DIVIDEND

Your Directors have the pleasure of recommending a dividend of ₹ 1 per equity share for the year under review.

BUSINESS OPERATIONS OVERVIEW AND OUTLOOK

The Company maintains its focus on both Enterprise and Public Sector Clients in the area of SAP, GIS Technologies and Custom Technology applications. It maintains strong relationships and alliances with its partners such as SAP, CISCO and ESRI which will continue to lead to Business and revenue growth and improve profitability with a continued focus on offshore revenue as soon as the Global Market improves



in future. Although we expect that due to economic down turn and political crisis in USA, the market place in USA may remain weak and recover slowly but the strong alliances are expected to help the Company to attain Business revenue growth and improve profitability with a continued focus on offshore revenue in future.

The Company will also continue to maintain its focus on its ESRI Alliance Partnership which has helped the Company in gaining a presence in the Geographic Information Systems(GIS) Practice. The Company is proud to be one of the ESRI's main partners and expects to continue to provide a variety of GIS services to its clients worldwide.

The Company has not kept up with Industry growth trends, primarily due to economic down turn coupled with decreased spending in the US public sector and increased pressure by the Government to reduce the number of foreign IT Workers. As a result there was a corresponding decrease in activity at several of our large clients. US Market conditions continue to soften making it harder to locate new development opportunities and these actions do not forecast a quick turn around in the US Market. However, the Company continues to take all reasonable steps to reduce and optimize costs to improve profitability. Focus remains on expanding the benefits from our Alliance partners and creating offshore opportunities where relationships are of a long term nature and recurring services can be provided at a lower cost.

The spending for GIS Solutions are seeing a change in trend. The use of GIS in US as well as in Indian Market for solutions and service reaching out to end users seen an upward trend. The penetration of mobile networks and smart phones like Apple, iPhone and Android based phones help change the GIS usage across the world. The future of GIS is going to move our Enterprise space to retail / customers space during the coming years. With Cloud computing gaining momentum this will be a reality soon.

In view of the foregoing, the Company is making all efforts to improve its bottom line in the ensuing year.

FIXED DEPOSITS

The Company did not accept any fixed deposits during the year within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

GENERAL

The Management Discussion and Analysis Report reviews the operations of the Company in more detail and forms a part of this Annual Report.

GROUP STRUCTURE

As required under clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting Group (within the meaning and as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid SEBI Regulations are given in Annexure A attached herewith and forms a part of the Report.

CORPORATE GOVERNANCE

As per the Listing Agreement with the stock exchange(s), the Company has complied with the requirements of the Corporate Governance provisions of the Agreement. A report on Corporate Governance is attached with this report.

HUMAN RESOURCES

The Company has a vibrant work atmosphere and also has a dedicated team of skilled work force who has been able to mitigate the challenges of the economic downturn. Over the years the Company has built up a dedicated workforce with team spirit and they are motivated to face any challenges and achieve the desired targets to improve the operations of the Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Viswanath Tadimety and Mr. Anant Rajwade, Directors of the Company retire by rotation at the ensuing Annual General Meeting. Mr. Viswanath Tadimety offers himself for re-appointment. Mr. Anant Rajwade has expressed his inability to offer himself for re-appointment. The Company places on record the enormous support and guidance provided by Mr. Anant Rajwade over the years. The Chairman is personally grateful for Mr. Rajwade's counsel, consistency and professionalism in conducting CyberTech corporate affairs.

During the year Mr. C. N. Rao, Executive Director of the Company tendered his resignation on October 8, 2010. The Board inducted Mr. Radhakrishna Pingali as Whole Time Director on October 11, 2010. Mr. Pingali tendered his resignation on February 11, 2011 for health reasons. The Directors wish to place on record their appreciation for the services rendered by Mr. C. N. Rao and Mr. Radhakrishna Pingali during their tenure as Executive Director/Whole Time Director. The Board then appointed Dr. Tapan Kumar Mukhopadhyay as Whole Time Director of the Company on March 15, 2011 subject to the approval of the shareholders in the ensuing Annual General Meeting.

Also during the year under review, the Board of Directors appointed Mr. Sudhir Joshi and Dr. Shreepad Karmalkar as Additional Directors on September 30, 2010 to hold their offices as such until the conclusion of the ensuing Annual General Meeting, unless they are reappointed by the members in the Annual General Meeting. Mr. Sudhir Joshi and Dr. Shreepad Karmalkar have given their consent to act as Directors, if appointed by the members.

Necessary resolutions for appointment of Mr. Sudhir Joshi and Dr. Shreepad Karmalkar as directors have been included in the Notice convening the ensuing Annual General Meeting.

During the year Mr. Sudhir Joshi was nominated by the Board as Director on the Board of CyberTech Systems and Software Inc, USA, which is a wholly owned subsidiary of our Company.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274(1) (g) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards were followed and proper explanation relating to material departures was given.
- ii) the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Lodha & Co., Chartered Accountants, Mumbai, the Statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting and are recommended by the Board for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, will be within the limits as stipulated under Section 224(1B) of the Companies Act, 1956. The members are requested to consider appointment of M/s. Lodha & Co. as Statutory Auditors at the ensuing Annual General Meeting.

The comments made by the Auditors in their report are self-explanatory and do not call for further explanation.

PARTICULARS OF EMPLOYEES

There were no employees in receipt of remuneration during the year requiring disclosure under section 217 (2A) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure B to this Report.



EMPLOYEES STOCK OPTION PLAN

The position of ESOP's granted and exercised during the year is as under:

Number of options granted:	During the year under review 1,025,000 options were granted.
Pricing formula:	Not Applicable
Options vested:	A total of 187,500 options vested during the year.
Options exercised and number of shares arising out of such exercise:	No grantee exercised options during the year.
Options lapsed:	During the year 69,000 options lapsed.
Variations in terms of options:	There was no variation in the terms of options.
Money realized on exercise of options:	Nil
Total Number of options in force:	Total number of 2,046,750 options were in force as on March 31, 2011.
ESOPs granted to senior managerial personnel:	For the year ended March 31, 2011, the Company granted 200,000 options to Senior Managerial Personnel. Further for the year ended March 31, 2011, the Company did not grant more than 1% of the issued capital of the Company to any one person as of the date of grant.

Method of Accounting

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company, Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option.

Summary of the options outstanding under the Employees Stock Option Plan(ESOP):

	As at March 31, 2011		As at March 31, 2010	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	1,090,750	12.86	1,102,300	13.03
Granted during the year	1,025,000	16.69	200,000	12.95
Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	69,000	13.74	211,550	17.16
Options outstanding at end of year	2,046,750	14.96	1,090,750	12.86
Vested options pending exercise	761,750	12.91	597,000	12.78

The following summarizes information about stock options outstanding:

As at March 31, 2011

Range of Exercise price	Number of Shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	899,250	4	11.92
₹ 15 to ₹ 23	1,147,500	6	17.33

As at March 31, 2010

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	883,250	4	11.59
₹ 15 to ₹ 23	207,500	7	18.28

Fair Value methodology for the option:

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹ 7.55 to ₹ 22.90 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at March 31, 2011	As at March 31, 2010
Dividend yield	0-10%	0-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46% - 6.65%	6.46% - 6.65%
Expected life of option	0 - 7 yrs	0 - 7 yrs

Impact of Fair value method on Net Profit and EPS

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit income and earnings per share would have been, as indicated below:

	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
Profit attributable to Equity Shareholders	47,600,129	43,848,149
Add: Stock-based employee compensation expense included in net income	-	-
Less: Stock-based compensation expense determined under fair value based method	369,015	364,044
Net Profit	47,231,114	43,484,105
Basic and diluted earning per share (as reported)	1.80	1.66
Basic and diluted earning per share (under fair value method)	1.78	1.65

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and sincere gratitude to the various departments of the Central and State Government, Company's Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors also record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Viswanath Tadimety
Chairman

Place : Thane

Date : August 12, 2011



ANNEXURE A TO THE DIRECTORS' REPORT

List of companies/persons constituting the Viswanath Tadimety Group coming within the definition of the 'group' as defined under the Monopolies and Restrictive Trade Practices Act, 1969, and controlling the Company, include the following:

1. Mr. Viswanath Tadimety
2. Ms. Sukhada Tadimety
3. Ms. Amogha Tadimety
4. Red Banyan Holdings LLC
5. Tadimety Ramachandra Rao and Tadimety Jyoti
6. Shanta Radhakrishna Shanbhag and Radhakrishna Shrinivas Shanbhag

For and on behalf of the Board of Directors

Viswanath Tadimety
Chairman

Place : Thane
Date : August 12, 2011

ANNEXURE B TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the Year ended March 31, 2011.

CONSERVATION OF ENERGY:

Since the Company is engaged in the manufacture of Computer Software Development and other related activities, furnishing of details pertaining to conservation of energy are not applicable.

a.	Energy conservation measures taken:	The computer systems installed are designed for low power consumption.
b.	Additional investments and proposals, if any, being implemented for reduction of energy:	Nil
c.	Impact of measure in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:	Not Applicable
d.	Total energy consumption and energy Consumption per unit of production:	Not Applicable
TECHNOLOGY ABSORPTION:		
e.	Efforts made in technology absorption:	Not Applicable
FOREIGN EXCHANGE EARNINGS AND OUTGO:		
f.	Activities relating to exports initiative taken to increase exports, development of new exports, development of new export market for products, services and export plans:	As detailed in the Report
	Statement of expenditure/earnings incurred in Foreign Currency:	
	Outgo (Dividend)	₹ 9,284,389/-
	Outgo (Travel Expenses)	₹ 138,945/-
	Income	₹ 150,004,909/-

For and on behalf of the Board of Directors

Viswanath Tadimety
Chairman

Place : Thane
Date : August 12, 2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. Management of CyberTech Systems and Software Limited (the "Company") accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used in the preparation of the financial statements, for which estimates have been made on a prudent and reasonable basis.

The Company is an Information Technology services provider, delivering its services to customers primarily in the USA, India and Middle East, with focus on several core software technology applications including SAP's Enterprise Suite and ESRI's Geographical Information Systems ("GIS"), as well as Network Planning and Design and Custom Software Application Development. The Company continues to focus on delivering its development and support projects on an offshore basis. As the bulk of its services are currently delivered in other countries, the Company remains subject to the effect of changes in the relative values of the respective country currencies.

The Company has also invested its capital in its real estate holdings, its wholly owned subsidiary in the United States and in its joint venture Company in the Middle East. The Company realizes substantial rental income from its real estate holdings.

Results discussed herein include consolidated results for the Company, including its wholly owned US subsidiary.

B. Company Operations

CyberTech is a global information technology firm providing professional consulting services in the following practice areas:

- **SAP - ERP application providers** (including Implementation, Upgrade and Post Implementation Support Services)
- **Geographical Information Systems** - based on ESRI software technologies (Geo-database Creation, Municipal GIS Application Development, Enterprise GIS Application Development, Integration, Implementation Post Implementation Support)
- **Network Services** - based on Cisco Systems technologies (including planning and design services, public safety solutions, data center support and Cisco support services)
- **Custom Software Development and Support - including Microsoft, Oracle and IBM** (Application Development, Integration and Maintenance)

The Company maintains *Advanced Technology Centers* ("ATC's") for the training, development and support of SAP, ESRI, Cisco and Microsoft technologies. Operations of the Company are completely integrated with those of its US subsidiary. The Company performs delivery management including offshore development and support, finance and administrative functions for the consolidated group. CyberTech Systems and Software, Inc. (USA) (also known as "CSSI") is the wholly owned US subsidiary of the Company formed in June 2003. This Subsidiary focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities. CSSI focus is to sell both on-site and offshore services in the practice areas mentioned above. The Company also holds 55% interest in CyberTech Middle East W.L.L. (also known as "CME"), its joint venture Company in Bahrain formed in August 2008. The joint venture focuses on providing GeoSolutions to customers in the Middle East.

During the year under review, there has been a disagreement between the Company and our minority partner regarding projects on which both the partners spent their considerable time and energy. Recently CyberTech Systems and Software Ltd. has been pursuing different avenues to resolve the issue.

Since the Audited Accounts of CyberTech Middle East W.L.L, Bahrain were not available, the same could not be placed before the Board. Your Directors therefore, applied for the exemption from Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 for not attaching the accounts of the said subsidiary in the Annual Report of the Company.

Market Segments:

The Company's consolidated customer base can be classified into two groups:

Commercial Sector:

This group includes all commercial organizations in the US and elsewhere. The Company targets the SME (small and medium sized businesses up to several Bn \$) market sector as well as Enterprise (Global) corporations. We believe this market holds significant potential

for Company growth, largely driving offshore business for the Company. This marketplace represents approximately 78% of the Company's business.

Public Sector and Utility Companies

This includes national, state and local governments, non-profit entities and utility companies, primarily in the US. The Company has several large public sector and utility customers that comprise a significant portion (approx. 22%) of the Company's business. Although these services typically are not delivered in an offshore format, there is a significant market due to our experience and depth of expertise in areas useful to public sector and utility clients. Current market focus is to additionally deliver services in this segment in the domestic market as well as in the Middle East.

Practice Areas:

The Company's technology focus is in the following practice areas:

- **SAP**
- **GIS (primarily using ESRI, Inc. technologies)**
- **Network Services**
- **Custom Applications (including Microsoft and IBM)**

CyberTech differentiates itself with its proprietary Advanced Technology Center (ATC's) maintaining the latest software environment for each of the technology focus areas. Our ATCs are used for the following:

- Development and support services that we provide from offshore.
- Development of end-to-end solutions and proprietary tools for our various practice areas.
- These tools become solutions showcasing our capabilities in the relevant technologies and aid our development efforts.
- Training for our consultants to use these solutions and tools as part of our value added services by updating their individual skills.

*** SAP Practice:**

The Company's SAP Practice is focused on Implementation, Upgrade and Post Implementation support services. Post implementation services include SAP BASIS administration, Functional Help Desk and ABAP Development and Integration.

Key differentiators in our SAP services include

- *SAP Life Spectrum Services:* Ability to provide end to end services covering the life cycle of SAP services, including Implementation, Upgrades and Post Implementation services.
- *Fixed Price/ Fixed time Implementations and Upgrades:* Delivering to a fixed price / fixed time implementation schedule which is key to most implementations and upgrades, especially in our focus market segment Small and Medium Businesses.
- *Competitive Pricing:* Offshore centric implementation, upgrade and post-implementation support helping to reduce cost and increase productivity.

During the year Company has made advances into the Indian market and have penetrated in some major long term accounts. The SAP practice foothold is getting stronger through the innovative offering "CyberOpar" that the SAP practice has evolved over years of experience. The response to the "CyberOpar" offering in local as well as overseas market has helped increase in customer base significantly.

- *CyberServe:* Using the expertise on SAP and GIS technologies Company has come up with an integration product that can leverage the strengths of GIS front end with SAP. The initial response from market is very encouraging.

*** GIS (Geographical Information Systems) Practice:**

The Company's GIS practice is focused on providing GIS assessment services, Geo-database creation services, application development, integration and maintenance services, primarily utilizing ESRI Technologies and Company is also authorized to resell ESRI Licenses in India for the end users.

The Company's GIS differentiators include the following:

- Functioning as part of the various development, professional services and support teams within ESRI. This helps us obtain insight into ESRI technologies, which in turn helps us provide leading edge technology services to our customers.
- Developing specialized applications and templates for ESRI using Arc GIS as the core platform.
- Maintaining a core custom technology focus (in Microsoft, IBM, Oracle and middleware technologies) that translates to application development, integration and support work in a GIS environment.
- Maintaining a strong focus on SAP-ESRI integration, a strategic differentiator that supports us in our customer base maintaining both SAP and ESRI technologies.



- Offering Turn-key Solutions in the Municipal GIS, E-governance and Enterprise GIS space in India, allowing agencies to focus on solutions to their operations provided from a Geographical viewpoint. This includes Public Safety and Emergency Response solutions to Governmental Agencies.

During the fiscal year, Company's GIS practice has shown considerable advancement in offshore development, testing, integration and support contracts. Blending core GIS technology experience with our Custom Technology group experience brings a considerable maturity to our go-to market strategy for GIS.

The steps taken by Company to spread it's wings in Indian market has started bearing fruits. Company has been successful in implementing GIS projects in the government sector and creating it's own niche space.

CyberTech is an **ESRI Business Partner in India and US**. CyberTech has also invested in joint development work with ESRI in building solutions for various industries segments, which leverage GIS technologies.

* Network Services

CyberTech is leveraging its expertise in network planning, design and support by re-establishing its networking initiative. The practice will focus on addressing Infrastructure challenges and its solutions will cover Infrastructure, Unified Communication, Wireless, Security and Data Centre. The practice will also focus on next generation solutions such as Intelligent Automation, Public Safety and Geo Intelligence.

* Custom Application Practice:

Custom Technologies Practice offers services in Software Application Development, Maintenance, Support, Modernization and Migration using Microsoft, SUN, IBM, and Oracle technologies. The support services are primarily annuity based development and contracts that are delivered offshore from the ATC. CyberTech is focusing heavily on leading technologies including Enterprise Architecture Integration Services (EIA), Business Intelligence Services (BI) including data mining and data warehousing and Service Oriented Architecture (SOA).

CyberTech is a Microsoft and IBM partner and has largely leveraged the custom technology expertise to its advantage in the SAP and GIS practice areas.

C. Industry Structure & Developments:

Last fiscal has shown improvements post the economic meltdown of previous year. The world economy showed both sign of improvement and resilience at times. The general trend of cautiousness still remains intact. The change in economic scenario calls for innovation and frugality at the same time, forcing corporate to focus on their core competencies and outsourcing non core functions. The trend of offshoring contract getting coupled with services and infrastructure outsourcing continues to hold good. Continuous improvement and competitive environment has made offshore service provider matured bringing more value to the corporate in not only reducing the cost, but improving quality and flexibility of scheduling the activities to meet market demands. Offshoring from corporates of all sizes have increased during the year. However, offshore business from governments has seen sluggish.

The Company provides the majority of its services, on a consolidated basis, in the United States. The Company's share of services delivered from offshore has continue to increase due to the Company's focus on aligning its sales and delivery organizations to an offshore model. The innovation and productization strategy of the Company has helped create momentum to the sales cycle.

Indian economy meanwhile continues to show growth. The Indian market has shown signs of increased spending lead by government policies and various schemes to improve the IT infrastructure of governments.

GIS, in India, the momentum is continued to be picking up and all the rhetoric is transforming into reality. This is largely attained due to government focus on use of GIS and large initiatives like R-APDRP, JNNURM and NLRMP but this is just the start. US GIS market had seen growth in 1980s on account of parcel digitizing (sort of subset of our NLRMP) and in 1990s on account of large AM/FM conversion projects. For India, both growth shots are administered at the same time. Landscape of competing companies is also changing very quickly with several large Indian IT companies showing interest in Indian GIS projects.

D. Opportunities & Threats:

Opportunities:

India continues to maintain it's status as a preferred location for outsourcing. The factors contributing to India's dominance are: Quality of Delivery- India has a number of companies with quality certifications including SEI – CMM level 5

- 1) Cost advantage – India maintains a significant advantage in terms of cost of delivery while global companies are looking to reduce their cost of IT operations;
- 2) Availability of skilled resources – there is a very large availability of highly skilled and English speaking resources; and
- 3) Substantial growth in Indian IT / GIS market due to government policies and various schemes to improve the IT / GIS infrastructure of governments.

Information Technology support services remains an increasingly competitive business environment. With the change in emerging technology areas, companies have become dependent on technology not only for day-to-day operations, but also for the use of technology as a strategic tool to enable them to re-engineer business processes, restructure operations, ensure regulatory compliances, etc. As systems continually become more complex, companies increasingly turn to external IT services provider to develop & implement new technologies & integrate them with existing applications in which companies have made considerable prior investments. Additionally, many companies continue to explore methods to reduce their cost of IT operations. This provides an opportunity for providers to support and integrate Company IT systems on an ongoing basis. The Indian IT Industry becomes a powerful tool used by companies to reduce their costs.

CyberTech has Alliance partnerships with several leading technology companies including SAP, ESRI, Cisco and Microsoft. The Company is well positioned to take advantage of opportunities provided by these alliance partners. These technology alliance partners expect to see major technology opportunities for their customers in the United States.

CyberTech continues to focus as a priority on obtaining and providing offshore sourced services for its customers. Any increase in offshore related services should have the effect of increased Company margins and profitability and increased longevity of business contracts. The Company intends to continue to grow its share in existing clients. This has the supplemental effect of reducing the cost of overhead and delivery cost.

Threats:

The continued economic uncertainty of the current worldwide markets makes the future less predictable than in the past due to the current demand environment. Worldwide IT spending growth has significantly reduced with budget cutbacks on IT spending by customers, buyers in "wait and watch" mode, government units significantly cutting budgets to match expected revenue shortfalls and delayed decision making. Reduction in new client additions, absence of large deals, vendor consolidation, downsizing for greater efficiencies and cost savings as well as pricing pressures in both onsite and offshore realization put greater pressures on revenues and margins in the last fiscal year and are expected to track lower for some time.

The US market continues to be under increasing pressure from general economic conditions as growth diminishes. US spending on off-shoring services has slowed in the face of these market conditions as well as the adoption of protectionist measures by policy makers. CyberTech is also subject to the threats of competing against much larger International IT service providers, the large global Indian IT service providers and more entrenched US and Global System integrators, many of which also provide services to established markets on an offshore basis. The good news is that, global sourcing is expected to increase as focus on cost and 'value' increases with buyers "stretching the dollar" to include greater value delivery.

As with other Indian IT Services companies, other general threats to the business continue to include competition among Information and Technology units in India for talented people, which has resulted in rising employee compensation packages and shrinking margins available to IT Companies. We are also seeing a potential backlash in the US from the increasing loss of employment due to outsourced services overseas, resulting in an impact on the country's immigration enforcement procedures.

E. Outlook, Risks & Concerns:

Outlook:

The Company maintains its focus on the Public sector and Enterprise SAP and GIS custom technology applications. It is expected that its strengthened relationships and alliances with partners such as SAP, Cisco and ESRI will continue to lead to business and revenue growth and increasing profitability with a continued focus on offshore revenue as and when the global market improves.

The Company will continue to maintain its focus on its ESRI alliance partnership, which has helped in gaining a presence in the Geographic Information Systems (GIS) practice. The Company is proud to be one of ESRI's main partners & expects to continue to provide offshore support from India to ESRI in building and supporting their applications.

The Company has not kept up with industry growth trends, primarily due to decreased spending in the US public sector and a corresponding decrease in activity at several of our large clients. Additionally, the absorption of new customers in the targeted SAP small/medium client base has not grown as expected. US market conditions continue to soften making it harder to locate new development opportunities. The Company intends to continue to grow its offshore business while exploring new opportunities domestically. New opportunities will focus on leveraging our US public sector expertise and delivering our market solutions and products to these markets. Companies continue to look for specialized expertise and cost saving methods, both of which are provided by the Company.

The Company's US subsidiary generated a loss after tax during the year. The Company has been impacted by the worldwide slowdown in discretionary IT spending which has impacted several of our targeted sectors. Due to this slowdown, our clients and many other companies are deferring the implementations of new systems and other discretionary spending. The new paradigm has become one of "reducing the total cost of ownership including the ongoing maintenance and support of IT systems". This has especially affected the SAP market with a significant drop in the sale of new SAP licensed in the current year and lowered



expectations of the ongoing cost of maintaining systems. The Company has focused its efforts on driving cost effective support offerings resulting in improved offshore revenue while realizing a detriment to onsite business. This coupled with reduced spending in the public sector and increased pressure by the government to reduce the number of foreign IT workers has negatively impacted growth in the United States. These actions do not forecast a quick turnaround in the US market. The Company continues to take all reasonable steps to reduce and optimize costs to improve profitability. Focus remains on expanding the benefits from our alliance partners and creating offshore opportunities where relationships are of a long term nature and recurring services can be provided at a lower cost.

The spending for GIS solutions are seeing a change in trend. The use of GIS in US as well as Indian market for solutions and service reaching out to end users has seen an upward trend. The penetration of mobile networks and smart phones like Apple iPhone and Android based phones help change the GIS usage across the world. The future of GIS is going to move our Enterprise space to Retail / Consumer space during the coming years. With Cloud computing gaining momentum this will be a reality soon.

Risks and Concerns:

In addition to those general risk items identified as “Threats” to the Company above, additional risks and concerns include, but are not limited to, the following:

- **Lack of diversification:**

The Company's potential for growth is driven by one market segment, namely IT services, with a focus on several technology areas. Company management has purposely remained focused in the near term as opposed to spreading its manpower too thin to achieve its goals.

- **Excessive dependence on one geographic segment:**

A large percentage of Company's revenue comes from US. A heavy dependence on this one geographic segment could lead to volatility because of the economic and political situation there. The Company has forayed into the local Indian market apart from the operations established in Middle East last fiscal.

- **Reliance on few customers for a significant amount of revenue:**

A significant portion of Company revenue is earned from few customers as discussed in the Notes to the financial statements. In most of these cases, revenue and the relationship with these customers continues to grow and provide the opportunity for future growth; however, loss of one of these customers could have a significant impact on the Company.

- **Legal and Statutory Risks:**

The Company's international operations are subject to local market legal and statutory risks including compliance with local laws and regulations, one of which is compliance with immigration laws and regulations, which may change from time-to-time. Other risks include contractual risks when delivering complex technology solutions. As of the date of this report, the Company is not aware of any noncompliance with local laws or regulations that would have a material impact on the financial statements.

- **Loss of Rental Income:**

Rental income represents a substantial component of the Company's profit and is generated from a limited number of parties on mainly short-term leases. Loss of one or more tenants in the short term could have a significant impact on profitability.

- **Dispute with partner:**

The Company is investigating actions against its joint venture partner in CyberTech Middle East W.L.L. Bahrain. Continuing this dispute reduces the short term opportunity for new business in the Middle East region.

- **Liquidity Risks:**

Company liquidity is dependent on timely collection of its accounts and continued growth in its business. Based on the utilization of available real estate assets, proceeds from the sale of the joint venture investment and the growth in business operations coupled with cost controls, the Company expects to continue to have adequate liquidity in the near term. The Company believes it has adequate and dependable resources to meet its liquidity needs, including the ability to raise short term debt, and manage the ongoing mismatched cash flows inherent in a consulting business.

- **Risk of attracting and retaining of IT Professionals in a highly competitive environment:**

In the IT services industry, people are the most valuable assets. Attrition of the key technical talent is one of the major risks. The Company reviews its compensation policies regularly to determine that compensation is competitive with the market

conditions. The Company also determines that there is a defined career path for all employees and the work environment provided to all employees is of very high standard.

- **Cost Management**

The major cost factor in IT business is linked to manpower cost. The persistent inflation in India raises risk of growing employee cost as well as related infrastructure cost. The increasing competition and talent acquisition cost will have impact on margins as the growth rate in revenue and cost will have mismatch. The Company continues to explore options to manage the cost through improving its ability to source favorable cost talents, capacity utilization and remain focus on reusability of available talent.

- **Currency Risk:**

The changes in currency rate between Indian Rupees and US dollars have been a major cause of concern. The fluctuation of rates coupled with the shocks emerging from various parts of the world relating to the economic meltdown has increased the currency risk. The Company has tried to protect itself through various measures using available financial instruments from time to time.

- **Pending disputed tax matters:**

The Company has disputed certain demands of tax in respect of AY 1997-98 through AY 1999-2000. However, as a precaution, full provision was made for tax and interest and substantial amounts were paid to the Tax Department in earlier years. The Company continues to pursue all options available in the pending disputes relating to the matters of income tax and service tax.

The Company may from time to time make additional forward looking statements, estimates and reports to its shareholders. Actual events and results may differ.

F. Internal Control System & their Adequacy:

The Company believes it has an adequate system of internal controls commensurate with the size of operations & the nature of business. The internal control systems lay down policies, authorization & approval procedures. Regular internal audits & checks ensure that the responsibilities are executed effectively. The Audit Committee checks the adequacies of control measures. Management suitably implements the suggestions & recommendations of Audit committee, the Internal Auditors & the Statutory Auditors and reviews progress thereon. The adequacy of the Internal Control systems has been confirmed by the auditors under the Companies (Auditors' Report) Order, 2003.

G. Financial Condition:

The financial health of your Company indicates adequate and sustainable financial resources to meet with the needs of its business. The Company has no debt to service and is currently generating positive cash flow from its business.

The Company and/or its wholly owned subsidiary have,

- generated cash from its business,
- gained more productivity from its assets and properties,
- successfully resolved certain of its income tax liabilities and disputes and
- maintained its current dividend level.

The Company believes it currently has adequate and dependable resources to meet its liquidity needs, including the ability to raise short term debt, and manage the ongoing mismatched cash flows inherent in a consulting business.

H. Human Resource Management:

Headcount stands at 242 full time employees as at the end of the current fiscal year. The Company places major emphasis on providing a safe & healthy working environment to all its employees. The Company regularly reviews the performance of its employees and provides them job enrichment opportunities. The Company has a Stock Options Plan for eligible Employees / Directors. The Company holds regular programs to develop team spirit and to motivate its employees to perform better.

I. Cautionary Statement:

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or projections may be 'forward looking statements'. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments, particularly in the USA, & improvements in the state of Information Technology Services markets, changes in the Government regulations in India & USA, tax laws & other incidental factors.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO,

THE MEMBERS,

CyberTech Systems and Software Limited

We have examined the compliance of the conditions of Corporate Governance by CyberTech Systems and Software Limited ('the Company'), for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the Company the Stock Exchange in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has generally complied in with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For LODHA & COMPANY
Chartered Accountants

A. M. Hariharan
Partner
Membership No. 38323
Firm Registration No. 301051E

Place : Mumbai

Date : August 12, 2011

REPORT ON CORPORATE GOVERNANCE

We are pleased to submit hereunder a detailed report on Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement.

We have implemented the mandatory provisions on Corporate Governance stipulated under revised Clause 49 of the Listing Agreement with the Stock Exchanges

Company's Philosophy on Code of Corporate Governance

Since inception, CyberTech has been adopting best practices in the area of corporate governance as a means of effectively protecting and enhancing shareholder value. CyberTech continues to focus on delivering predictable revenues with consequential profits. It would be our endeavour to nurture sustained growth with increased profit margins and enhanced shareholder value. CyberTech believes that transparency in operations strengthens investors' confidence. Keeping this in view, the responsibility for upholding high standards of corporate governance lies with the Board and the various Committees of the Board. Details of corporate governance practices followed in CyberTech are detailed hereunder:

Board of Directors

Composition of the seven-member Board is as follows:

1	Mr. Viswanath Tadimety	Non-Executive Chairman and Promoter Director
2	Mr. Anant Rajwade	Independent Director
3	Mr. Sudhir Joshi #	Independent Director
4	Mr. Arun Shah *	Independent Director
5	Mr. C.N. Rao **	Executive Director
6	Mr. Radhakrishna Pingali \$	Whole Time Director
7	Mr. Prakash Kenjale	Independent Director
8	Dr. Shreepad Karmalkar#	Independent Director
9	Mr. Steven Jeske	Non-Executive and Non-Independent Director
10	Dr. Tapan Kumar Mukhopadhyay @	Whole Time Director

Appointed as Additional Director w.e.f. September 30, 2010

* Retired as Director in 15th AGM on September 30, 2010

** Resigned as Executive Director and Director w.e.f. October 8, 2010

\$ Appointed as Whole Time Director on October 11, 2010 and resigned as Whole Time Director and Director on February 11, 2011.

@ Appointed as Whole Time Director w.e.f. March 15, 2011

During the period April 1, 2010 to March 31 2011, the Board met five times. Dates of the Board Meetings and attendance thereat are furnished hereunder:

Date of Board Meeting	May 29,2010	August 4,2010	September 30,2010	November 2,2010	February 9,2011
Board Strength	6	6	5	7	7
No. of Directors Present	3	4	4	4	3

Attendance of individual Directors at the Board Meetings and last AGM :

Name of Director	No. of Board Meetings held during year	No. of Board Meetings attended	Attendance at last AGM
Mr. Viswanath Tadimety	5	2	Attended
Mr. Anant Rajwade	5	5	Attended



Mr. Arun Shah	5	2	Not Attended
Mr. Prakash Kenjale	5	Nil	Not Attended
Mr. Steven Jeske	5	2	Attended
Mr. C.N.Rao	5	3	Attended
Mr. Sudhir Joshi	5	2	Not Attended
Dr. Shreepad Karmalkar	5	1	Not Attended
Dr. Tapan Kumar Mukhopadhyay	5	Nil	Not Attended

Mr. Viswanath Tadimety , Mr. Steven Jeske and Mr. Prakash Kenjale joined deliberations on-line when not in station.

Data indicating number of other Directorships held by the Directors of the Company is given below:

Name of Director	PD/ID/WTD*	No. of other Directorship(s)**	Committee Membership***	Committee Chairmanship***
Mr. Viswanath Tadimety	PD	-	-	-
Mr. Anant Rajwade	ID	4	3	1
Mr. Sudhir Joshi	ID	-	-	-
Mr. Prakash Kenjale	ID	1	1	-
Dr. Shreepad Karmalkar	ID	-	-	-
Dr. Tapan Kumar Mukhopadhyay	WTD	1	1	-
Mr. Steven Jeske	NED/NID	-	-	-

*PD - Promoter Director, ID - Independent Director, WTD - Whole Time Director.

NED/NID - Non-Executive/Non-Independent Director.

** Excludes directorships on Indian Private Limited Companies, foreign companies and Companies incorporated under Section 25 of the Companies Act, 1956.

***As per clause 49 I (c) Chairmanships/memberships for Audit Committee and/or Share Transfer Committee have been considered.

Audit Committee

Composition of the Audit Committee

1	Mr. Anant Rajwade	Chairman
2	Mr. Arun Shah #	Member
3	Mr. Prakash Kenjale *	Member
4	Mr. Sudhir Joshi @	Member
5	Dr. Shreepad Karmalkar @	Member

Retired as Director in 15th AGM held on September 30, 2010.

* Member up to September 30, 2010.

@ Member w.e.f. September 30, 2010.

Members of the Audit Committee, who are also on the Board, possess adequate knowledge in areas of corporate finance, accounts and Company law.

The terms of reference of the Audit Committee, inter-alia, include:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Management discussion and analysis of financial condition and results of operations;
 - b. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - c. Changes, if any, in accounting policies and practices and reasons for the same
 - d. Major accounting entries involving estimates based on the exercise of judgment by management
 - e. Significant adjustments made in the financial statements arising out of audit findings
 - f. Compliance with listing and other legal requirements relating to financial statements
 - g. Disclosure of any related party transactions
 - h. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency for monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structural coverage and frequency of internal audit.
 9. Discussion with internal auditors on any significant findings and follow up there on.
 10. Reviewing the findings on matters of any internal investigations by the internal auditors where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism.
 14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

Four Audit Committee Meetings were held during the Financial Year 2010-11 on May 29, 2010, August 4, 2010, November 2, 2010, and February 9, 2011. Attendance of the Directors was as follows :

Director	No. of Committee Meetings attended
Mr. Anant Rajwade	4
Mr. Arun Shah	2
Mr. Prakash Kenjale	Nil
Mr. Sudhir Joshi	2
Dr. Shreepad Karmalkar	1

Remuneration Committee

Composition of the Remuneration Committee

1	Mr. Anant Rajwade	Chairman
2	Mr. Arun Shah @	Member
3	Mr. Prakash Kenjale *	Member
4	Mr. Sudhir Joshi #	Member
5	Mr. Viswanath Tadimety	Member
6	Dr. Shreepad Karmalkar %	Member

@ Retired as Director in 15th AGM held on September 30, 2010.

* Member up to September 30, 2010.



Member w.e.f. September 30, 2010

% Member w.e.f. February 9, 2011

The functions of the Remuneration Committee are:

- to recommend to the Board of Directors remuneration payable to Executive Director/Whole Time Director.
- to ensure that a proper system of compensation is in place;
- to devise and recommend to the Board, a Scheme for granting stock options to the employees of the Company; and
- to frame suitable regulations for ensuring proper administration and superintendence of the Employees Stock Option Plan (ESOP) Scheme. The Committee submits its recommendation to the Board of Directors from time to time indicating details of eligible employees to whom options under ESOP would be granted.

Three Remuneration Committee Meetings were held during the Financial Year 2010-11 on May 29, 2010, August 4, 2010, and March 15, 2011. Attendance of the Directors was as follows :

Director	No. of Committee Meetings attended
Mr. Anant Rajwade	3
Mr. Viswanath Tadimety	1
Mr. Arun Shah	2
Mr. Prakash Kenjale	Nil
Mr. Sudhir Joshi	1
Dr. Shreepad Karmalkar	Nil

Details of remuneration paid to the Directors, the Executive Director and Whole Time Directors for Financial Year 2010- 2011

Name	Designation	Salary ₹	Commission ₹	Sitting fees ₹	Total ₹	Notice Period
Mr. Viswanath Tadimety	Chairman	Nil	Nil	60,000	60,000	Nil
Mr. Anant Rajwade	Director	Nil	175,000	260,000	435,000	Nil
Mr. Arun Shah	Director	Nil	Nil	140,000	140,000	Nil
Mr. Prakash Kenjale	Director	Nil	Nil	Nil	Nil	Nil
Mr. C. N. Rao	Executive Director	1,147,039	Nil	Nil	1,147,039	3 months
Mr. Steven Jeske	Director	Nil	Nil	40,000	40,000	Nil
Mr. Sudhir Joshi	Director	Nil	Nil	1,00,000	100,000	Nil
Dr. Shreepad Karmalkar	Director	Nil	Nil	60,000	60,000	Nil
Mr. Radhakrishna Pingali	Whole Time Director	498,747	Nil	Nil	498,747	3 months
Dr. Tapan Kumar Mukhopadhyay	Whole Time Director	60,254	Nil	Nil	60,254	3 months

Shareholders'/ Investors' Grievance Committee

Present composition of the Investors' Grievance Committee is as under:

Sr. No.	Name	Designation
1	Mr. Sudhir Joshi #	Chairman
2	Mr. Steven Jeske ^	Member
3.	Mr. Anant Rajwade @	Member
4	Mr. Arun Shah **	Chairman
5	Mr. Viswanath Tadimety *	Member
6	Mr. C. N. Rao ***	Member
7	Mr. Prakash Kenjale *	Member
8	Dr. Shreepad Karmalkar #	Member
9	Dr. Tapan Kumar Mukhopadhyay ##	Member

Appointed as a Chairman/Member w.e.f. September 30, 2010.

^ Member w.e.f. September 30, 2010 till March 15, 2011.

@ Appointed as a member on May 29, 2010.

** Retired as a Director in 15th AGM held on September 30, 2010.

* Member up to September 30, 2010.

*** Member w.e.f. September 30 till October 8, 2010.

Appointed as a Member w.e.f. March 15, 2011.

One Investor Grievance Committee Meeting was held on May 29, 2010 during the Financial Year 2010-11 and attendance of the Directors thereat was as follows:

Director	Attended/Not Attended
Mr. Anant Rajwade	Attended
Mr. Arun Shah	Attended

The Board has authorized the Committee to approve the share transfers/ transmissions, issue of duplicate share certificates, review the status of investors' grievances and redressal mechanism and to recommend measures to improve the level of investor services. Details of share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time. The Board has delegated the authority to allot equity shares against the Stock Options exercised by the employees/ directors, granted to them under the Employees Stock Option Plan (ESOP) of the Company, to the Shareholders'/ Investors' Grievance Committee.

The Company has one investor complaint outstanding as on date, which is sub-judice.

Compliance Officer: Mr. Sateesh Wadagbalkar, General Manager and Company Secretary.

Exclusive e-mail id for Investor Grievances : cssl.investors@cybertech.com

General Body meetings

i. Location and time, where last three AGMs were held

Particulars	FY 2007-2008	FY 2008-2009	FY 2009-2010
Date & Time	September 30, 2008 4 P.M.	September 30, 2009 3 P.M.	September 30, 2010 3 P.M.
Venue	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate Thane (West)- 400 604	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate Thane (West)- 400 604	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate Thane (West)- 400 604

ii. Brief details of special resolutions passed in the previous three AGMs

On September 30, 2008, the following five special resolutions were passed.

- (1) Increase in remuneration granted to Mr. C.N. Rao, Executive Director.
- (2) Consent for Mr. Steven Jeske to continue to hold the office of Director in the subsidiary Company
- (3) Consent for Mrs. Sukhada Tadimety to continue to hold the office of Director in the subsidiary Company
- (4) Consent for Mr. Viswanath Tadimety to continue to hold the office of Director in the subsidiary Company
- (5) Consent for increase in aggregate number of shares that can be issued under ESOP 2007.

On September 30, 2009, no special resolution was passed.

On September 30, 2010, the following one special resolution was passed.

- (1) Increase in Authorised Capital of the Company

Disclosures

- (1) No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years.

(2) Related Party Transactions

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transaction as set out in notes to accounts, which do not have potential conflict with the interests of Company at large.

(3) Whistle Blower Policy

The Company has announced Whistle Blower policy to prohibit management from taking adverse action against employees



disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement or abuse of any authority.

(4) Disclosure of Accounting Treatment

The financial statements are prepared on accrual basis of accounting in accordance with Indian GAAP, provisions of the Companies Act, 1956(the Act) and comply in material aspects with the accounting standards, notified under section 211 (3C) of the Act read with the Companies(Accounting Standard) Rules, 2006.

(5) Model Code of Conduct for Directors and Senior Management Team

In line with the requirements under revised Clause 49 of the Listing Agreement, your Company has formulated model code of conduct for the Directors and members of senior management team. Your Company has obtained written declaration from the Directors and members of the senior management team affirming compliance with the Code of Conduct under revised Clause 49 of the Listing Agreement.

(6) CEO/CFO Certification

A certificate from Executive Director and General Manager Finance on the financial statements of the Company was placed before the Board.

(7) Directors Responsibility Statement

The draft Directors Responsibility Statement signed by Whole time Director dated May 27,2011 which is to be included in Board's Report for F.Y.2010-11 was reviewed by Audit Committee in its meeting held on May 27, 2011.

(8) Risk Management Policy

The risk management practices adopted by the management ensure that management controls risks. During the period under review following three types of risks were reviewed by the Audit Committee/Board.

- a. **Business Risk :** On May 27, 2011, Mr. Vishal Bargat gave presentation to Audit Committee and updated the Audit Committee members about the Company's Hyderabad Units business plan for F.Y.2011-12 and its associated risks.
- b. **Forex Risk :** The Company has adopted Forex Policy for management of forex risk which is implemented.
- c. **Interest Risk:** Audit Committee in its meeting held on August 4, 2010 directed the management of the Company to invest surplus funds of the Company specifically in liquid funds (Growth Option) taking into account after tax returns and liquidity.

(9) Compliance with mandatory requirements of clause 49 of Listing Agreement. The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement.

(10) Means of Communication

- (a) Quarterly results are also posted on the website of the Company.
- (b) Newspapers wherein results normally published: Free Press Journal in English and Navashakti in Marathi.
- (c) Any website, where displayed: [http:// india.cybertech.com](http://india.cybertech.com)
- (d) Whether it also displays official news release : Yes
- (e) The presentation made to institutional investors or to the analysts: No.

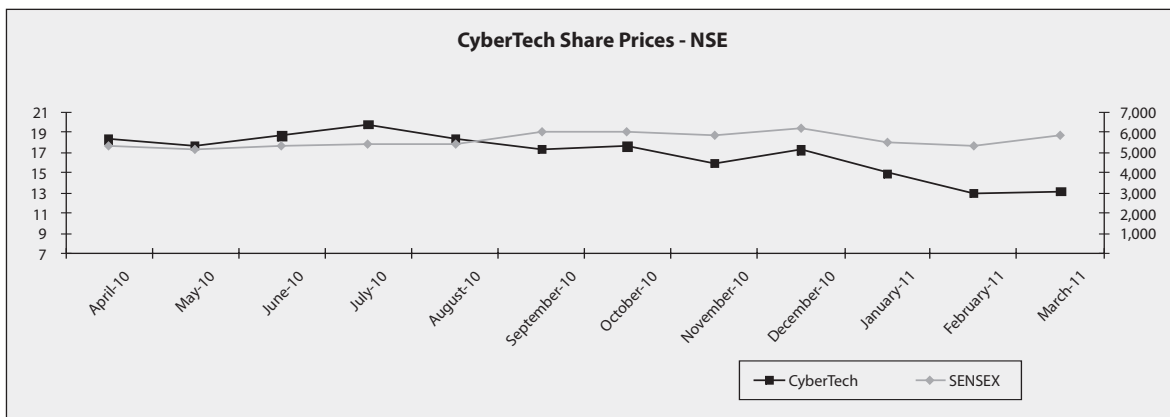
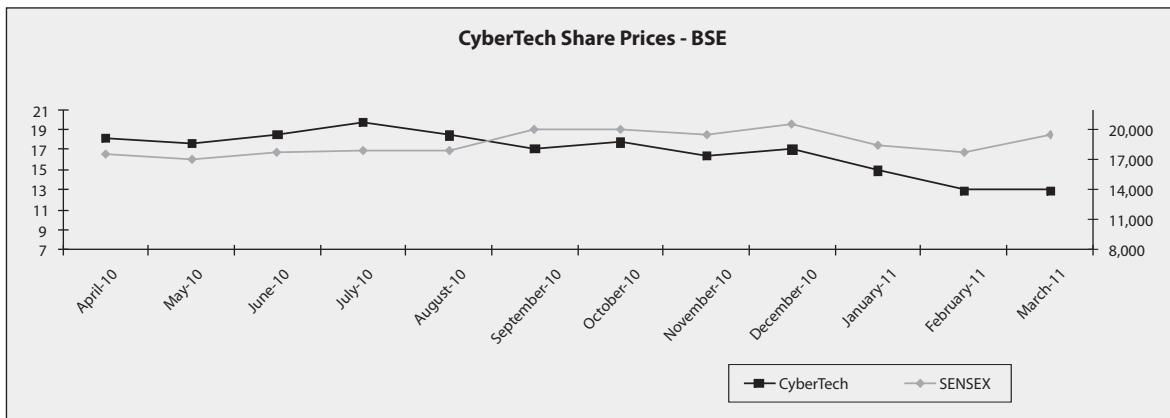
(11) General Shareholder information:

- a. AGM Date : September 30, 2011
- b. Time : 3 P.M.
- c. Venue : CyberTech House, MIDC, Wagle Industrial Estate, Thane-400 604
- d. Financial year : 2010-11
- e. Date of book closure : September 22, 2011 to September 30, 2011
- f. Dividend Payment : Dividend, if approved in the AGM shall be paid/credited on or after October 26, 2011
- g. Listing on Stock Exchanges and Code :
 - (i) The Bombay Stock Exchange Limited: 532173
 - (ii) National Stock Exchange of India Limited: CYBERTECH

h. Market Price Data : High, Low during each month in last financial year

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2010	20.95	18.05	21.90	18.00
May 2010	18.75	16.80	18.75	16.50
June 2010	21.65	16.85	21.50	15.15
July 2010	20.90	18.50	20.50	18.50
August 2010	20.85	15.80	21.90	18.00
September 2010	20.00	17.05	19.95	17.10
October 2010	20.50	17.15	21.00	17.15
November 2010	19.45	15.50	19.40	15.50
December 2010	18.80	14.70	18.25	14.50
January 2011	17.65	14.05	17.80	14.20
February 2011	15.00	11.65	16.10	12.00
March 2011	13.29	12.00	13.85	12.00

Performance in comparison to Broad-based indices such as BSE Sensex, Nifty etc:





- i. Registrar and Transfer Agents : Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) C 12, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai -400 078.
- j. Share transfer system: Shares sent for transfer in physical form are generally registered and returned within a period of 15 days from the date of lodgement and Demat requests are normally confirmed within an average period of 15 days, provided the documents are clear and complete in all respect.
- k. Distribution of shareholding :

Categories of Shareholders as on March 31, 2011

Category	No. of shares held	%
Promoters (Non resident)	7,151,617	27.0165
Relatives of Promoters	1,053,020	3.9780
Directors and their relatives	0	0
FII's/FFI's	575	0.0022
Bodies Corporate(Domestic)	613,139	2.3162
Non-Resident Indians/OCBs	1,148,129	4.3372
Foreign Company	3,900,000	14.7329
Trusts	2,600,445	9.8236
Clearing members	86,428	0.3265
Mutual Funds	0	0
Bank/Insurance Companies/Fl's	48,151	0.1819
Public	9,869,839	37.2850
Total	26,471,343	100.0000

Distribution of Shareholding as on March 31, 2011

No. of shares held	Shareholders		Nominal value	
	Number	%	₹	%
1 - 5000	9,435	80.0730	14,853,070	5.6111
5001 - 10000	1,087	9.2252	9,125,910	3.4475
10001 - 20000	582	4.9393	8,761,290	3.3097
20001 - 30000	197	1.6719	4,999,940	1.8888
30001 - 40000	97	0.8232	3,441,810	1.3002
40001 - 50000	86	0.7299	4,075,860	1.5397
50001 - 100000	120	1.0184	8,792,280	3.3214
100001 & above	179	1.5191	210,663,270	79.5816
Total	11,783	100.0000	264,713,430	100.0000

- l. Dematerialization of shares and liquidity: As on March 31, 2011 17,349,615 shares (65.54% of total equity shares) of the Company are held by the Shareholders in dematerialized form.
- m. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, Conversion date and likely impact on equity :The Company has not issued any GDRs /ADRs/ or convertible instruments.
- n. Plant Locations : Not applicable
- o. Address for correspondence: CyberTech House, Plot No.B-63/64/65, Road No. 21/34, J.B. Sawant Marg, MIDC, Wagle Industrial Estate, Thane (West) - 400 604.

AUDITORS' REPORT

To the members

CYBERTECH SYSTEMS AND SOFTWARE LIMITED

1. We have audited the attached Balance Sheet of CYBERTECH SYSTEMS AND SOFTWARE LIMITED as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act to the extent applicable;
 - (e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) *We are unable to express an opinion as to when and to what extent the Company would be able to realise investment of ₹ 7,658,853 made in Cybertech Middle East, W.L.L (subsidiary) since the substantial part of the investee company's networth has been eroded. The management has however, not considered any provisioning for the diminution as in their opinion, the investment is long term and strategic in nature and that the diminution is temporary. (Refer note no 15 in Schedule 14 to the financial statements)*
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements *subject to what is stated in paragraph 4(f) above having consequential impact on the profit for the year, reserves & surplus and investments which is presently not ascertainable*, and read together with Note no. 13 regarding directors' remuneration, pending approval of the shareholders in the ensuing Annual General Meeting in "Significant Accounting Policies and Notes on Financial Statements" in Schedule 14 and other notes appearing elsewhere in the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended as on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended as on that date.

For **LODHA & CO.**
Chartered Accountants

A. M. Hariharan
Partner
(Membership No. 38323)
(Firm Reg. No. 301051E)

Place : Mumbai
Date : May 27, 2011



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011 OF CYBERTECH SYSTEMS AND SOFTWARE LIMITED

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) In our opinion, the fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
- c) During the year, no substantial part of fixed assets has been disposed off by the Company.
2. The Company, being a service Company, primarily rendering information technology services, it does not hold any physical inventories. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act .
4. In our opinion, having regard to the explanation that some of the items are of a special nature and suitable alternative source does not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in these internal control systems.
5. The contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered. In our opinion, having regard to our comment in para 4 above, the contracts for sale of services entered in the register maintained under Section 301 of the Act and aggregating during the year to ₹ 500,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits within the meaning of Sections 58A, 58AA or any other relevant provisions of the Act and rules framed thereunder. No order has been issued by the Company Law Board on the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Act in respect of services carried out by the Company.
9. (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months as at 31st March, 2011 from the date they became payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess which have not been deposited on account of any dispute except the following:

Particulars	Forum where the dispute is pending	Amount (₹ in lacs)	Period to which it relates
Income Tax	Commissioner (Appeal),Income Tax	270.94	A.Y. 2007-08
Service Tax	Assistant Commissioner, Service Tax	66.07	A.Y. 1998-99 to 2003-2004

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The Company has not taken any loan from bank or financial institution. Accordingly, the provisions of clause 4(xi) of the Order are not applicable to the Company.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the Company has not taken any term loans during the year.
17. According to the information and explanations given to us, during the year the Company has not raised any funds on short term basis.
18. The Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year or in the recent past.
20. The Company has not raised any money by public issues during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & CO.**
Chartered Accountants

A.M. Hariharan
Partner
(Membership No. 38323)
(Firm Registration No. 301051E)

Place : Mumbai
Date : May 27, 2011



BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULE	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	264,713,430	264,713,430
Reserves & Surplus	2	271,581,532	254,849,305
		536,294,962	519,562,735
Deferred Tax Liability (Net) (Refer Note No. 5 in Schedule 14)		19,132,927	20,497,881
		555,427,889	540,060,616
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	322,176,670	318,001,076
Less: Depreciation		154,797,118	139,828,483
Net Block		167,379,552	178,172,593
Capital Work-In-Progress		6,993,120	1,077,796
		174,372,672	179,250,389
Investments	4	297,363,375	275,494,082
Current Assets, Loans and Advances			
Sundry Debtors	5	88,801,847	65,052,243
Cash and Bank Balances	6	11,226,756	7,591,243
Loans and Advances	7	76,957,001	101,615,592
		176,985,604	174,259,078
Less: Current Liabilities and Provisions			
Current Liabilities	8	53,910,516	51,517,846
Provisions	9	39,383,246	37,425,087
		93,293,762	88,942,933
Net Current Assets		83,691,842	85,316,145
		555,427,889	540,060,616

Significant Accounting Policies and Notes on Financial Statements 14

Schedules referred to above form an integral part of the Financial Statements
As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A.M. Hariharan
Partner

Place : Mumbai
Dated : May 27, 2011

Sateesh Wadagbalkar
Company Secretary

Place : Thane
Dated : May 27, 2011

For and on behalf of the Board of Directors

T. K. Mukhopadhyay
Whole Time Director

A.V.Rajwade
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
	SCHEDULE	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
INCOME			
Income from:			
Software Development and Services		168,190,308	124,348,183
Other Income	10	79,256,629	83,048,197
		247,446,937	207,396,380
EXPENDITURE			
Purchases		7,930,730	-
Employee costs	11	111,286,356	87,747,109
Operating and Administrative expenses	12	45,704,586	39,616,924
Depreciation		16,290,090	18,052,209
Interest	13	-	24,026
		181,211,762	145,440,268
Profit before Tax		66,235,175	61,956,112
Provision for Tax			
Current Tax		20,000,000	11,700,000
Deferred Tax Liability (Net)		(1,364,954)	6,407,963
Profit after Tax		47,600,129	43,848,149
Balance of Profit Brought Forward		90,182,274	77,304,273
Profit Available for Appropriation		137,782,403	121,152,422
Appropriations:			
Proposed Dividend		26,471,343	26,471,343
Dividend Distribution Tax		4,396,559	4,498,805
Balance Carried Forward to the Balance Sheet		106,914,501	90,182,274
Basic and Diluted Earnings per Share of face value of ₹10 each		1.80	1.66

Significant Accounting Policies and Notes on Financial Statements **14**

Schedules referred to above form an integral part of the Financial Statements

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A.M. Hariharan
Partner

Place : Mumbai
Dated : May 27, 2011

Sateesh Wadagbalkar
Company Secretary

Place : Thane
Dated : May 27, 2011

For and on behalf of the Board of Directors

T. K. Mukhopadhyay
Whole Time Director

A. V. Rajwade
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	₹	For the year ended March 31, 2011 ₹	₹	For the year ended March 31, 2010 ₹
A. Cash flow from Operating activities				
Net Profit/(Loss) before tax and exceptional items :		66,235,175		61,956,112
Adjustments for :				
Depreciation	16,290,090		18,052,209	
Unrealised foreign exchange	584,367		1,529,045	
Loss on assets sold / discarded (Net)	228,841		1,329,384	
Interest income	(674,562)		(15,622,945)	
Interest Paid	-		24,026	
Sundry Balances written back (Net)	(814,188)		(81,590)	
(Profit)/Loss on Sale of Current Investments	(8,226,360)		(668,988)	
Dividend Income	-		(1,665,012)	
		7,388,188		2,896,129
Operating profit before Working Capital changes		73,623,363		64,852,241
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	(21,406,056)		(2,476,028)	
Increase/(Decrease)Trade payables	4,193,532		(1,749,549)	
		(17,212,524)		(4,225,577)
Cash Generated from Operations		56,410,839		60,626,664
Direct Taxes (Paid) / Refund-Net		2,717,722		(12,883,465)
Net cash from operating activities		59,128,561		47,743,199
B. Cash flow from investing activities				
Purchase of fixed assets		(11,641,213)		(5,428,999)
Purchase of investments		(278,784,570)		(235,500,000)
Sale of fixed assets		-		137,019
Sale of investments		298,880,386		97,000,000
Investments in Subsidiaries		(33,738,750)		(5,313,068)
Interest received		501,704		9,440,254
Net cash used in investing activities		(24,782,443)		(139,664,794)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011				
	₹	For the year ended March 31, 2011	₹	For the year ended March 31, 2010
		₹		₹
C. Cash flow from financing activities :				
Secured loan repaid		-		(147,409)
Interest paid		-		(24,026)
Dividend paid and Dividend Tax paid		(30,710,605)		(30,700,537)
Net cash used in financing activities		(30,710,605)		(30,871,972)
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)		3,635,513		(122,793,567)
Cash & cash equivalents (Opening)		7,591,243		130,384,810
Cash & cash equivalents (Closing)		11,226,756		7,591,243
		3,635,513		(122,793,567)

Note

- 1 Cash and Cash equivalents includes :

a) Cash on Hand	44,690	51,786
b) Balance with Scheduled Banks in Current Accounts	4,742,332	2,293,916
c) Deposits with Scheduled Bank (Excludes deposits pledged with bank)	-	3,196,441
- 2 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standards (AS) 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standards) Rules, 2006.
- 3 The previous year's figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

For and on behalf of the Board of Directors

A. M. Hariharan

Partner

Sateesh Wadagbalkar

Company Secretary

T. K. Mukhopadyay

Whole Time Director

A. V. Rajwade

Director

Place : Mumbai

Dated : May 27, 2011

Place : Thane

Dated : May 27, 2011



SCHEDULES FORMING PART OF THE BALANCE SHEET		
	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '1'		
SHARE CAPITAL		
Authorised		
36,000,000 (Previous Year 30,000,000) Equity Shares of ₹10 each	360,000,000	300,000,000
Issued		
26,476,302 (Previous year 26,476,302) Equity Shares of ₹10 each	264,763,020	264,763,020
Subscribed and Paid-up		
26,471,343 (Previous year 26,471,343) Equity Shares of ₹ 10 each, fully paid up	264,713,430	264,713,430
i) Of the above, 12,876,523 (Previous year 12,876,523) Equity Shares of ₹ 10 each were allotted as Bonus shares by capitalisation of Securities Premium Account.		
ii) Allotment of 4,959 (Previous year 4,959) bonus shares on 3,967 (Previous year 3,967) Equity shares is pending on account of non-establishment of beneficial ownership by NSDL.		
SCHEDULE '2'		
RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	164,667,031	164,667,031
Profit & Loss Account		
(Surplus as per annexed account)	106,914,501	90,182,274
	271,581,532	254,849,305

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE '3' FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK			
	As at 01-Apr-10	Additions during the year	Deductions/ Adjustments	As at 31-Mar-11	Upto 31-Mar-10	For the year	Deductions/ Adjustments	Upto 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Leasehold Land *	3,308,683	-	-	3,308,683	628,226	50,258	-	678,484	2,630,199	2,680,457
Buildings	115,657,445	-	117,965	115,539,480	16,279,011	1,883,294	7,292	18,155,013	97,384,467	99,378,434
Plant & Machinery and Office Equipment	54,771,686	804,008	-	55,575,694	24,276,054	2,678,627	-	26,954,681	28,621,013	30,495,632
Computers :										
Hardware	39,901,912	3,654,107	1,366,030	42,189,989	33,358,072	3,376,883	1,297,726	35,437,229	6,752,760	6,543,840
Software	16,734,055	350,252	-	17,084,307	10,166,626	2,653,039	-	12,819,665	4,264,642	6,567,429
Furniture & Fixtures	85,244,369	195,451	66,300	85,373,520	54,169,344	5,365,042	16,437	59,517,949	25,855,571	31,075,025
Motor Cars	2,382,926	722,071	-	3,104,997	951,150	282,947	-	1,234,097	1,870,900	1,431,776
Current Year Total	318,001,076	5,725,889	1,550,295	322,176,670	139,828,483	16,290,090	1,321,455	154,797,118	167,379,552	178,172,593
Previous Year Total	320,673,881	6,093,181	8,765,986	318,001,076	128,745,452	18,052,209	6,969,178	139,828,483	178,172,593	

Capital Work in Progress (Including Capital Advances of ₹ 1,286,584 ; Previous year ₹ Nil)

Building	3,473,202	1,077,796
Plant and Machinery and Office Equipments	2,738,334	-
Computers	183,584	-
Software Development	598,000	-
	6,993,120	1,077,796

* Land was taken on lease for 66 years from September, 1997



SCHEDULES FORMING PART OF THE BALANCE SHEET

	Face Value per unit	Quantity in Numbers				As at	As at
		Opening	Purchased	Sold	Closing	March 31, 2011 ₹	March 31, 2010 ₹
SCHEDULE '4'							
INVESTMENTS							
(Unquoted)							
I Long term Investments							
Trade :							
Shares in Wholly Owned Subsidiaries							
Cybertech Systems and Software Inc., USA							
Common Stocks	US\$ 0.01	1,585,000	-	-	1,585,000	72,564,500	72,564,500
Common Stocks	US\$ 1.00	-	750,000	-	750,000	33,738,750	-
Shares in Subsidiary							
CyberTech Middle East, W.L.L-Bahrain	BHD 100	634	-	-	634	7,658,853	7,658,853
Shares in Co-operative Societies							
Acme Plaza Premises Co-operative Society Ltd.	₹50	80	-	-	80	4,000	4,000
Units of Mutual funds							
UTI Fixed Income Interval Fund -Quarterly Plan Series -III-Institutional Growth Plan	₹10	2,583,223	-	-	2,583,223	31,437,311	31,437,311
UTI Fixed Income Interval Fund-SeriesII-Quarterly Interval Plan-VI-Institutional Growth Plan	₹10	2,483,723	-	-	2,483,723	24,837,233	24,837,233
SBI-Debt Fund Series-370days-8-Growth	₹10	-	2,000,000	-	2,000,000	20,000,000	-
SBI-Debt Fund Series-370days-9-Growth	₹10	-	1,000,000	-	1,000,000	10,000,000	-
SBI-Debt Fund Series-370days-12-Growth	₹10	-	1,100,000	-	1,100,000	11,000,000	-
TATA-Fixed Maturity Plan series 30-Scheme A-Growth	₹10	-	2,100,000	-	2,100,000	21,000,000	-
II Current Investments							
Non-Trade							
Units of Mutual funds							
UTI Treasury Advantage Fund-Institutional Plan (Growth Option)	₹1000	1	67,610	63,867	3,744	4,936,118	1,255
UTI Floating Rate Fund-Short Term Plan (Growth Option)	₹1000	1,336	-	1,336	-	-	2,000,000
UTI Treasury Advance Fund-Growth Plan	₹1000	-	427	427	-	-	-
UTI Fixed Income Interval Fund-Monthly Interval Plan-Series I- Growth Plan	₹10	-	811,636	-	811,636	10,000,000	-
UTI Fixed Income Interval Fund-Quarterly Interval Plan-Series I- Institutional Growth Plan	₹10	-	952,263	952,263	-	-	-
LIC Nomura MF-Liquid Fund-Growth Plan	₹10	1,697,358	-	1,697,358	-	-	28,190,930
LIC Nomura MF MF-Income Plus Fund-Growth Plan	₹10	1,613,705	-	1,613,705	-	-	19,800,000
LIC Nomura MF Interval Fund -Series 1- Monthly Growth Plan	₹10	-	1,144,361	1,144,361	-	-	-
HDFC Short Term Plan-Growth	₹10	2,310,366	825,705	3,136,071	-	-	41,000,000
HDFC FMP 100D November 2010(1)- Growth-Series XVII	₹10	-	1,500,000	1,500,000	-	-	-
SBI-SHDF-Short Term-Institutional-Plan-Growth	₹10	4,575,495	-	4,575,495	-	-	48,000,000
SBI-SHF-Ultra Short Term Fund-Institutional Plan-Growth	₹10	-	814,551	814,551	-	-	-
SBI-Debt Fund Series-90days-34-Growth	₹10	-	999,796	999,796	-	-	-
SBI-Debt Fund Series-90days-36-Growth	₹10	-	1,000,000	1,000,000	-	-	-
SBI-Debt Fund Series-180Days-14-Growth	₹10	-	3,018,661	-	3,018,661	30,186,610	-
SBI-Debt Fund Series-90days-40-Growth	₹10	-	1,500,000	-	1,500,000	15,000,000	-
TATA-Fixed Income Portfolio Fund Scheme A2 Regular Growth	₹10	-	412,422	-	412,422	5,000,000	-
						297,363,375	275,494,082
Aggregate book value of Investments: Unquoted						297,363,375	275,494,082

SCHEDULES FORMING PART OF THE BALANCE SHEET		
	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '5'		
SUNDRY DEBTORS (Unsecured)		
Considered Good		
Exceeding six months *	1,475,075	1,556,271
Debts not exceeding six months *	87,326,772	63,495,972
(Includes unbilled revenue of ₹ 5,783,570 ; Previous year ₹ NIL)		
Considered Doubtful		
Exceeding six months	38,456,483	38,456,483
	127,258,330	103,508,726
Less: Provision for Doubtful Debts	(38,456,483)	(38,456,483)
	88,801,847	65,052,243
* Includes ₹ 79,754,601 (Previous Year ₹ 64,919,883) receivable from Subsidiaries		
SCHEDULE '6'		
CASH AND BANK BALANCES		
Cash on hand	44,690	51,786
Bank Balances		
With Scheduled Banks		
- in Current Accounts	4,742,332	2,293,916
- in Deposit Accounts *	1,219,066	3,196,441
(including interest accrued but not due ₹ 275 ; Previous year ₹ 48,115)		
- in Margin Accounts **	5,220,668	2,049,100
(including interest accrued but not due ₹ 109,773 ; Previous year ₹ 49,100)		
* Fixed Deposit Receipts of ₹ 1,219,066 ; (Previous year ₹ NIL) have been pledged with Banks for Guarantees issued in favour of Govt. Authorities for ₹ 1,148,326 (Previous year ₹ NIL)		
** Fixed Deposit Receipts of ₹ 5,110,895 ; (Previous year ₹ 2,000,000) have been pledged with banks towards Margin money against Forward Contracts)		
	11,226,756	7,591,243
SCHEDULE '7'		
LOANS AND ADVANCES		
(Unsecured ,Considered good)		
Advances recoverable in cash or in kind or for value to be received	3,373,504	7,249,109
Loan to Employees	-	25,000
Sundry Deposits	2,877,861	1,103,047
Other Receivable	1,466,476	1,633,213
Income Tax	62,715,705	78,532,050
(Net of Provisions ₹ 172,695,365 ; Previous year ₹ 152,695,365)		
MAT Credit Receivables	6,523,455	13,073,173
	76,957,001	101,615,592



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '8'		
CURRENT LIABILITIES		
Sundry Creditors *		
Dues of Micro, Small and Medium Enterprises	-	-
Others	19,629,700	13,845,050
Deposits	31,024,950	35,473,706
Advance from Customers	373,334	373,333
Other Liabilities	1,852,439	1,055,207
Investors Education and Protection Fund shall be credited by the following amounts namely :		
Unpaid Dividend **	1,030,093	770,550
**There is no amount due to be credited to the fund and outstanding as at Balance Sheet date.		
(* Refer Note No.11 in Schedule 15)	53,910,516	51,517,846
SCHEDULE '9'		
PROVISIONS		
Proposed Dividend	26,471,343	26,471,343
Provisions for:		
Tax on Dividend	4,396,559	4,498,805
Employee Benefits		
Leave Entitlements	3,197,723	2,655,479
Gratuity	5,317,621	3,799,460
	39,383,246	37,425,087
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT		
	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
SCHEDULE '10'		
OTHER INCOME		
Interest on:		
Deposit With banks	353,272	9,420,954
(Tax Deducted at source ₹27,430; Previous year ₹1,385,516)		
Others	321,290	6,201,991
(Tax Deducted at Source ₹640 ; Previous year ₹1,689)	674,562	15,622,945
Exchange Gain (Net)	1,593,102	-
Dividend received on Current Investment	-	1,665,012
Profit on sale of Current Investments	8,226,360	668,988
Rent Received	67,749,132	64,999,340
Sundry Credit Balances written back (Net)	814,188	81,590
Miscellaneous Income	199,285	10,322
	79,256,629	83,048,197

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT		
₹	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
SCHEDULE '11'		
EMPLOYEE COSTS		
Salaries	107,314,605	85,418,293
Contribution to Provident and other funds	649,109	454,149
Welfare (including Group Medical Insurance of ₹ 1,380,685; Previous year ₹ 607,475)	3,322,642	1,874,667
	111,286,356	87,747,109
SCHEDULE '12'		
OPERATING AND ADMINISTRATIVE EXPENSES		
Travelling & Conveyance	5,158,737	5,748,901
Communication	6,070,431	3,321,889
Electricity Expenses	2,925,381	3,096,376
Insurance	295,383	366,720
Rates and Taxes	5,897,727	5,049,749
Professional fees	5,306,655	4,600,648
Software Development Charges	4,316,891	624,757
Rent	340,000	-
Auditors' Remuneration		
Audit Fees	375,000	375,000
Tax Audit fees	125,000	125,000
Other Services	132,500	159,380
Reimbursement of Expenses	33,265	31,800
	665,765	691,180
Repairs and Maintenance		
Buildings	1,454,969	1,006,758
Plant & Machinery	2,871,169	2,821,648
Others	1,509,052	1,328,208
	5,835,190	5,156,614
Loss on assets sold/discarded (Net)	228,841	1,329,384
Exchange Loss (Net)	-	2,971,516
Miscellaneous Expenses	8,663,585	6,659,190
	45,704,586	39,616,924
SCHEDULE '13'		
INTEREST		
Interest on		
- Term Loans	-	2,777
- Others	-	21,249
	-	24,026



SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements are prepared on the basis of the historical cost convention, in accordance with the applicable accounting standards issued by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 and on the principles of a going concern. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) and Accounting Standards (AS) require the management to make estimates and assumptions that affect the reported income and expenses during the reported period and the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Actual results may differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

Revenue Recognition

Income from software development, consulting and customer support services is recognized in accordance with the terms of the contract.

Revenue from fixed price contracts with milestone billings and fixed time frame contracts are recognized as per the proportionate completion method.

Fixed Assets and Depreciation / Amortisation

Fixed assets are stated at cost of acquisition less accumulated depreciation.

Leasehold land is amortised over the balance period of lease since acquisition.

Depreciation is provided using the straight-line method. The rates and the manner of computation is as specified in Schedule XIV to the Companies Act, 1956, except in respect of Computers and other related assets which are depreciated over estimated useful life of four years

At each balance sheet date, the Company assesses whether there is any indication that any assets may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to profit and loss account. If, at the balance sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and asset is restated to that effect.

Goodwill

Goodwill arising on purchase of business by the Company (representing the cost of business acquisition in excess of fair value assigned to the net tangible assets acquired) is amortized over a period of five years from the date of acquisition.

Investments

Long-term investments are valued at cost. However, provision for diminution in the value of such investments, other than temporary, is made to recognize a decline on individual investment basis. Current investments are stated at the lower of cost and fair value.

Foreign Currency Transactions

- a) Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realisation. Gains / losses, if any, at the year end on account of restatement of the monetary assets and liabilities, denominated in foreign currency are dealt with in the profit and loss account.

- b) In case of forward exchange contracts, the premium is amortised over the period of the contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year.

Employee Benefits

- a) Short-term employee benefits :

All employees benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

- b) Post-employment benefits:

- i) Defined Contribution Plans:

Payment made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

- ii) Defined Benefit Plans:

The cost of providing defined benefits i.e gratuity is determined using the Projected Unit Credit Method with actuarial valuations carried out at the balance sheet date. Actual gains and losses are recognized immediately in the Profit & Loss Account.

- iii) Other long-term employee benefits :

Other long-term employee benefits viz. leave entitlement is recognised as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the Projected Unit Credit Method with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Profit and Loss Account.

Taxation

Provision for current income tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income-Tax Act, 1961.

Minimum Alternate Tax (MAT) credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

Provisions, contingent liabilities and contingent assets

A provision is made based on reliable estimate when it is possible that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, unless the possibility of outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statement.

2. Contingent Liabilities not provided for in respect of:

- a) Disputed Income Tax Matters:

- i) Regular demand under assessment (including interest upto the date of demand) ₹ **30,224,097** (Previous year ₹ Nil)
- ii) Penalties & Interest of ₹ **58,198,919**; (Previous year ₹ 58,198,919)
- iii) Other Income Tax proceedings in respect of earlier years decided in the Company's favour by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : ₹ **3,769,968** (Previous year ₹ Nil)

- b) Disputed Service Tax Matters ₹ **6,607,614** (Previous year ₹6,607,614)



3. Defined Benefit Plans:

Contribution to Gratuity Fund :

Change in present value of obligation

(Amount in ₹)

		As at March 31, 2011	As at March 31, 2010
1	Present Value of Defined Benefit Obligation,beginning of the year	3,799,460	3,700,809
2	Interest Cost	313,455	286,813
3	Current Service Cost	1,359,629	1,132,570
4	Benefits paid during the year	(640,221)	(30,600)
5	Actuarial (gain)/loss on Defined Benefit Obligation	485,298	(1,290,132)
6	Present Value of Defined Benefit Obligation, end of the year	5,317,621	3,799,460

Amounts recognized in the Balance Sheet

(Amount in ₹)

		As at March 31, 2011	As at March 31, 2010
1	Present Value of Defined Benefit Obligation	5,317,621	3,799,460
2	Fair Value of plan assets	Nil	Nil
3	Net Liability recognized in the Balance Sheet	5,317,621	3,799,460

Net gratuity cost for the year ended March 31, 2011

(Amount in ₹)

		As at March 31, 2011	As at March 31, 2010
1	Current Service Cost	1,359,629	1,132,570
2	Interest Cost on obligation	313,455	286,813
3	Expected Return on plan assets	Nil	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2011	485,298	(1,290,132)
5	Net Gratuity Cost	2,158,382	129,251

Assumptions used in accounting for the gratuity plan

(Rate per annum)

		As at March 31, 2011	As at March 31, 2010
1	Rate of Interest	8.25%	8.25%
2	Salary Growth	5%	5%
3	Withdrawal rate	5%	5%

4. Employees Stock Option Plan (ESOP)

The Company's Employees' Stock Option Scheme- 2007, provides for issue of equity option in each financial year up to 5% (Previous year 5%) of the outstanding fully paid-up equity capital of the Company as on March 31, 2007 on to eligible employees, and the carry forward of un-allotted options in each of the financial years to the subsequent financial years for grant, in aggregate not exceeding **92,64,970 shares** (Previous year 92,64,970 shares). The scheme covers directors and the employees of the subsidiaries, apart from the employees and directors of the Company except directors/ employees belonging to promoter group. The options vest in a phased manner over four years with 25% of the grants vesting at the end of each year from the date of grant and the same can be exercised within seven years from the date of the grant at the market price as on the date of the grant. One option is equal to one equity share.

	As at March 31, 2011	As at March 31, 2010
Face Value of Grant	10	10
Grants		
Outstanding at the beginning	1,090,750	1,102,300
Add.: Granted during the year	1,025,000	200,000
Less: Exercised during the year	0	0
Less : Forfeited during the year	69,000	211,550
Outstanding as at the end	2,046,750	1,090,750
Vested		
Outstanding at the beginning	597,000	659,800
Add: Vested during the year	187,500	145,000
Less : Exercised during the year	0	0
Less : Forfeited during the year	22,750	207,800
Outstanding as at the end	761,750	597,000
Grants to the Whole Time Director		
Outstanding at the beginning	100,000	100,000
Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited during the year	50,000	0
Outstanding as at the end	50,000	100,000
Vested to the Whole Time Director		
Outstanding at the beginning	25,000	0
Add: Vested during the year	25,000	25,000
Less : Exercised during the year	0	0
Less : Forfeited during the year	0	0
Outstanding as at the end	50,000	25,000
Grants to Non Executive Director		
Outstanding at the beginning	254,500	282,780
Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited during the year	0	28,280
Outstanding as at the end	254,500	254,500
Vested to non-executive Director		
Outstanding at the beginning	142,000	110,240
Add: Vested during the year	37,500	45,000
Less : Exercised during the year	0	0
Less : Forfeited during the year	14,000	13,240
Outstanding as at the end	165,500	142,000

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option.



Summary of the options outstanding under the Employees Stock Option Plan (ESOP):

	As at March 31, 2011		As at March 31, 2010	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	1,090,750	12.86	1,102,300	13.03
Granted during the year	1,025,000	16.69	200,000	12.95
Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	69,000	13.74	211,550	17.16
Options outstanding at end of year	2,046,750	14.96	1,090,750	12.86
Vested options pending exercise	761,750	12.91	597,000	12.78

The following summarizes information about stock options outstanding:

As at March 31, 2011

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	899,250	4	11.92
₹ 15 to ₹ 23	1,147,500	6	17.33

As at March 31, 2010

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	883,250	4	11.59
₹ 15 to ₹ 23	207,500	7	18.28

Fair Value methodology for the option:

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹7.55 to ₹22.90 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at March 31, 2011	As at March 31, 2010
Dividend yield	0-10%	0-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46% - 6.65%	6.46% - 6.65%
Expected life of option	0 - 7 yrs	0 - 7 yrs

Impact of Fair value method on Net Profit and EPS

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit income and earnings per share would have been, as indicated below:

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Profit attributable to Equity Shareholders	47,600,129	43,848,149
Less: Stock-based compensation expense determined under fair value based method	369,015	364,044
Net Profit	47,231,114	43,484,105
Basic and diluted earning per share (as reported)	1.80	1.66
Basic and diluted earning per share (under fair value method)	1.78	1.65

5. Deferred Tax Liability/(Net) comprises of the following :

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Deferred Tax Asset:		
Expenses allowable on payments and others	2,828,584	2,194,034
Total	2,828,584	2,194,034
Deferred Tax Liability:		
Fixed Assets (depreciation/amortization)	21,961,511	22,691,915
Net Deferred Tax Asset/(Liability)	(19,132,927)	(20,497,881)

6. Segment Reporting

Pursuant to Accounting Standard 17 on "Segment Reporting" issued by the Companies (Accounting Standard) Rules, 2006, the Company has only one reportable segment viz. Software Services & Development.

7. (a) In the opinion of the Management, Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated. Provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (b) The accounts of certain Sundry Debtors, Sundry Creditors and Advances are subject to confirmation/reconciliation and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.

8. Earnings Per Share:

	For the year April 1, 2010 to March 31, 2011 ₹	For the year April 1, 2009 to March 31, 2010 ₹
Profit attributable to the Shareholders	47,600,129	43,848,149
Weighted average number of Equity Shares outstanding during the year (Nos.)	26,467,302	26,467,302
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted Earnings Per Share (₹) (Not annualized)	1.80	1.66

9. Disclosure in respect of Related Parties pursuant to Accounting Standard 18 is as under:

A. List of Related Parties:

- i) Parties where control exists:
- Wholly Owned Subsidiary:
CyberTech Systems and Software Inc. USA (CSSI)
- Subsidiary:
CyberTech Middle East W.L.L.(Bahrain) (CME)
- ii) Other Parties with whom the Company has entered into transactions during the year:
- Key Management Personnel:
C N Rao-Executive Director (upto October 8, 2010)
Radhakrishna Pingali-Wholetime Director (October 11, 2010 to February 11, 2011)
Tapan Kumar Mukhopadhyay-Wholetime Director (w.e.f March 15, 2011)



B. Transactions entered with Related Parties in the ordinary course of business:

(Amt in ₹)

Particulars	Related Party Transactions			
	CSSI	CME	Key Management Personnel	Total
Sales of Services	150,004,909 (119,863,690)	- (2,900,675)	- (-)	150,004,909 (122,764,365)
Expenses/(Reimbursement of Expenses)	3,356,373 (-)	- (-)	#1,706,040 #(1,245,091)	5,062,413 (1,245,091)
Investment	33,738,750 (-)	- (4,282,668)	- (-)	33,738,750 (4,282,668)
Outstanding as at the year end				
Receivable	78,279,526 (63,341,197)	1,475,075 (1,578,686)	- (-)	79,754,601 (64,919,883)
Payable	2,115,692 (-)	- (-)	- (-)	2,115,692 (-)
Investment	106,303,250 (72,564,500)	7,658,853 (7,658,853)	- (-)	113,962,103 (80,223,353)

Remuneration

Note:

- i) Related party relationship is as identified by the Company and relied upon by the Auditors
- ii) No amounts have been written off/back and provided for in respect of the related parties during the year.
- iii) Figures in brackets represent previous year figures.

10. a) The Company uses Forward Exchange Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not enter in to any such instruments for trading or speculative purposes. The following are the contracts entered into by the Company and outstanding at the year end:

	March 31, 2011	March 31, 2010
Forward Exchange Contracts:		
No. of Contracts	6	5
Type	Sell	Sell
US \$ Equivalent (Lacs)	13.5	6.25
INR Equivalent (Lacs)	624.31	284.6

- b) The year end foreign currency exposures that have not been hedged, are given below:

Particulars	March 31, 2011		March 31, 2010	
	USD	₹	USD	₹
Sundry Debtors	379,521	16,854,528	778,077	34,881,192
Sundry Creditors	47,640	2,115,692	-	-

- 11 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

12. Leases :

With an objective to use Company's idle resources and to strengthen the cash flow, the Company earns income by leasing its vacant premises.

	For the year April 1, 2010 to March 31, 2011 ₹	For the year April 1, 2009 to March 31, 2010 ₹
Future minimum lease rentals receivable under cancelable operating leases		
Not later than 1 year	22,647,588	64,122,848
Later than 1 year and not later than 5 years	-	89,127,619
Later than 5 years	-	-

The future lease rental payment that the Company is committed to make is:

	For the year April 1, 2010 to March 31, 2011 ₹	For the year April 1, 2009 to March 31, 2010 ₹
Future minimum lease rentals payable under cancelable operating leases		
Not later than 1 year	340,000	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

16th Annual Report 2010-2011

13.	For the year April 1, 2010 to March 31, 2011 (₹)	For the year April 1, 2009 to March 31, 2010 (₹)
(A) Directors' remuneration:		
(a) Executive /Wholetime Directors		
Salary & allowances#	1,364,405	1,192,500
Gratuity/Leave encashment paid	341,635	-
Perquisites	-	52,591
(b) Other Directors		
Sitting fees	660,000	600,000
Commission	450,000	600,000
# ₹ 559,001 subject to approval of the Shareholders in ensuing Annual General Meeting	2,816,040	2,445,091
Excludes the provision for gratuity and leave entitlement, which are based on actuarial valuations done on an overall basis.		

(B) Computation of Net profit in accordance with Section 349 of the Companies Act, 1956

	For the year April 1, 2010 to March 31, 2011 (₹)	For the year April 1, 2009 to March 31, 2010 (₹)
Net Profit before tax from ordinary activities	66,235,175	61,956,112
Add:		
Managerial Remuneration (including Commission)	2,816,040	2,445,091
Loss on sale of Fixed Assets	163,427	1,329,384
Net Profit as per Section 349	69,214,642	65,730,587
Commission payable to non-whole time directors		
Maximum allowed as per the Companies Act, 1956 @ 1%	692,146	657,306
Commission approved by the Board	450,000	600,000

14. Additional Information under Part II of Schedule VI to the Companies Act, 1956:

- A. The services rendered by the Company cannot be expressed in any generic unit and hence, it is not possible to give the quantitative details of sales.

	For the year April 1, 2010 to March 31, 2011 (₹)	For the year April 1, 2009 to March 31, 2010 (₹)
B. CIF value of imports : Capital goods	-	746,025
C. Expenditure in foreign currency:		
Travel Expenses (Net of reimbursements)	138,945	360,677
Directors sitting fees	-	22,640
Seminar Expenses	-	45,605
D. Dividend remitted in foreign currency	9,284,389	10,597,027
Dividend relating to the year	2009-10	2008-09
Number of Equity Shares held (Nos.)	9,284,389	10,597,027
Number of Non-Resident Shareholders (Nos.)	32	32
E. Earnings in foreign exchange:		
Income from Operations	150,004,909	122,764,366

15. The Company has invested in its subsidiary viz. CyberTech Systems and Software Inc. & Cybertech Middle East, W.L.L aggregating to ₹ **113,962,103** (Previous year ₹ 80,223,353). However, being a long term and strategic investment, there is a reasonable certainty that there will be no diminution in the value of these investments, and therefore no provisioning has been considered necessary.
16. Interest free loans given to employees of the Company and outstanding as at the year-end ₹ **NIL** (Previous year ₹ 25,000) in the ordinary course of Company's business. Maximum balance due at any time during the year was ₹ **25,000** (Previous Year ₹ 120,500). These employees do not hold any equity shares of the Company.
17. Previous year's figures have been re-grouped/re-arranged, wherever necessary, to conform to the current year's classification/presentation.

For and on behalf of the Board of Directors

Sateesh Wadagbalkar
Company Secretary

T. K. Mukhopadhyay
Whole Time Director

A. V. Rajwade
Director

Place : Mumbai,
Dated : May 27, 2011



**Additional Information pursuant to Part IV of schedule VI of the Companies Act,1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

I Registration Details

Registration No.

8	4	7	8	8
---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1		0	3		1	1
---	---	--	---	---	--	---	---

II Capital raised during the year (Amount in ₹ Thousands)

Public Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Right Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

III Position of Mobilisation and deployment of Funds (Amounts in ₹ Thousands)

Total Liabilities

5	5	5	4	2	8
---	---	---	---	---	---

Sources of Funds

Paid - up capital

2	6	4	7	1	3
---	---	---	---	---	---

Secured Loans

N	I	L
---	---	---

Application of Funds

Net Fixed Assets

1	7	4	3	7	3
---	---	---	---	---	---

Net Current Assets

0	8	3	6	9	2
---	---	---	---	---	---

Total Assets

5	5	5	4	2	8
---	---	---	---	---	---

Reserves and Surplus

2	7	1	5	8	2
---	---	---	---	---	---

Deferred tax liability

1	9	1	3	3
---	---	---	---	---

Investments

2	9	7	3	6	3
---	---	---	---	---	---

IV Performance of the Company (Amount in ₹ Thousands)

Turnover (Income from Operations and Other Income)

2	4	7	4	4	7
---	---	---	---	---	---

Profit before Tax

6	6	2	3	5
---	---	---	---	---

Earning Per Share in ₹

1	.	8	0
---	---	---	---

Total Expenditure

1	8	1	2	1	2
---	---	---	---	---	---

Profit after Tax

4	7	6	0	0
---	---	---	---	---

Dividend Rate %

1	0
---	---

V Generic Name of Principal Products/Services of the Company (as per monetary terms)

Item Code No.(ITC Code)

8	4	7	1	2	0
---	---	---	---	---	---

Product Description

S	O	F	T	W	A	R	E
---	---	---	---	---	---	---	---

For and on behalf of the Board of Directors

Sateesh Wadagbalkar
Company Secretary

T. K. Mukhopadyay
Whole Time Director

A.V. Rajwade
Director

Thane
May 27, 2011

AUDITORS' REPORT

To the members

CYBERTECH SYSTEMS AND SOFTWARE LIMITED

1. We have audited the attached Consolidated Balance Sheet of CYBERTECH SYSTEMS AND SOFTWARE LIMITED and its subsidiaries as at 31st March, 2011 and also, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. *The Company has not consolidated the accounts of CyberTech Middle East W.L.L., (Bahrain), a subsidiary company, in these financial statements for the reason mentioned in note no. 2(b) in Schedule 15.*
4. We report that subject to what is stated in paragraph 3 above, the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standards (AS) 21 Consolidated Financial Statements issued by Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements *subject to what is stated in para 3 above having consequential impact on assets, liabilities, reserves and surplus as at the close of the year and profit for the year which is presently not ascertained and read together with "Significant Accounting Policies and Notes on Financial Statements" in Schedule 15 and other notes appearing elsewhere in the accounts, give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the CyberTech Systems and Software Limited and its Subsidiaries of (the group) as at 31st March, 2011;
 - ii) in the case of the Consolidated Profit & Loss Account, of the consolidated profits of (the group) for the year ended as on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of (the group) for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

A.M. Hariharan
Partner
(Membership No. 38323)
(Firm Regn. No 301051E)

Place : Mumbai
Date : May 27, 2011



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULE	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	264,713,430	264,713,430
Reserves & Surplus	2	201,774,991	220,636,725
		466,488,421	485,350,155
Loan Funds			
Secured Loans	3	544,267	544,267
Deferred Tax Liability (Refer Note No.7 In Schedule 15)		19,132,927	20,497,881
Minority Interest		552,913	552,913
		486,718,528	506,945,216
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	366,182,386	361,736,983
Less: Depreciation		185,425,553	166,670,008
Net Block		180,756,833	195,066,975
Capital Work-In-Progress		6,993,120	1,077,796
		187,749,953	196,144,771
Investments	5	183,401,272	195,270,729
Current Assets, Loans & Advances			
Sundry Debtors	6	105,417,587	84,066,040
Cash and Bank Balances	7	62,315,052	61,044,938
Loans and Advances	8	86,329,614	117,431,930
		254,062,253	262,542,908
Less: Current Liabilities & Provisions			
Current Liabilities	9	99,111,704	109,588,105
Provisions	10	39,383,246	37,425,087
		138,494,950	147,013,192
Net Current Assets		115,567,303	115,529,716
		486,718,528	506,945,216

Significant Accounting Policies and Notes on Financial Statements 15
Schedules referred to above form an integral part of the Financial Statements
As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A. M. Hariharan
Partner

Sateesh Wadagbalkar
Company Secretary

For and on behalf of the Board of Directors

T. K. Mukhopadhyay
Whole Time Director

A. V. Rajwade
Director

Place : Mumbai
Dated : May 27, 2011

Place : Thane
Dated : May 27, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
	SCHEDULE	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
INCOME			
Income from:			
Software Services and Development		386,743,230	425,970,292
Other Income	11	80,475,922	83,292,988
		467,219,152	509,263,280
EXPENDITURE			
Purchases		7,930,730	19,936,206
Employee costs	12	275,547,149	277,105,399
Operating and Administrative expenses	13	130,375,116	160,745,619
Depreciation		20,419,926	23,540,685
Interest	14	-	33,851
		434,272,921	481,361,760
Profit before Exceptional Items and Tax		32,946,231	27,901,520
Current Tax		20,000,000	11,700,000
Deffered Tax Liability/(Asset)		(1,364,954)	6,407,963
Profit for the year		14,311,185	9,793,557
Income Tax adjustment for earlier years		508,414	(8,883,286)
Profit after Tax		13,802,771	18,676,843
Less: Minority Interest (Loss)		-	(2,850,988)
Profit after Minority Interest and Tax		13,802,771	21,527,831
Balance of Profit/ (Loss) Brought Forward		55,450,009	64,892,326
Profit available for appropriation		69,252,780	86,420,157
Appropriations			
Proposed Dividend		26,471,343	26,471,343
Dividend Distribution Tax		4,396,559	4,498,805
Balance Carried Forward to Balance Sheet		38,384,878	55,450,009
Earnings per share- Basic and Diluted		0.52	0.81

Significant Accounting Policies and Notes to the Accounts **15**

Schedules referred to above form an integral part of the Financial Statements

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

A. M. Hariharan
Partner

Sateesh Wadagbalkar
Company Secretary

For and on behalf of the Board of Directors

T. K. Mukhopadhyay
Whole Time Director

A. V. Rajwade
Director

Place : Mumbai
Dated : May 27, 2011

Place : Thane
Dated : May 27, 2011



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011 ₹	₹	For the year ended March 31, 2010 ₹
A. Cash flow from Operating activities			
Net Profit before tax and exceptional items :	32,946,231		27,901,520
Adjustments for :			
Depreciation	20,419,926	23,540,685	
Loss on assets sold / discarded (Net)	228,841	1,329,384	
Interest income	(852,555)	(15,867,736)	
Interest Paid	-	33,851	
Profit on Sale of Investments	(8,226,360)	(668,988)	
Sundry Balances written back (Net)	(1,855,488)	(81,590)	
Dividend Received	-	(1,665,012)	
	9,714,364		6,620,594
Operating profit before Working Capital changes	42,660,595		34,522,114
Adjustments for :			
Decrease/(Increase) in Trade & other receivables	(18,458,298)	113,025,864	
Increase/(Decrease)Trade payables	(8,415,996)	(85,824,070)	
	(26,874,294)		27,201,794
Cash generated from operations	15,786,301		61,723,908
Direct taxes (paid) / refund-Net	7,718,110		(12,024,599)
Net cash from operating activities	23,504,411		49,699,309
B. Cash flow from investing activities			
Purchase of fixed assets	(12,299,205)		(6,899,329)
Purchase of investments	(278,784,570)		(237,834,000)
Sale of fixed assets	-		137,019
Sale of investments	298,880,386		97,000,000
Interest received	679,697		9,685,045
Dividend received	-		-
Net cash used in investing activities	8,476,308		(137,911,265)

16th Annual Report 2010-2011

	₹	For the year ended March 31, 2011 ₹	₹	For the year ended March 31, 2010 ₹
C. Cash flow from financing activities :				
Interest paid		-		(33,851)
Secured Loans repaid		-		(396,858)
Dividend paid and Dividend Tax paid		(30,710,605)		(30,970,148)
Net cash used in financing activities		(30,710,605)		(31,400,857)
Net Increase/(Decrease) in cash & cash equivalents (a+b+c)		1,270,114		(119,612,813)
Cash & cash equivalents (Opening)		61,044,938		180,657,751
Cash & cash equivalents (Closing)		62,315,052		61,044,938
		1,270,114		(119,612,813)

Note

- 1 Cash and Cash equivalents includes :

a) Cash on Hand	44,690	51,786
b) Balance with Scheduled Banks in Current Accounts	19,916,787	41,593,471
c) Deposits with Scheduled Bank (Excludes deposits pledged with bank)	37,132,907	17,350,581

- 2 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standards (AS) 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standards) Rules, 2006.

- 3 The previous year's figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

For and on behalf of the Board of Directors

A. M. Hariharan

Partner

Sateesh Wadgabalkar

Company Secretary

T. K. Mukhopadyay

Whole Time Director

A. V. Rajwade

Director

Place : Mumbai

Dated : May 27, 2011

Place : Thane

Dated : May 27, 2011



SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '1'		
SHARE CAPITAL		
Authorised		
36,000,000 Equity shares of ₹ 10 each.	360,000,000	300,000,000
Issued		
26,476,302 Equity shares of ₹10 each fully paid.	264,763,020	264,763,020
Subscribed and Paid-up		
26,471,343 Equity shares of ₹10 each fully paid.	264,713,430	264,713,430
SCHEDULE '2'		
RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	164,667,031	164,667,031
Profit & Loss Account		
Surplus as per annexed accounts	38,384,878	55,450,009
Foreign Exchange Translation Reserve	(1,276,918)	519,685
	201,774,991	220,636,725
SCHEDULE '3'		
SECURED LOANS		
Vehicle Loan from Banks (Secured by way of hypothecation of vehicles purchased there against)	544,267	544,267
	544,267	544,267

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE '4' FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01-Apr-10	Additions during the year	Deductions/ Adjustments	As at 31-Mar-11	Upto 21-Mar-10	For the year	Deductions/ Adjustments	Upto 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Goodwill	34,902,125	-	367,117	34,535,008	22,686,381	3,531,605	316,730	25,901,256	8,633,752	12,215,744
Leasehold Land	3,308,683	-	-	3,308,683	628,226	50,258	-	678,484	2,630,199	2,680,457
Buildings	115,657,445	-	117,965	115,539,480	16,279,011	1,883,294	7,292	18,155,013	97,384,467	99,378,434
Plant & Machinery and Office Equipment	55,127,892	804,008	1,848	55,930,052	24,356,440	2,714,171	1,094	27,069,517	28,860,535	30,771,452
Computers	58,722,352	4,662,351	1,385,248	61,999,455	44,787,880	6,592,609	1,322,828	50,057,661	11,941,794	13,934,472
Furniture & Fixtures	89,879,550	195,451	66,300	90,008,701	56,592,673	5,365,042	16,437	61,941,278	28,067,423	33,286,877
Motor Cars	4,138,936	722,071	-	4,861,007	1,339,397	282,947	-	1,622,344	3,238,663	2,799,539
Current Year Total	361,736,983	6,383,881	1,938,478	366,182,386	166,670,008	20,419,926	1,664,381	185,425,553	180,756,833	195,066,975
Previous Year Total	382,932,130	7,563,511	28,758,658	361,736,983	167,240,602	23,540,685	24,111,279	166,670,008	195,066,975	

Capital Work in Progress (Including Capital Advances of ₹ 1,286,584; Previous year ₹ Nil)

Building	3,473,202	1,077,796
Plant and Machinery and Office Equipments	2,738,334	-
Computers	183,584	-
Software Development	598,000	-
	6,993,120	1,077,796

* Land was taken on lease for 66 years from September, 1997



SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS		
₹	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '5'		
INVESTMENTS		
(Unquoted, unless otherwise stated)		
Mutual funds		
Long-term	118,274,544	-
Short-term	65,122,728	195,266,729
	183,397,272	195,266,729
Shares in Co-operative Society	4,000	4,000
	183,401,272	195,270,729
SCHEDULE '6'		
SUNDRY DEBTORS (Unsecured)		
Considered Good		
Exceeding six months	2,789,767	2,271,112
Others	102,627,820	81,794,928
	105,417,587	84,066,040
Considered Doubtful		
Exceeding six months	39,719,930	40,257,883
	39,719,930	40,257,883
Less: Provision for Doubtful Debts	(39,719,930)	(40,257,883)
	105,417,587	84,066,040
SCHEDULE '7'		
CASH AND BANK BALANCES		
Cash on hand	44,690	51,786
Bank Balances		
With Scheduled Banks :		
- in Current Accounts	19,916,787	41,593,471
- in Deposits Accounts *	37,132,907	17,350,581
(including interest accrued but not due ₹275; Previous year ₹ 48,115)	5,220,668	2,049,100
- in Margin Accounts **		
(including interest accrued but not due ₹ 109,773; Previous year ₹ 49,100)		
* Fixed Deposit Receipts of ₹ 1,219,066; (Previous year ₹ NIL) have been pledged with Banks for Guarantees issued in favour of Govt. Authorities for ₹ 1,148,326 (Previous year ₹ NIL)		
** Fixed Deposit Receipts of ₹ 5,110,895; (Previous year ₹ 2,000,000) have been pledged with banks towards Margin money against Forward Contracts)		
	62,315,052	61,044,938

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS		
	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '8'		
LOANS AND ADVANCES		
(Unsecured ,Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	5,853,642	10,027,184
Loan to Employees	-	25,000
Sundry deposits	3,170,317	2,026,895
Others	1,466,476	1,633,213
Tax Receivable	69,315,724	90,646,465
MAT Entitlement	6,523,455	13,073,173
	86,329,614	117,431,930
SCHEDULE '9'		
CURRENT LIABILITIES		
Sundry Creditors	64,418,696	71,442,441
Deposits	31,024,950	35,473,706
Advance from Customers	785,526	846,201
Other Liabilities	1,852,439	1,055,207
Investors Education and Protection fund shall be credited by the following amounts namely :		
Unpaid Dividend *	1,030,093	770,550
*(There is no amount due to be credited to the fund and outstanding as at Balance Sheet date)		
	99,111,704	109,588,105
SCHEDULE '10'		
PROVISIONS		
Proposed Dividend	26,471,343	26,471,343
Provision for		
Tax on dividend	4,396,559	4,498,805
Employee benefits		
- Leave Entitlements	3,197,723	2,655,479
- Gratuity	5,317,621	3,799,460
	39,383,246	37,425,087



SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE '11'		
OTHER INCOME		
Gross Interest		
On Deposit with Banks	531,265	9,665,745
On Others	321,290	6,201,991
	852,555	15,867,736
Exchange Gain (Net)	1,593,102	-
Rent Received	67,749,132	64,999,340
Profit on sale of Current Investments	8,226,360	668,988
Dividend received on Current Investments	-	1,665,012
Miscellaneous Income	199,285	10,322
Sundry Credit balances written back (Net)	1,855,488	81,590
	80,475,922	83,292,988
SCHEDULE '12'		
EMPLOYEE COSTS		
Salaries	262,099,213	263,539,808
Contribution to Provident and other funds	649,109	454,149
Welfare	12,798,827	13,111,442
	275,547,149	277,105,399

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS		
	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
SCHEDULE '13'		
OPERATING AND ADMINISTRATIVE EXPENSES		
Travelling & conveyance	15,517,459	21,727,549
Communication	8,598,559	7,158,956
Electricity	3,287,382	3,620,931
Insurance	2,060,593	1,799,668
Rent	5,938,118	11,040,813
Rates and Taxes	6,306,436	6,253,033
Professional fees	15,699,190	11,012,312
Software Programming, Consultancy and Support Charges	51,383,698	70,850,090
Auditors' Remuneration		
Audit Fees	739,553	803,806
Tax Audit fees	125,000	125,000
Other Services	132,500	159,380
Reimbursement of Expenses	78,834	84,268
	1,075,887	1,172,454
Repairs and Maintenance		
Buildings	1,454,969	1,006,758
Plant & Machinery	4,739,912	7,112,880
Others	1,984,110	2,189,658
	8,178,991	10,309,296
Loss on assets sold/discarded (Net)	228,841	1,329,384
Bad Debts	765,225	-
Less: Provision for Doubtful Debts	542,062	-
	223,163	-
Exchange Loss (Net)	-	2,971,516
Miscellaneous expenses	11,876,799	11,499,617
	130,375,116	160,745,619
SCHEDULE '14'		
INTEREST		
Interest on - Term Loans	-	2,777
- Others	-	31,074
	-	33,851



SCHEDULE '15'

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation:

The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of interests in Joint Ventures" specified in the Companies (Accounting Standards) Rules, 2006.

2. Principles of Consolidation:

(a) The Consolidated Financial Statements (CFS) comprise the financial statements of the holding Company, CyberTech Systems and Software Limited and its subsidiaries which are as under:

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest
CyberTech Systems and Software Inc. (CSSI)	U.S.A.	100%
CyberTech Middle East W.L.L., Bahrain (CME)#	Kingdom of Bahrain	55%

Refer para 2 (b) below

(b) The Consolidated financials for the year ended March 31, 2011 do not include the operational results (Balance Sheet as on March 31, 2010 as been considered for consolidation) CyberTech Middle East, W.L.L., Bahrain ("CME") . The accounts of CME have not been approved and released by the CME's Board and thus not consolidated therein. Accordingly results are not comparable with that of previous year.

(c) The Consolidated Financial Statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies except for amortization of Goodwill in the books of its wholly owned subsidiary where the Goodwill has been amortised over a period of 10 years as against the policy adopted by Holding Company to amortise Goodwill over a period of 5 years.

(d) The effect of intra group transactions between CyberTech Systems & Software Limited and its subsidiaries are eliminated in consolidation.

(e) For significant accounting policies followed refer Schedule 14 of the Holding Company's audited financial statement.

3. Foreign Subsidiaries :

In case of CyberTech Systems and Software Inc., USA, items have been considered (as integral) at the average rate prevailing during the year. Assets and liabilities have been converted at the rates prevailing at the end of the year. Exchange Gain / (Loss) are recognized in Translation Reserve.

4. Contingent Liabilities not provided for in respect of:

a) Disputed Income Tax Matters:

- Regular demand under assessment (including interest upto the date of demand) ₹ **30,224,097** (Previous year ₹ Nil)
- Penalties & Interest of ₹ **58,198,919**; Previous year ₹ 58,198,919)
- Other Income Tax proceedings in respect of earlier years decided in the Company's favour by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : ₹ **37,69,968** (Previous year ₹ Nil)

b) Disputed Service Tax Matters ₹ **6,607,614** (Previous year ₹ 6,607,614)

5. Defined Benefit Plans:

Contribution to Gratuity Fund :

Change in present value of obligation

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
1 Present Value of Defined Benefit Obligation,beginning of the year	3,799,460	3,700,809
2 Interest Cost	313,455	286,813
3 Current Service Cost	1,359,629	1,132,570
4 Benefits paid during the year	(640,221)	(30,600)
5 Actuarial (gain)/loss on Defined Benefit Obligation	485,298	(1,290,132)
6 Present Value of Defined Benefit Obligation, end of the year	5,317,621	3,799,460

Amounts recognized in the Balance Sheet

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
1 Present Value of Defined Benefit Obligation	5,317,621	3,799,460
2 Fair Value of plan assets	Nil	Nil
3 Liability recognized in the Balance Sheet	5,317,621	3,799,460

Net gratuity cost for the year ended March 31, 2011

(Amount in ₹)

	As at March 31, 2011	As at March 31, 2010
1 Current Service Cost	1,359,629	1,132,570
2 Interest Cost on obligation	313,455	286,813
3 Expected Return on plan assets	Nil	Nil
4 Net Actuarial (gain)/loss recognized for the year ending March 31, 2011	485,298	(1,290,132)
5 Net Gratuity Cost	2,158,382	129,251

Assumptions used in accounting for the gratuity plan

(Rate per annum)

	As at March 31, 2011	As at March 31, 2010
1 Rate of Interest	8.25%	8.25%
2 Salary Growth	5%	5%
3 Withdrawal rate	5%	5%

6. Employees Stock Option Plan (ESOP)

The Company's Employees' Stock Option Scheme- 2007, provides for issue of equity option in each financial year up to 5% (Previous year 5%) of the outstanding fully paid-up equity capital of the Company as on March 31, 2007 on to eligible employees, and the carry forward of un-allotted options in each of the financial years to the subsequent financial years for grant, in aggregate not exceeding **92,64,970 shares** (Previous year 92,64,970 shares). The scheme covers directors and the employees of the subsidiaries, apart from the employees and directors of the Company except directors/ employees belonging to promoter group. The options vest in a phased manner over four years with 25% of the grants vesting at the end of each year from the date of grant and the same can be exercised within seven years from the date of the grant at the market price as on the date of the grant. One option is equal to one equity share.

	As at March 31, 2011	As at March 31, 2010
Face Value of Grant	10	10
Grants:		
Outstanding at the beginning	1,090,750	1,102,300
Add.: Granted during the year	1,025,000	2,00,000
Less: Exercised during the year	0	0
Less : Forfeited During the year	69,000	2,11,550
Outstanding as at the end	2,046,750	1,090,750
Vested:		
Outstanding at the beginning	597,000	659,800
Add: Vested during the year	187,500	145,000
Less : Exercised during the year	0	0
Less : Forfeited During the year	22,750	2,07,800
Outstanding as at the end	761,750	597,000



Grants to the Whole Time Director		
Outstanding at the beginning	100,000	100,000
Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited During the year	50,000	0
Outstanding as at the end	50,000	100,000
Vested to the Whole Time Director		
Outstanding at the beginning	25,000	0
Add: Vested during the year	25,000	25,000
Less : Exercised during the year	0	0
Less : Forfeited During the year	0	0
Outstanding as at the end	50,000	25,000
Grants to Non Executive Director		
Outstanding at the beginning	254,500	282,780
Add.: Granted during the year	0	0
Less: Exercised during the year	0	0
Less : Forfeited During the year	0	28,280
Outstanding as at the end	254,500	254,500
Vested to non-executive Director		
Outstanding at the beginning	142,000	110,240
Add: Vested during the year	37,500	45,000
Less : Exercised during the year	0	0
Less : Forfeited During the year	14,000	13,240
Outstanding as at the end	165,500	142,000

The Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Company, Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option.

Summary of the options outstanding under the Employees Stock Option Plan (ESOP):

	As at March 31, 2011		As at March 31, 2010	
	Options	Weighted Average Exercise Price (₹)	Options	Weighted Average Exercise Price (₹)
Options outstanding at beginning of the year	1,090,750	12.86	1,102,300	13.03
Granted during the year	1,025,000	16.69	200,000	12.95
Exercised during the year	0	0	0	0
Forfeited/lapsed during the year	69,000	13.74	211,550	17.16
Options outstanding at end of year	2,046,750	14.96	1,090,750	12.86
Vested options pending exercise	761,750	12.91	597,000	12.78

The following summarizes information about stock options outstanding:

As at March 31, 2011

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹ 15	899,250	4	11.92
₹ 15 to ₹ 23	1,147,500	6	17.33

As at March 31, 2010

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (₹)
₹ 7.50 to ₹15	883,250	4	11.59
₹ 15 to ₹ 23	207,500	7	18.28

Fair Value methodology for the option:

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of ₹7.55 to ₹22.90 using the Black-Scholes pricing model. The Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at March 31, 2011	As at March 31, 2010
Dividend yield	0-10%	0-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46% - 6.65%	6.46% - 6.65%
Expected life of option	0 - 7 yrs	0 - 7 yrs

Impact of Fair value method on Net Profit and EPS

Had the compensation cost for the Company's Stock Option Plan outstanding been determined based on the fair value approach, the Company's net profit income and earnings per share would have been, as indicated below:

	As at March 31, 2011	As at March 31, 2010
Profit attributable to Equity Shareholders	13,802,771	21,527,831
Less: Stock-based compensation expense determined under fair value based method	369,015	364,044
Net Profit	13,433,756	21,163,787
Basic and diluted earning per share (as reported)	0.52	0.81
Basic and diluted earning per share (under fair value method)	0.51	0.80

7. Deferred Tax Liability/(Net) comprises of the following :

	As at March 31, 2011	As at March 31, 2010
Deferred Tax Asset:		
Expenses allowable on payments and others	2,828,584	2,194,034
Total	2,828,584	2,194,034
Deferred Tax Liability:		
Fixed Assets (depreciation / amortization)	21,961,512	22,691,914
Net Deferred Tax Asset / (Liability)	(19,132,927)	(20,497,880)

Note: As a matter of prudence the group has not recognised the deferred tax assets in respect of its subsidiaries.

8. Segment Reporting

Pursuant to Accounting Standard 17 on "Segment Reporting" issued by the Companies (Accounting Standard) Rules, 2006, the Company has only one reportable segment viz. Software Services & Development.

9. (a) In the opinion of the Management, Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated. Provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (b) The accounts of certain Sundry Debtors, Sundry Creditors and Advances are subject to confirmation/reconciliation and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.



10. Earnings Per Share:

	For the year ended March 31, 2011	For the year ended March 31, 2010
	₹	₹
Profit attributable to the Shareholders	13,802,771	21,527,831
Weighted average number of Equity Shares outstanding during the year (Nos.)	26,476,302	26,476,302
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted Earnings Per Share (₹) (Not annualized)	0.81	0.81

11. Related Party Disclosures

A. List of Related Parties:

- (i) Associate:
CyberTech Systems Inc., USA
- (ii) Key Management Personnel:

Mr. C. N. Rao (upto October 8, 2010)	Executive Director	CSSL
Mr. Radhakrishna Pingali (October 11, 2010 to February 11, 2011)	Wholetime Director	CSSL
Mr. Tapan Kumar Mukhopadhyay (w.e.f March 15, 2011)	Wholetime Director	CSSL
Mr. Viswanath Tadimety	Director	CSSL, CSSI and CME
Mr. Steven Jeske	Director	CSSL, CSSI and CME

B. Transactions entered with Related Parties in the ordinary course of business

(Amount in ₹)

Particulars	Related Party Transactions		
	Associates	Key Management Personnel	Total
Sales	-	-	-
	(-)	(-)	(-)
Expenses	91,081	#15,262,835	15,353,916
	(-)	#(14,558,804)	(14,558,804)
Outstanding as at the year end			
Payable	856,177	705,544	1,561,721
	(957,330)	(506,644)	(1,463,974)
Receivable	-	-	-
	(-)	(-)	(-)

Remuneration

Notes:

- i) Related party relationship is as identified by the Company and relied upon by the Auditors.
 - ii) No amounts have been written off /back and provided for in respect of the related party during the year.
 - iii) Figures in brackets represent previous year figures.
- 12.** Previous year's figures have been re-grouped/re-arranged, wherever necessary, to conform to the current year's classification/presentation.

For and on behalf of the Board of Directors

Sateesh Wadagbalkar
Company Secretary

T. K. Mukhopadhyay
Whole Time Director

A.V. Rajwade
Director

Place : Thane
Dated : May 27, 2011

**Statement pursuant to Section 212 of the Companies Act, 1956
relating to subsidiary companies:**

Sr. No.		CyberTech Systems and Software Inc., USA
1	The Financial Year of the Subsidiary ended on	March 31, 2011
2	Shares of the Subsidiary Company held by CyberTech Systems and Software Ltd. on the above date	2,335,000
3	Equity	USD 765,850
4	Extent of holding	100%
5	Net aggregate amount of profits/(losses) of the Subsidiary for the above financial year of the Subsidiary so far as they concern the members of CyberTech Systems and Software Limited:	
a)	Dealt with in the accounts of CyberTech Systems and Software Ltd., for the year ended March 31, 2011	Nil
b)	Not dealt with in the Accounts of CyberTech Systems and Software Ltd. (Amount in ₹)	(34,518,146)
6	Net aggregate of profits/(losses) of the Subsidiary Company for its previous financial years of the Subsidiary, so far as they concern the members of CyberTech Systems and Software Ltd.	
a)	Dealt with in the Accounts of CyberTech Systems and Software Ltd. for the year ended March 31, 2011	Nil
b)	Not dealt with in the Accounts of CyberTech Systems and Software Ltd. (Amount in ₹)	(30,465,999)

For and on behalf of the Board of Directors

Place : Thane
Date : August 12, 2011

Sateesh Wadagbalkar
Company Secretary

T. K. Mukhopadhyay
Whole Time Director

A. V. Rajwade.
Director



DIRECTOR'S REPORT

To the Shareholders of

CyberTech Systems and Software, Inc. (USA)

Your Directors have pleasure in presenting this Annual Report on the business and operations of your Company together with the Audited Accounts of the Company for the year ended March 31, 2011.

COMPANY FINANCIAL RESULTS:

U.S. Dollars (\$)

	2010-2011	2009-2010
Gross Revenue	8,114,646	8,250,830
Profit/(Loss) before Interest & Depreciation	(655,603)	(500,172)
Interest	-	-
Depreciation	90,628	107,069
Profit/(Loss) before tax	(746,231)	(607,241)
Provision for tax	-	-
Current Tax	-	-
Income Tax Adjustments for earlier years	11,157	(187,797)
Profit/(Loss) after tax	(757,388)	(419,444)
Profit/Loss b/f from previous year	(593,375)	(173,931)
Balance to be carried forward	(1,350,763)	(593,375)

REVIEW OF COMPANY'S OPERATIONS AND PERFORMANCE:

Operations of the Company are completely integrated with its parent Company viz., CyberTech Systems and Software Limited. The Company operates as CyberTech Systems and Software Limited's sales front end, servicing the combined Company's customers in the United States and promoting offshore support and development services. The Company focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities.

During the year under review CyberTech Systems and Software, Inc has made a loss after tax of \$ 757,388 on the revenue of \$ 8,114,646. The operating loss before interest and depreciation was \$ 655,603. Results are disclosed in the attached financial statements.

The Company maintains its focus on SAP and GIS Technologies and Custom Technology applications. It maintains strong relationships and alliances with partners such as SAP, Microsoft and ESRI. These strong bonds will help the Company to attain business revenue growth and improve profitability with a continued focus on offshore revenue in future.

DIRECTORS:

The Company is governed by its Board of Directors. Currently directors are Mr. Viswanath Tadimety, Mr. Steven Jeske and Mr. Sudhir Joshi.

Registered Office

1301, West 22nd Street,
Suite 308, Oak Brook,
IL 60523, USA

For and on behalf of the Board of Directors

Viswanath Tadimety
Chairman

Place : Thane

Date : August 12, 2011

AUDITORS' REPORT

To the members

CYBERTECH SYSTEMS AND SOFTWARE INC. (USA)

1. We have audited the attached Balance Sheet of CYBERTECH SYSTEMS AND SOFTWARE INC. (USA) as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that: -
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards issued by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with "Significant Accounting Policies and Notes on Financial Statements" in Schedule 11 and other notes appearing elsewhere in the accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit & Loss Account, of the loss of the Company for the year ended as on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

A. M. Hariharan
Partner
(Membership No.38323)
(Firm Regn No. 301051E)

Place : Mumbai

Date : May 27, 2011



BALANCE SHEET AS AT MARCH 31, 2011					
	SCHEDULE	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2010
		US Dollars	₹	US Dollars	₹
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	765,850	34,127,272	15,850	713,805
Reserves & Surplus	2	1,569,150	74,715,754	1,569,150	74,410,025
		2,335,000	108,843,026	1,585,000	75,123,830
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	3	884,237	39,232,936	869,471	38,963,126
Less: Depreciation		671,751	29,764,284	581,123	25,977,374
Net Block		212,486	9,468,652	288,348	12,985,752
Current Assets, Loans and Advances					
Sundry Debtors	4	1,762,308	78,530,736	1,465,315	65,990,461
Cash and Bank Balances	5	1,116,661	49,759,866	1,157,439	52,125,265
Loans and Advances	6	200,187	8,920,593	341,164	15,364,321
		3,079,156	137,211,195	2,963,918	133,480,047
Less: Current Liabilities and Provisions					
Current Liabilities	7	2,307,405	102,820,966	2,260,641	101,807,968
		2,307,405	102,820,966	2,260,641	101,807,968
Net Current Assets		771,751	34,390,229	703,277	31,672,079
Profit and Loss Account		1,350,763	64,984,145	593,375	30,465,999
(As per Annexed Accounts)		2,335,000	108,843,026	1,585,000	75,123,830

Significant Accounting Policies and
Notes on Financial Statements

11

Schedules referred to above form an integral part of the Financial Statements

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

A. M. Hariharan

Partner

Place : Mumbai

Dated : May 27, 2011

For and on behalf of the Board of Directors

Steven Jeske

Director

Place : Oakbrook, USA

Dated : May 20, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET					
	SCHEDULE	For the year ended March 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2010
		US Dollars	₹	US Dollars	₹
INCOME					
Income from					
Software Development and Services		8,087,889	368,557,823	8,245,655	390,040,903
Other Income	8	26,757	1,219,293	5,175	244,791
		8,114,646	369,777,116	8,250,830	390,285,694
EXPENDITURE	9	3,604,653	164,260,793	3,869,068	183,016,976
Operating and Administrative expenses	10	5,165,596	235,396,219	4,881,933	230,928,125
Depreciation/Amortisation		90,628	4,129,836	107,069	4,821,852
		8,860,877	403,786,848	8,858,070	418,766,953
Profit/(Loss) before tax		(746,231)	(34,009,732)	(607,240)	(28,481,259)
Income Tax adjustments for earlier years (Refer Note No. 5 in Schedule 11)		11,157	508,414	(187,797)	(8,883,286)
Profit after Tax		(757,388)	(34,518,146)	(419,444)	(19,597,973)
Add: Balance of Loss brought forward		(593,375)	(30,465,999)	(173,931)	(10,868,026)
Balance Carried Forward to the Balance Sheet		(1,350,763)	(64,984,145)	(593,375)	(30,465,999)
Earnings per share- Basic and Diluted		(0.31)	(14.34)	(0.26)	(12.36)

Significant Accounting Policies and

11

Notes on Financial Statements

Schedules referred to above form an integral part of the Financial Statements

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

A. M. Hariharan

Partner

Place : Mumbai

Dated : May 27, 2011

For and on behalf of the Board of Directors

Steven Jeske

Director

Place : Oakbrook, USA

Dated : May 20, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011		For the year ended March 31, 2010	
	US Dollars	₹	US Dollars	₹
A. Cash flow from Operating activities				
Net Profit(Loss) before tax and exceptional items :	(746,231)	(34,009,732)	(607,241)	(28,481,259)
Adjustments for :				
Depreciation	90,628	4,129,836	107,069	4,821,852
Interest income	(3,906)	(177,993)	(5,175)	(244,791)
Sundry Credit Balances written back	(22,851)	(1,041,300)	-	-
Effect of exchange rate change	-	229,154	-	(5,390,187)
	63,871	3,139,697	101,894	(813,126)
Operating profit before Working Capital changes	(682,360)	(30,870,035)	(505,347)	(29,294,385)
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	(254,054)	(10,442,218)	1,000,119	61,081,763
Increase/(Decrease)Trade payables	46,764	1,012,998	(327,387)	(30,110,243)
	(207,290)	(9,429,220)	672,732	30,971,520
Cash from/(used) in operations	(889,650)	(40,299,255)	167,385	644,303
Direct taxes refund received	109,732	5,000,388	18,154	858,866
Net cash used in operating activities	(779,918)	(35,298,867)	185,539	2,536,001
B. Cash flow from investing activities				
Purchase of fixed assets	(14,766)	(657,992)	(11,467)	(516,416)
Interest received	3,906	177,993	5,175	244,791
Net cash used in investing activities	(10,860)	(479,999)	(6,292)	(271,625)
C. Cash flow from financing activities :				
Increase in Common Stock	750,000	33,413,467	-	-
Net cash from financing activities	750,000	33,413,467	-	-
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(40,778)	(2,365,399)	179,247	2,264,376
Cash & cash equivalents (Opening)	1,157,439	52,125,265	978,192	49,860,889
Cash & cash equivalents (Closing)	1,116,661	49,759,866	1,157,439	52,125,265
	(40,778)	(2,365,399)	179,247	2,264,376

Note

- Cash and Cash equivalents includes :
 - Balance with Scheduled Banks in Current Accounts **310,719** **13,846,025** 843,147 37,971,125
 - In Call Accounts **805,942** **35,913,841** 314,292 14,154,140
- The above Cash Flow Statement has been prepared using the Indirect Method prescribed by the Accounting Standards (AS) 3 "Cash Flow Statements" issued by Companies (Accounting Standards) Rules, 2006.
- The previous years' figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

For Lodha & Co.

Chartered Accountants

A. M. Hariharan

Partner

Place : Mumbai

Dated : May 27, 2011

For and on behalf of the Board of Directors

Steven Jeske

Director

Place : Oakbrook, USA

Dated : May 20, 2011

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011				
	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2010
	US Dollars	₹	US Dollars	₹
SCHEDULE '1'				
SHARE CAPITAL				
Authorised				
10,000,000 Common Stock of USD 0.01 each.	100,000	4,456,130	100,000	4,503,500
750,000 (Previous Year Nil) Common Stock of USD.1.00 each	750,000	33,420,975	-	-
	850,000	37,877,105	100,000	4,503,500
Issued, Subscribed and Paid-Up				
1,585,000 Common Stock of USD.0.01 each; fully paid up	15,850	706,297	15,850	713,805
750,000 (Previous Year Nil) Common Stock of USD.1.00 each; fully paid up	750,000	33,420,975	-	-
	765,850	34,127,272	15,850	713,805
(All the shares are held by CyberTech Systems and Software Limited,India)				
SCHEDULE '2'				
RESERVES AND SURPLUS				
Securities Premium Account As per Last Balance Sheet	1,569,150	69,923,364	1,569,150	70,666,670
Foreign Currency Translation Reserve	-	4,792,390	-	3,743,355
	1,569,150	74,715,754	1,569,150	74,410,025



SCHEDULES FORMING PART OF THE BALANCE SHEET

**SCHEDULE '3'
FIXED ASSETS**

(Amount in US Dollars)

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2011	Upto March 31, 2010	For the year	On Deductions/ Adjustments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Goodwill	775,000	-	-	775,000	503,750	77,500	-	581,250	193,750	271,250
Computers	40,571	14,766	-	55,337	26,723	12,348	-	39,071	16,266	13,848
Furniture & Fixtures	50,000	-	-	50,000	50,000	-	-	50,000	-	-
Plant & Machinery	3,900	-	-	3,900	650	780	-	1,430	2,470	3,250
Current Year Total	869,471	14,766	-	884,237	581,123	90,628	-	671,751	212,486	288,348
Previous Year Total	1,150,377	11,467	292,373	869,471	766,427	107,069	292,373	581,123	288,348	

FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2011	Upto March 31, 2010	For the year	On Deductions/ Adjustments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Goodwill	34,902,125	-	367,117	34,535,008	22,686,381	3,531,605	316,730	25,901,256	8,633,752	122,15,744
Computers	1,827,115	657,992	19,218	2,465,889	1,203,470	562,687	25,102	1,741,055	724,834	623,645
Furniture & Fixtures	2,058,250	-	-	2,058,250	2,058,250	-	-	2,058,250	-	-
Plant & Machinery	175,636	-	1,847	173,789	29,273	35,544	1,094	63,723	110,066	146,363
Current Year Total	38,963,126	657,992	388,182	39,232,936	25,977,374	4,129,836	342,926	29,764,284	9,468,652	12,985,752
Previous Year Total	57,850,393	516,416	19,403,683	38,963,126	38,279,450	4,821,852	17,123,928	25,977,374	12,985,752	

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011				
	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2010
	US Dollars	₹	US Dollars	₹
SCHEDULE '4'				
SUNDRY DEBTORS (Unsecured)				
Considered Good				
Exceeding six months	29,503	1,314,692	15,873	714,841
Others	1,584,088	70,589,021	1,323,520	59,604,723
Unbilled Revenue	148,717	6,627,023	125,922	5,670,897
	1,762,308	78,530,736	1,465,315	65,990,461
Considered Doubtful				
Exceeding six months	28,353	1,263,447	40,000	1,801,400
Less: Provision for Doubtful Debts	28,353	1,263,447	40,000	1,801,400
	-	-	-	-
	1,762,308	78,530,736	1,465,315	65,990,461
SCHEDULE '5'				
CASH AND BANK BALANCES				
Bank Balances				
With non-scheduled Banks :				
- in Current Accounts	310,719	13,846,025	843,147	37,971,125
- in Call Accounts	805,942	35,913,841	314,292	14,154,140
	1,116,661	49,759,866	1,157,439	52,125,265
SCHEDULE '6'				
LOANS AND ADVANCES				
(Unsecured ,Considered good)				
Advances recoverable in cash or in kind or for value to be received	45,513	2,028,118	51,650	2,326,058
Sundry deposits	6,563	292,456	20,514	923,848
Income Tax	148,111	6,600,019	269,000	12,114,415
	200,187	8,920,593	341,164	15,364,321
SCHEDULE '7'				
CURRENT LIABILITIES				
Sundry Creditors*	2,298,155	102,408,774	2,250,141	101,335,100
Advance received from customers	9,250	412,192	10,500	472,868
*including dues to holding Company- (USD1,729,521;Previous year USD 1,403,077)	2,307,405	102,820,966	2,260,641	101,807,968



SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011				
	For the year ended March 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2010
	US Dollars	₹	US Dollars	₹
SCHEDULE '8'				
OTHER INCOME				
Interest Received	3,906	177,993	5,175	244,791
Sundry Credit Balances written back (Net)	22,851	1,041,300	-	-
	26,757	1,219,293	5,175	244,791
SCHEDULE '9'				
EMPLOYEE COSTS				
Salaries	3,396,701	154,784,608	3,676,216	173,894,575
Welfare	207,952	9,476,185	192,852	9,122,401
	3,604,653	164,260,793	3,869,068	183,016,976
SCHEDULE '10'				
OPERATING AND ADMINISTRATIVE EXPENSES				
Travelling & Conveyance	227,319	10,358,722	305,446	14,448,390
Communication	55,479	2,528,128	68,619	3,245,857
Power	7,944	362,001	9,076	429,318
Insurance	38,737	1,765,210	29,015	1,372,485
Rent	122,849	5,598,118	203,317	9,617,423
Rate & Taxes	8,969	408,709	25,438	1,203,284
Professional Fees	228,061	10,392,535	118,979	5,628,016
Software Development and Support Charges	4,340,496	197,792,496	3,947,905	186,746,171
Auditors' Remuneration				
Audit Fees	8,000	364,553	8,000	378,421
Service Tax	1,000	45,569	1,000	47,303
	9,000	410,122	9,000	425,724
Repairs and Maintenance:				
Plant & Machinery	41,009	1,868,743	87,772	4,151,844
Others	10,425	475,058	12,132	573,875
	51,434	2,343,801	99,904	4,725,719
Bad debts	16,442	765,225	-	-
Less: Provision for Doubtful Debts	(11,647)	(542,062)	-	-
	4,795	223,163	-	-
Miscellaneous Expenses	70,513	3,213,214	65,234	3,085,738
	5,165,596	235,396,219	4,881,933	230,928,125

SCHEDULE "11"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

General:

The financial statements are prepared on the basis of the historical cost convention, in accordance with the applicable accounting standards and on the principles of a going concern. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) and Accounting Standards (AS) require the management to make estimates and assumptions that affect the reported income and expenses during the reported period and the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Actual results may differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

Revenue Recognition:

Income from software development, customer support services and Consulting are recognised in accordance with the terms of contract.

Revenue from fixed price contracts with milestone billings and fixed time frame contracts are recognized as per the proportionate completion method.

Fixed Assets and Depreciation / Amortisation:

Fixed assets are stated at cost of acquisition less accumulated depreciation/amortisation. Depreciation/Amortisation is provided using the straight-line method over the estimated useful life as under:

Description of Assets	Estimated useful life
Computers	3 years
Furniture & Fixtures	3 years
Plant & Machineries	5 years
Goodwill *	10 years

* Note:

Goodwill arising on purchase of business by the Company (representing the cost of business acquisition in excess of the fair value assigned to the net tangible assets acquired).

The Company assesses at each balance sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to profit and loss account. If at the balance sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and asset is restated to that effect.

Taxation:

Provision for tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the relevant Income Tax laws of United States of America. The deferred tax for timing difference is accounted for, based on the tax rules and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising out from the timing differences are recognized to the extent there is virtual/reasonable certainty that these would be realized in future.

Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Profit and Loss Account.



Provisions, contingent liabilities and contingent assets:

A provision is made based on reliable estimate when it is possible that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, unless the possibility of outflow of resources embodying economic benefit is remote, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statement.

NOTES ON ACCOUNTS:

2. Segment Reporting:

Pursuant to Accounting Standard 17 on "Segment Reporting" issued by the Companies (Accounting Standards) Rules, 2006, Company has only one reportable segment viz. Software Services & Development.

3. Earnings Per Share:

	For the year ended March 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2010
Profit /(Loss) attributable to the Shareholders	USD (757,388)	₹ (34,518,146)	USD (419,444)	₹ (19,597,973)
Weighted average number of Equity Shares outstanding during the year (Nos.)	2,406,918	2,406,918	1,585,000	1,585,000
Nominal Value of Equity Shares	USD 0.01	₹ 0.45	USD 0.01	₹ 0.45
Basic and Diluted Earnings Per Share (Not annualised)	USD (0.31)	₹ (14.34)	USD (0.26)	₹ (12.36)

4. Disclosure in respect of Related Party pursuant to Accounting Standard 18 are as under:

A. List of Related Parties:

(1) Parties where control exists:

Holding Company:

CyberTech Systems and Software Ltd., India

(2) Other Parties with whom the Company has entered into transactions during the year

(i) Fellow Subsidiary:

CyberTech Middle East W.L.L., Bahrain

(ii) Associate:

CyberTech Systems Inc., USA

(iii) Key Management Personnel:

Viswanath Tadimety - Director

Steven Jeske - Director

B. Transactions entered with Related Parties in the ordinary course of business:

Particulars	Referred in (A)(1) above USD	Referred in (A)(1) above ₹	Referred in (A)(2)(ii) above USD	Referred in (A)(2)(ii) above ₹	Referred in (A)(2)(iii) above USD	Referred in (A)(2)(iii) above ₹
1) Expenses	3,307,632 (2,616,071)	150,725,689 (120,646,653)	2,044 (-)	91,081 (-)	297,500 (281,458)	13,556,795 (13,313,713)
2) Investments	750,000 (-)	33,420,975 (-)	- (-)	- (-)	- (-)	- (-)
3) Outstanding as at the year end Payable	1,729,521 (1,403,077)	77,069,642 (63,187,573)	19,213 (21,257)	856,177 (957,330)	15,833 (11,250)	705,544 (506,644)

Note:

- i) Related party relationship is as identified by the Company and relied upon by the Auditors.
 - ii) No amounts have been written off/ back and provided for in respect of the related party during the year.
 - iii) Figures in bracket represent previous year figures.
5. In view of provisions of carried backward of losses under US tax laws, the Company is entitled to ₹ Nil (Previous Year USD 187,797; ₹ 8,883,286) and the same has been recognised by the Company.
 6. In the opinion of the Management, Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business, atleast equal to the amount at which they are stated. Provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
 7. The accounts of certain Sundry Debtors, Sundry Creditors and Advances are subject to confirmation/reconciliation and adjustments, if any. The Management does not expect any material difference affecting the current year's financial statements.
 8. Additional information under Part II of schedule VI of the Companies Act, 1956. The services rendered by the Company cannot be expressed in any generic unit and hence, it is not possible to give the quantitative details of sales.
 9. Previous year's figures have been re-grouped/re-arranged wherever necessary to conform to the current years classification/ presentation.

For and on behalf of the Board of Directors

Place : Oakbrook, USA
Dated : May 20, 2011

Steven Jeske
Director



With a view to recognise and reward excellence in performance and contribution to the growth and well being of the Company by its Employees, the Board of Directors has instituted the “**MOST VALUABLE PERFORMER**” of the year award for an employee for his / her outstanding contribution well beyond the expectations of the Company.

The Board of Directors, this year, is pleased to announce the name of Mr. C. K. Poojary, General Manager Administration of the Company as the “**MOST VALUABLE PERFORMER**” of the year 2010-11 for his outstanding contribution in the field of revenue generation through renting out vacant premises both at CyberTech House and Acme Plaza, Andheri, considerable savings of the Company by adopting several cost cutting measures, resolving critical issues like security measures by introducing Bio Matrix System, night drop facilities for the employees working in the night shift, providing additional facilities of foods and snacks specially for the night shift employees, installation of vending machine to provide round the clock facilities of tea, coffee, soups to all the employees, creation of additional work stations to accommodate more employees in the floor besides solving major problems like securities provided by contractor, maintenance of chillers, generator & UPS, disputes with MSEB and MIDC etc. He has also taken the leadership to construct a new building for the Company. His trouble shooting character and ability to make quick decisions has been invaluable in streamlining Company's Facilities and Man Management.

Mr. Poojary joined the Company in March 2008 as General Manager, Administration. During his career for past 3 years with CyberTech, he has taken up all challenges in his stride. His excellent team work and inter personnel relationship has helped in developing his subordinates also thereby raising the standards for the entire Department.

The Directors join all the Company's employees, share holders and others in congratulating Mr. Poojary for his well deserved recognition.



CyberTech Systems and Software Limited

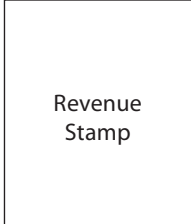
Registered Office:

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

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 Sixteenth Annual
General Meeting of the Company to 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, Wagle Estate, Thane (West) 400604 at 3 p.m. and at any
adjournment thereof.

DP. ID: _____ # Client ID : _____
Folio No.: _____
Signed this _____ day of _____ 2011



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. Raod No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400 604.

ATTENDANCE SLIP

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

I hereby record my presence at the Sixteenth Annual General Meeting of the Company to 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, Wagle
Estate, Thane (West), 400 604 at 3 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.

BOOK-POST



If undelivered, please return to:

'CyberTech House'

Plot No. B-63-65, Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (W) - 400 604.
<http://india.cybertech.com>