



**CyberTech House**

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14<sup>th</sup> Annual Report  
2008-2009

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Viswanath Tadimety**  
*Chairman*

**Anant Rajwade**  
*Director*

**Arun Shah**  
*Director*

**Prakash Kenjale**  
*Director*

**Steven Jeske**  
*Director*

**C. N. Rao**  
*Executive 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 63-65, Road No. 21/34  
J. B. Sawant Marg, MIDC  
Wagle Estate, Thane (West) - 400 604

## LETTER TO FELLOW SHAREHOLDERS

Dear Fellow Shareholders,

I am pleased to provide you with detailed information on the performance of our company for the financial year April 2008-March 2009. For the year ending March 31<sup>st</sup> 2009, we achieved consolidated revenue of Rs. 744 Million and a net profit of Rs. 39.32 Million. The top-line revenue compares negatively to our last fiscal year's (ending March 2008) revenue of Rs. 673 Million, but positively to profit of Rs. 20.96 Million (March 2008). On a standalone basis, revenue is down to Rs. 217 Million from Rs. 220 Million (March 2008). But we earned a higher Profit after tax of Rs. 68.62 Million (versus Rs. 29.03 Million last year).

### **Market Conditions:**

As you all know and having been hearing the Indian and International press, US markets entered a major recession in the year 2008. As I am writing this letter to you in August 2009, this severe downturn has not yet ebbed. While there are talks about 'green shoots' in the US and Indian markets, we do not yet see a market pickup and change in direction to the positive cycle.

I have been managing businesses and been investing since early 1990s, and this downturn has been the most difficult and serious we have seen till date. In the 2001-2003 recession, while the US Technology markets got affected, the financial and public services industry was robust. With a diversified client base, we were able to take hits in one sector, while other sectors stayed robust. However, this market downturn and recession is different (in my perspective) for several reasons:

1. Since the Great Depression of the 1930s, this is the 1st time that all industries have been affected across the board.
2. US markets and international markets (emerging economies like India, China, Middle East, etc.) were not correlated. This recession has led to a realization that markets and economies have become very intertwined over the last decade and there is no place to hide. All sectors and economies are affected.

When we are exposed to a one-of-a-kind hundred year economic flood, the best we can do is take refuge in safety and wait for the flood to ebb. We have managed our company frugally and in an ultra conservative fashion, so that this downturn has not put an undue pressure on our fiscal health. As I stated multiple times, I manage CyberTech resources just the way we handle our own personal financial resources. We will ride through this and come out stronger than most of the competition.

### **Our Fiscal Condition:**

We continue to be cash rich with no debt and substantial assets. We have seen a considerable improvement in the Company's financial strength over the last 3 years. Our real estate assets in Thane and Mumbai have appreciated and generate good income for the Company. As one of the largest shareholders in our Company, my utmost goal remains protecting and enhancing our shareholder value.

### **Business Operations:**

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

- a. Streamline and focus our Company to be India oriented, with focus on offshore engagements,
- b. Utilize the Company's Real Estate capacity to its fullest extent,
- c. Resolve our complex tax challenges,
- d. Keep the Company debt free, unless financing productive assets, and
- e. Grow our business.

I am happy to report that we continue to make progress in these priority areas.

- The Company has transformed into an India based off shore model which is cost effective and profitable. Except for the Public Sector business in the U.S., all work continues to be offshore oriented.



- Our properties in Andheri and the excess capacity in Thane continue to generate revenue. Our own use of the Thane property is also optimal.
- The Company continues to be debt free.
- The Directors have recommended a dividend of Re.1 per share (10% on the face value), for a 3rd year in a row.

We continue to enjoy the confidence of our customers resulting in opportunities of significant size. The continued support of our customers is an indication of their confidence in our cost effective delivery capabilities. The focus on quality of services has ensured continued customer loyalty. We have created a strong base for sustainable growth with deeper focus on offshore services.

### **Business Outlook**

During the year FY 2008-2009, the company's US Subsidiary recorded a decrease in revenue in US \$ terms. As I write this letter, US business conditions in the current 2nd Quarter continue to deteriorate. I expect FY 09-10 revenues to be lower than our current year. In FY08-09, we had a difficult fiscal 2nd and 3rd quarters with unpredictable top line revenue and fixed overhead expenses. We have made substantial corrections to bring costs in line. But this is a moving target till the US market conditions stabilize.

We used this lean time to substantially upgrade our Sales and Presales talent in the company. We hired a top Sales Manager to head up US and India Sales. We have also strengthened the US Presales and Delivery Leadership. We have also added Sales leadership in India and in the Middle East. We continue to strengthen our SAP and ESRI alliances which will lead to very positive impact on our company once the market conditions improve and growth cycle begins.

Our Joint Venture in Bahrain continues to focus on large GIS oriented opportunities. As I stated in the last letter, we have also taken a decision to further develop India as a market. We have brought onboard a sales team that will drive business in India and South East Asia. In both the Middle East and Asian Markets our focus is to sell services where we have depth of expertise (i.e. SAP Solutions, GeoSolutions and Custom Business Applications). Our initial focus is to leverage our Public Sector expertise and take to market solutions and products we have sold in the US. Growth of Company's revenue and profits will be my top priority for the foreseeable future.

I am grateful to our ED, the Sales, Delivery and Financial Leaders of the company for their unstinted support to our efforts to enhance shareholder value. I am especially thankful to Steven Jeske, my partner and CFO of our company for working with me in one of the toughest conditions. His tireless efforts helped your company resolve several issues and strengthen our client relationships. Our employees are our biggest asset and I wish to record my sincere appreciation to their dedicated efforts.

I thank Bansi S Mehta & Co, Chartered Accountants and Mr. Farook Irani Esq. for their valuable help. I thank Mr. M.P. Bharucha of Bharucha & Partners for his help and counsel. I have special thanks and gratitude to Mr. 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 would like to thank my dedicated Board of Directors and our US investor representatives for their involvement, counsel and support. 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,

**Vish Tadimety**

Mumbai  
August 10, 2009

## N O T I C E

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of **CyberTech Systems and Software Limited** will be held on Wednesday the 30<sup>th</sup> day of September 2009, at the Registered Office of the Company at CyberTech House, Plot No. B-63-65, 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, 2009 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 a Director in place of Mr. Prakash Kenjale, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Lodha & Co., Chartered Accountants, Mumbai, as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED THAT 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 reappointment of Mr. C.N. Rao as an Executive Director in the whole-time employment of the Company, for a period of one year with effect from October 1, 2009 upon the terms and conditions approved by the Board at its meeting held on July 31, 2009."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites in such a manner as may be agreed to between the Board and Mr. C.N. Rao within and in accordance with and subject to the limits prescribed in Schedule XIII 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 Mr. C.N. Rao."

"RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, wherein any financial year, during the currency of the term of Mr. C.N. Rao as Executive Director of the Company, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 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 the above resolution."

By **Order of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

### Registered Office:

CyberTech House  
Plot No. B – 63-65, Road No.21/34, J. B. Sawant Marg,  
MIDC, Wagle Estate, Thane (West) – 400 604  
Date: August 10, 2009



**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be lodged with the Company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2009 to September 30, 2009 (both days inclusive).
4. Members are requested to:
  - a. Notify immediately, change of address, if any, to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound , L.B.S. Marg, Bhandup (W), Mumbai - 400 078, if they are holding shares in physical form and to update such details with their respective Depository Participants (DPs), if they are holding shares in electronic form.
  - b. Write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting and
  - c. Bring the copy of the Annual Report along with them and to produce the Attendance Slip at the entrance of the Meeting Hall.
5. Members who have yet not encashed their dividend warrants for previous two years may approach the Company for revalidation/issue of duplicate dividend warrant since in terms of the amendments to Section 205A and Section 205C of the Companies (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 Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has paid the annual listing fees for the financial year 2009-2010 to these Stock Exchanges.

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**

**Item No. 6 - Reappointment and Remuneration of Mr. C.N. Rao as Executive Director**

Mr. C.N. Rao was appointed as an Executive Director for a period of three years, with effect from October 9, 2006. His tenure as Executive Director ends on October 8, 2009 unless he is reappointed. The Board after considering his performance has decided to reappoint him as Executive Director for a period of one year effective October 1, 2009 subject to the approval of members. Considering the present business scenario and the market conditions and as in the case of other Senior Executives, Mr. C. N. Rao has agreed to a reduced compensation as given below. The Board has considered the recommendations of the Remuneration Committee while determining the remuneration to be payable to him after he is reappointed as Executive Director.

Except Mr. C. N. Rao, no other director may be deemed to be concerned or interested in this resolution.

**I The information as required under Schedule XIII Part II section II 1(B)(iv) is given below:**

**GENERAL INFORMATION:**

1. Nature of Industry: Information Technology
2. Date or expected date of commencement of commercial production:  
Not Applicable (The Company is an existing Company)
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus: Not Applicable

## 4. Financial performance based on given indicators:

Particular Period	: April 1, 2008-March 31, 2009
Total Revenue	: Rs. 216.97 Million (Standalone)
Profit (Loss) after Tax	: Rs. 68.62 Million (Standalone)

## 5. Export performance and net foreign exchange collaboration, if any:

Revenue (Export): Rs. 127.32 Million (Standalone)

## 6. Foreign Investment or collaboration, if any: The Company has investment in the following overseas subsidiaries/ Joint Venture:

1. CyberTech Systems and Software Inc.
2. CybeTech Middle East, W.L.L.

**II Information about the Appointee:**

## 1) Background Details:

Mr. C. N. Rao, 64, is B.Com Hons. and LLB from the University of Kolkata and Associate Member of all the three professional bodies viz., ACAI, ICWAI and ICSI.

Prior to joining CSSL, he has a total of over thirty four years experience including twenty four years experience of as head of Finance and I.T in a large public sector undertaking. The remuneration paid to him has been recommended by the Remuneration Committee and is subject to the approval of the shareholders by way of special resolution.

- 2) Past remuneration : Rs. 12 Lakhs per annum when he was appointed as Executive Director in the Company  
Last Remuneration drawn : Last drawn remuneration with was Rs.16 Lakhs per annum.

## 3) Job profile and his suitability:

Since Mr. C.N.Rao has total of 37 years of rich experience in industry and having headed finance and I.T. Department of a large public sector undertaking, the Board considers him to be the most suitable person.

The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. C.N.Rao for the office of Executive Director not liable to retire by rotation.

## 4) Remuneration proposed:

- a) **Salary** : Rs. 87,500/- per month.
- b) **Conveyance facilities** : The company shall reimburse all repairs, maintenance and running expenses including driver's salary for his car, the total amount not exceeding Rs.1,50,000/- per annum.
- c) **Telephone facilities** : The company shall reimburse the expenses for one fixed land line and two mobile phones at his residence.
- d) **Gratuity** : Gratuity at the rate of half month's salary for each completed year of service.
- e) **Leave** : Entitled for leave with full pay or encashment thereof as per the rules of the company.
- f) **Notice** : Three months on either side.

This may be treated as abstract of the terms & conditions for re-appointment of Mr. C.N. Rao, Executive Director of the Company.

## 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.

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

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting as reflected under item No. 3 & 4 of the Notice.

<b>Names of Directors</b>	<b>Mr. Viswanath Tadimety</b>	<b>Mr. Prakash Kenjale</b>
<b>Date of Birth</b>	October 5, 1962	January 15, 1950
<b>Date of Appointment</b>	May 23, 1995	September 28, 2006
<b>Qualifications</b>	M.Tech from Indian Institute of Technology, Chennai	M.Tech. from IIT, Kanpur
<b>Experience in specific Functional Areas</b>	Rich experience of over 22 years in Information Technology, specializing in network systems and integrations.	Rich experience of 28 years in the IT industry within the country and abroad at senior level including as CEO
<b>Directorship in other Companies</b>	CyberTech Systems and Software Inc. USA CyberTech Middle East W.L.L.	Danlaw Technologies India Limited, Hyderabad
<b>Membership on Committees of other Companies</b>	Nil	Member of Audit committee of Danlaw Technologies India Limited, Hyderabad

**By Order of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

**Registered Office:**

CyberTech House  
Plot No.B – 63-65, Road No.21/34, J. B. Sawant Marg,  
MIDC, Wagle Estate, Thane (West) – 400 604  
Date: August 10, 2009

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2009. This report includes both stand-alone results for the Company (CyberTech Systems and Software Ltd.) as well as consolidated results for the Company and its subsidiaries in the US and Bahrain.

### FINANCIAL RESULTS

(Rs. in million)

	Standalone		Consolidated	
	2008-09	2007-08	2008-09	2007-08
Gross Revenue	<b>216.97</b>	219.70	<b>744.14</b>	672.54
Profit before Interest & Depreciation	<b>96.01</b>	50.14	<b>71.99</b>	46.33
Interest	<b>0.15</b>	0.16	<b>0.28</b>	0.16
Depreciation	<b>17.40</b>	15.97	<b>29.35</b>	18.69
Profit/(Loss) before tax	<b>78.46</b>	34.01	<b>42.36</b>	27.48
Provision for tax (includes fringe benefits)	<b>(9.84)</b>	(4.98)	<b>(9.84)</b>	(5.52)
Income Tax adjustments for earlier year's –credit	-	-	<b>(4.01)</b>	1.01
Profit/(Loss) after tax	<b>68.62</b>	29.03	<b>36.53</b>	20.95
Less Minority interest (Loss)	-	-	<b>2.79</b>	-
Accumulated profit b/f from previous year	<b>39.66</b>	41.61	<b>56.54</b>	66.57
Provision for Dividend (includes dividend tax of Rs. 4.50 million)	<b>(30.97)</b>	(30.98)	<b>(30.97)</b>	(30.98)
Balance to be carried forward	<b>77.31</b>	39.66	<b>64.89</b>	56.54

### DIVIDEND

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

### REVIEW OF THE COMPANY'S STAND ALONE PERFORMANCE

The Company's primary focus continues to be delivering offshore development and support services in the Company's core technology areas. Additionally, the Company received substantial income from certain real estates and interest income.

The Company's performance for the year being reported on is as follows:

- Total revenue during the year 2008-09 amounted to Rs. 216.97 million as compared to Rs. 219.70 million during the previous year. Total revenue is comprised of revenue from operations and other income, as follows:
  - Revenue from operations for the year ended March 31, 2009 amounted to Rs. 127.49 million vs. Rs. 163.19 million for the previous year. Operating revenue includes both software support and development activities and revenue earned according to the terms of the Bahrain JVC. Revenue was lower as a result of the sale of the Company's investment in its joint venture with Corliant Inc. in the previous year.
  - Other Income amounted to Rs. 89.48 million as against Rs. 56.51 million. Other income is higher on account of greater income from properties and interest receipts on deposits.
- Profit before interest, depreciation and tax amounted to Rs. 96.01 million against Rs. 50.14 million in the previous year.

### REVIEW OF CONSOLIDATED PERFORMANCE

On a Consolidated Basis, the Company reported total revenue of Rs. 744.14 million during the year as compared to Rs 672.54 million during the previous year.

Profit after tax for the year ended March 31, 2009 amounted to Rs. 36.53 million compared to Rs. 20.95 million in the previous year.



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

### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the Company, including its wholly owned US subsidiary and Joint Venture in Bahrain, 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 & 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 & Software, Inc. (USA) reported an operating loss of Rs. 18.840 million before interest, depreciation and tax on revenue of Rs. 550.211 million. The net loss after tax aggregated Rs. 26.695 million.

### **SUBSIDIARY IN THE MIDDLE EAST**

The Company is majority owner of CyberTech Middle East W.L.L., a joint venture company in Bahrain. Pursuant to the agreement entered into with Gold Coastway Limited., CyberTech Middle East was established in August 2008.

The joint venture company has been in a startup mode during the year and has opened offices in the Kingdom of Bahrain and obtained orders for total billings of Rs. 110.989 million. The subsidiary recognized a loss of Rs. 6.205 million during the period while initiating operations.

### **WHOLLY OWNED SUBSIDIARY IN EUROPE**

The Company owned a 100% interest in CyberTech Europe, S.A. organized in Luxembourg. The process of voluntary winding up of this subsidiary was completed during the year.

### **SUBSIDIARY COMPANIES' ACCOUNTS**

The statement required pursuant to section 212 of the Companies Act, 1956, containing details of the subsidiaries, CyberTech Systems & Software Inc, USA, and CyberTech Middle East W.L.L. is attached hereto.

### **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.

### **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 to this report.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Viswanath Tadimety and Mr. Prakash Kenjale, Directors of the Company retire by rotation at the ensuing Annual General Meeting. Mr. Viswanath Tadimety and Mr. Prakash Kenjale being eligible, offer themselves for re-appointment.

The tenure of Mr. C.N. Rao as Executive Director expires on 8<sup>th</sup> October 2009. The Directors propose the reappointment of Mr. C. N. Rao as Executive Director for a period of one year effective October 1, 2009.

Necessary resolutions for appointment / re-appointment of the aforesaid directors have been included in the Notice convening the ensuing Annual General Meeting.

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, 2009, the applicable accounting standards were followed and proper explanation relating to material departures were 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.

The above statement has been noted by the Audit Committee at its meeting held on June 29, 2009.

#### **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 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.

#### **INFORMATION PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

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 to this Report.

#### **EMPLOYEES STOCK OPTION PLAN**

The position of ESOPs granted and exercised during the year is as under:

<b>Number of options granted</b>	During the year under review 8,10,000 options were granted.
<b>Pricing formula</b>	Not Applicable
<b>Options vested</b>	A total of 2,30,375 options vested during the year.
<b>Options exercised and number of shares arising out of such exercise</b>	No grantee exercised any options during the year.
<b>Options lapsed</b>	During the year 6,75,960 options lapsed out of options granted.
<b>Variations in terms of options</b>	There was no variation in the terms of options.
<b>Money realized on exercise of options</b>	Nil
<b>Total Number of options in force</b>	Total number of 11,02,300 options were in force as on 31.3.2009.
<b>ESOPs granted to senior managerial personnel</b>	For the year ended 31.3.2009, the Company granted 8,10,000 options to Senior Managerial Personnel.  Further for the year ended 31.3.2009, 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, 2009		As at March 31, 2008	
	Options	Weighted Average Exercise Price (Rs.)	Options	Weighted Average Exercise Price (Rs.)
Options outstanding at beginning of the year	<b>968,260</b>	<b>11.93</b>	1,070,160	14.55
Granted during the year	<b>810,000</b>	<b>17.95</b>	-	-
Exercised during the year	-	-	21,100	11.56
Forfeited/lapsed during the year	<b>675,960</b>	<b>16.27</b>	80,800	46.93
Options outstanding at end of year	<b>1,102,300</b>	<b>13.67</b>	968,260	11.93
Vested options pending exercise	<b>659,800</b>	<b>11.77</b>	489,835	11.71

The following summarizes information about stock options outstanding:

**As at March 31, 2009**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (Rs.)
<b>Rs.7.50 to Rs.15.00</b>	<b>708,550</b>	<b>3</b>	<b>11.22</b>
<b>Rs.15.00 to Rs.23.00</b>	<b>393,750</b>	<b>7</b>	<b>18.08</b>

**As at March 31, 2008**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (Rs.)
Rs.7.50 to Rs.15.00	868,260	3	11.25
Rs.15.00 to Rs.23.00	100,000	5	17.88

**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 Rs.7.55 to Rs.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, 2009	As at March 31, 2008
Dividend yield	<b>0 – 10%</b>	0 – 10%
Expected volatility	<b>10% - 20%</b>	10% - 20%
Risk-free interest rate	<b>6.46% - 6.65%</b>	6.39% - 6.65%
Expected life of option	<b>0 – 7 yrs</b>	0 – 6 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:

	<b>As at March 31, 2009</b>	As at March 31, 2008
Profit attributable to Equity Shareholders	<b>68,620,853</b>	29,031,272
Add: Stock-based employee compensation expense included in net income	-	-
Less: Stock-based compensation expense determined under fair value based method	<b>288,222</b>	176,714
Net Profit	<b>68,332,631</b>	28,854,558
Basic and diluted earning per share (as reported)	<b>2.59</b>	1.10
Basic and diluted earning per share (under fair value method)	<b>2.58</b>	1.09

**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 : Mumbai

Dated : August 10, 2009



## ANNEXURE 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, 2009.

### 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
<b>TECHNOLOGY ABSORPTION</b>		
e.	Efforts made in technology absorption	Not Applicable
<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
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
g.	Statement of expenditure/earnings incurred in Foreign Currency	
	Outgo (Dividend)	Rs. 10,593,177/-
	Outgo (Travel Expenses)	Rs. 1,433,513/-
	Outgo (Subscription)	Rs. 135,907/-
	Income	Rs. 127,320,539/-

For and on behalf of the Board of Directors

**Viswanath Tadimety**  
Chairman

Place : Mumbai

Dated: August 10 , 2009

## 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, 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 and Middle East, with focus on several core software technology applications including SAP and Geographical Information Systems ("GIS"), as well as 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 delivered in other countries, the Company remains subject to the effect of changes in the relative values of the respective country currencies.

The Company also has 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 income from its real estate holdings.

Results discussed herein include consolidated results for the Company, its wholly owned US subsidiary and its share of the joint venture in the Middle East.

### B. Company Operations

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

- **SAP- one of the major ERP application providers**, (Implementation, Upgrade and Post Implementation Support)
- **Geographical Information Systems - GIS** based on ESRI technologies (Application Development, Integration and Product Support)
- **Custom Technologies - including Microsoft, Oracle and IBM** (Application Development, Integration and Maintenance)

The Company maintains *Advanced Technology Centers* ("ATC") for the training, development and support of SAP, ESRI, and Microsoft technologies. 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 a 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.

These three companies work in tandem to serve customers needs. Activities are somewhat indivisible and seamless. Accordingly, business operations as discussed include activities of the Company and its Subsidiaries.

It should be noted the CyberTech Middle East W.L.L. commenced operations during the current fiscal year and has incurred a loss in the year as a result of its startup operations including registering and establishing an office in the Kingdom of Bahrain and marketing operations in connection with potential new business.

#### Market Segments:

The Company segments its consolidated customer base 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 \$1B) 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 61% 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. 39%) 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.

### Practice Areas:

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

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

CyberTech differentiates itself with its proprietary Advanced Technology Center (ATCs) 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.

The Company has **Development Partner Status with SAP** and works as part of a SAP broad initiative that is integrating SAP and GIS technologies. Additionally, CyberTech is a **Ramp-up Partner in a joint SAP-Microsoft** initiative called "Duet" and maintains a **Consulting Partner Status with SAP** on customer implementations. Our **Customer Service Agreement** Status enables SAP to engage CyberTech in customer implementations and upgrades where SAP plays a lead role.

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

The Company's GIS practice is focused on providing GIS assessment, application development, integration and maintenance services, primarily utilizing ESRI Technologies.

### Our 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.
- 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.

During the fiscal year, our GIS practice has also 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.

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

**\* 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:**

Changing economic and business conditions across the world coupled with rapid technological innovation and globalization are creating an increasingly competitive market environment. The global economic meltdown has adversely affected IT industry world over and more particularly the Indian IT industry which is largely dependant on customers in the United States. The economic melt down has led to the Government in the United States taking various policy decisions impacting the Indian IT industry. The economic downturn also impacted the budgets of customers of Indian IT industry.

Offshoring has been truly accepted as a major strategic decision that can enhance the competitive advantages of global corporations. The value proposition of offshore development has been proved beyond doubt and as an industry, offshoring is still very much in the growth phase. The global market share of Indian companies is small, but growing. There is therefore room for the Indian software industry to grow given the untapped potential both domestically and abroad.

Among other advantages for the Indian software industry, the major ones are the large availability of talented manpower, cost advantage and geographical advantages (time zone advantages). The companies involved in IT outsourcing in India typically provide high quality work, meeting international standards and complying with ISO & SEI-CMM standards.

The Company provides the majority of its services, on a consolidated basis, in the United States. This has had a significant negative impact on reported revenue and earnings as a result of the severe economic downturn in the United States. The Company's share of services delivered offshore has increased during the last three to four years and is expected to continue to increase due to the Company's focus on aligning its sales and delivery organizations to an offshore model.

**D. Opportunities & Threats:**

**Opportunities:**

India has over the years developed a number of advantage factors contributing to its pre-eminent position. Significant among these are:

- 1) Quality of Delivery- India has a number of companies with quality certifications including SEI – CMM level 5
- 2) Cost advantage – India has significant advantage in terms of cost of delivery; and
- 3) Availability of skilled resources – there is a very large availability of highly skilled and English speaking resources.

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 in its practice areas including SAP, ESRI and Microsoft. The company is well poised to take advantage of the new advanced technologies provided by these alliance partners. These technology alliance partners expect to see a major technology opportunities for their customers in the United States. SAP for instance, expects its market will change substantially with the introduction of mySAP ERP and SAP advanced technologies such as Business Intelligence, Customer Management and Data Warehousing. This will create the potential for customers to upgrade to the newer SAP version and integration of this upgrade with other applications.

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 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 is expected to be significantly reduced in 2009 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 is 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 also expect a potential backlash in the US from the increasing loss of employment due to outsourced services overseas.

## **E. Outlook, Risks & Concerns:**

### **Outlook:**

During the last few years the Management has focused on restoring the Company's Balance Sheet to a better state and aligning its sales and delivery structure to an Indian Model. Additionally, the Company has carefully managed its outstanding tax issues and has had success at the ITAT in pursuing and presenting its position.

With its Balance Sheet in a much better position as a result of the sale of its interest in its joint venture company as well as income earned from its available real estate and proceeds from the 2006 rights offering, the Company intends to continue its dividend payment to shareholders and pursue other strategic investments. Consequently the Company has formed a joint venture company in Bahrain to take advantage of the various business opportunities in the Middle East. The Joint Venture Company has commenced operations and has been successful in obtaining orders to the extent of BD 850,000 (Rs.111 million).

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, Microsoft, IBM, 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 offshore 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 and in adjacent markets, including new ventures in the Middle East and India 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.

#### **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 operates in 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 U.S.A. heavy dependence on this one geographic segment could lead to volatility because of the economic and political situation there. The Company is exploring other potential growth markets, both domestically and in adjacent countries to reduce this dependency and accordingly has commenced operations in the Middle East. This would also have the effect of spreading currency risk as well.

##### **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 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.

##### **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 retention 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.

**Pending disputed tax matters**

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,
- received significant proceeds from the sale of its investment in its joint venture company and its rights offering,
- 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 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 262 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 & 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

We have examined the compliance of the conditions of Corporate Governance by **CyberTech Systems and Software Limited** for the year ended 31<sup>st</sup> March 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges 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 complied in all material respects 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

**R. P. Baradiya**  
Partner

Membership No. 44101

Place : Mumbai

Dated : August 10, 2009



## 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 endeavor 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 six-member Board is as follows:

1	Mr. Viswanath Tadimety	Non-Executive Chairman and Promoter Director
2	Mr. Anant Rajwade	Independent Director
3	Mr. Arun Shah	Independent Director
4	Mr. Prakash Kenjale	Independent Director
5	Mr. Steven Jeske	Non-Executive and Non-Independent Director
6	Mr. C.N.Rao	Executive Director

During the period April 1, 2008 to March 31 2009, the Board met five times. Dates of the Board Meetings and attendance thereat are furnished hereunder:

Date of Board Meeting	May 27, 2008	June 23, 2008	July 23, 2008	October 23, 2008	January 29, 2009
Board Strength	6	6	6	6	6
No. of Directors Present	4	4	4	3	3

Attendance of individual Directors at the Board Meetings:

Name of Director	No. of Board Meetings held during year	No. of Board Meetings attended	Attendance at last AGM
Mr. Viswanath Tadimety	5	1	Not Attended
Mr. Anant Rajwade	5	5	Attended
Mr. Arun Shah	5	5	Attended
Mr. Prakash Kenjale	5	2	Attended
Mr. C.N.Rao	5	5	Attended
Mr. Steven Jeske	5	0	Not Attended

Mr. Viswanath Tadimety and Mr. Steven Jeske 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/ED*	No. of other Directorship(s)**	Committee Membership	Committee Chairmanship
Mr. Viswanath Tadimety	PD	-	-	-
Mr. Anant Rajwade	ID	6	4	0
Mr. Arun Shah	ID	11	8	4
Mr. Prakash Kenjale	ID	1	1	-
Mr. C.N.Rao	ED	-	-	-
Mr. Steven Jeske	NED/NID	-	-	-

PD – Promoter Director, ID – Independent Director, ED – Executive 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

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:

- Reviewing the annual/ half-yearly/ quarterly financial statements with the Management;
- Reviewing adequacy of internal control systems with Statutory and Internal Auditors;
- Reviewing the Reports of the Internal and Statutory Auditors along with the comments and action taken on reports of the Management;
- Recommending the appointment and removal of Statutory Auditors, fixation of Audit Fees etc., and
- Examining accountancy, taxation and disclosure aspects of all significant transactions.

Five Audit Committee Meetings were held during the Financial Year 2008-09 on May 27,2008,June 23,2008,July 23, 2008, October 23,2008 and January 29, 2009. Attendance of the Directors was as follows:

Director	No. of Committee Meetings attended
Mr. Anant Rajwade	5
Mr. Arun Shah	5
Mr. Prakash Kenjale	2





**Remuneration Committee**

Composition of the Remuneration Committee

1	Mr. Anant Rajwade	Chairman
2	Mr. Arun Shah	Member
3	Mr. Viswanath Tadimety	Member
4	Mr. Prakash Kenjale	Member

The functions of the Remuneration Committee are:

- to ensure that a proper system of compensation is in place;
- to devise and recommend to the Board, a Scheme for granting 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.

**One meeting of Remuneration Committee was held on June 23, 2008. Attendance there at is as follows:**

Director	Attended/Not Attended
Mr. Anant Rajwade	Y
Mr. Arun Shah	Y
Mr. Viswanath Tadimety	Y
Mr. Prakash Kenjale	N

**Details of remuneration paid to the Directors and the Executive Director for Financial Year 2008-2009**

Name	Designation	Salary Rs.	Commission	Sitting fees Rs.	Total (Rs.)	Notice Period
Mr. Viswanath Tadimety	Chairman	Nil	-	40,000	40,000	Nil
Mr. Anant Rajwade	Director	Nil	1,25,000	2,20,000	3,45,000	Nil
Mr. Arun Shah	Director	Nil	1,25,000	2,20,000	3,45,000	Nil
Mr. Prakash Kenjale	Director	Nil	1,25,000	80,000	2,05,000	Nil
Mr. C.N.Rao	Executive Director	13,65,868	Nil	Nil	13,65,868	3 months
Mr. Steven Jeske	Director	Nil		Nil	Nil	Nil

**Shareholders'/ Investors' Grievance Committee**

Composition of the Investors' Grievance Committee

1	Mr. Arun Shah	Chairman
2	Mr. Viswanath Tadimety	Member
3	Mr. Prakash Kenjale	Member

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](mailto:cssl.investors@cybertech.com)

### General Body meetings

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

Particulars	FY 2005-2006	FY 2006-2007	FY 2007-2008
Date & Time	September 18, 2006 4 P.M.	August, 24, 2007 4 P.M.	September 30, 2008 4 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 18,2006 the following two special resolutions were passed:

- (1) Resolution pursuant to Section 81(1A) of the Companies Act, 1956 approving the offer of 15,00,000 shares and 17,50,000 warrants convertible into equivalent number of shares on preferential basis to a promoter and a key management person in accordance with SEBI (Disclosure and Investor Protection) Guidelines for Preferential Issue, 2000.
- (2) Resolution according permission to make an application to the High Court of Judicature at Bombay to utilise a portion of Securities Premium Account (Up to Rs. 24,16,95,323) to write off accumulated losses of the Company.

On August, 24,2007 the following three special resolutions were passed:

- (1) Appointment of Mr. C.N. Rao, as an Executive Director in wholetime employment for three years and approval of remuneration payable to him.
- (2) Approval of the Employees Stock Option Plan of 2007 and permission to issue 12,35,633 equity shares in the aggregate.
- (3) Authorising the Chairman to pay remuneration by way of commission to all or any of the non-executive Directors, the total of such commission in any year not exceeding one percent of the net profits of the Company.

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 Mrs. 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.

### 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 at its meeting held on June 29, 2009.

**(7) Directors Responsibility Statement**

The draft Directors Responsibility Statement signed by Executive Director dated June 28, 2009 which is to be included in Board's Report for F.Y.2008-09 was reviewed by Audit Committee in its meeting held on June 29, 2009.

**(8) Risk Management Policy**

The risk management practices adopted by the management ensure that management controls risks. During the F.Y. 2008-09 following three types of risks were reviewed by the Audit Committee/Board.

- a. Business Risk : On 14th May, 2009 the Chairman of the Board gave presentation to Audit Committee and updated the Audit Committee members about the impact of recession on Company's business in last quarter of F.Y.2008-09.
- 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 July 23, 2008 directed the management of the company to invest surplus funds of the Company either in Fixed Deposits with scheduled banks or money market liquid funds 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.

**Means of Communication**

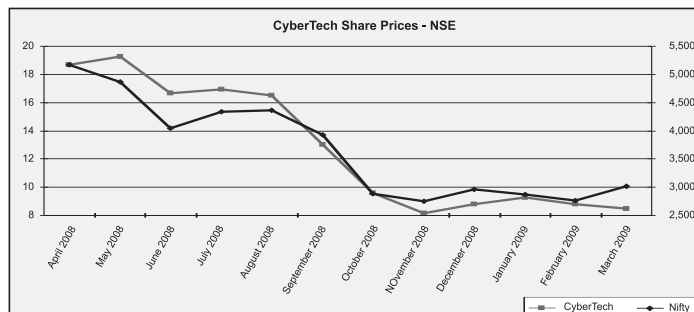
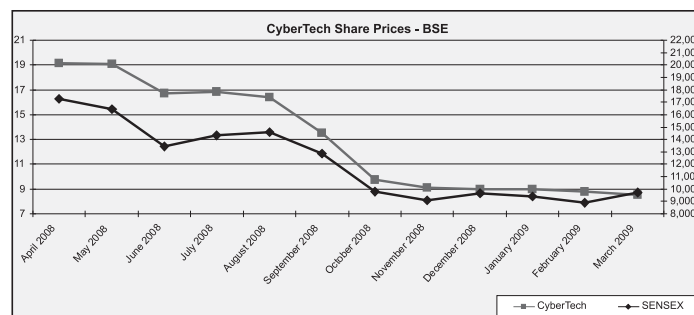
- (1) Quarterly results are also put on the website of the Company and filed electronically with SEBI under EDIFAR.
- (2) Newspapers wherein results normally published : Free Press Journal and Navashakti.
- (3) Any website, where displayed : <http://india.cybertech.com>
- (4) Whether it also displays official news release : Yes.
- (5) The presentation made to institutional investors or to the analysts : No.

**General Shareholder information:**

- i. AGM Date : September 30, 2009
- ii. Time : 3 P. M.
- iii. Venue : CyberTech House, MIDC, Wagle Industrial Estate, Thane-400 604.
- iv. Financial year : 2008-09
- v. Date of book closure : September 23, 2009 to September 30, 2009
- vi. Dividend Payment : Dividend, if approved in the AGM shall be paid/credited on or after September 30, 2009.
- vii. Listing on Stock Exchanges and Code :
  - (i) The Bombay Stock Exchange Limited: 532173
  - (ii) National Stock Exchange of India Limited: CYBERTECH
- viii. Market Price Data : High, Low during each month in last financial year

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2008	19.90	15.15	20.40	15.05
May 2008	25.00	17.15	25.00	17.15
June 2008	22.70	16.25	20.05	15.40
July 2008	18.00	14.45	18.40	12.30
August 2008	20.00	16.30	19.70	16.00
September 2008	18.00	12.60	18.15	11.70
October 2008	15.80	07.72	13.90	07.60
November 2008	11.90	07.55	11.45	08.00
December 2008	11.49	08.15	12.70	08.00
January 2009	10.68	08.30	11.25	08.00
February 2009	10.80	08.26	10.60	08.00
March 2009	09.97	07.60	09.50	07.85

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





- ix. 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.
- x. 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.
- xi. **Distribution of shareholding :**

**Categories of Shareholders as on March 31, 2009**

Category	No. of shares held	Percentage (%)
Promoters (Non resident)	6460491	24.4056
Relatives of Promoters	1041070	3.9328
Directors and their relatives	90002	0.3400
FII's/FFI's	575	0.0022
Foreign Venture Capital Investors	8458788	31.9545
Bodies Corporate(Domestic)	615441	2.3249
Non-Resident Indians/OCBs	1248663	4.7170
Public	8409570	31.7686
Mutual Funds	0	0
Bank/Insurance Companies/FI's	48151	0.1819
Others	98592	0.3725
Total	26471343	100.0000

**Distribution of Shareholding as on March 31, 2009**

No. of shares held	Shareholders		Nominal value	
	Number	Percentage (%)	Rs.	Percentage (%)
1 – 5000	10070	81.4725	15,890,760	6.0030
5001 – 10000	1071	8.6650	8,951,970	3.3818
10001 – 20000	586	4.7411	8,819,610	3.3317
20001 – 30000	192	1.5534	4,843,340	1.8296
30001 – 40000	73	0.5906	2,563,990	0.9686
40001 – 50000	67	0.5421	3,168,270	1.1970
50001 – 100000	121	0.9790	8,859,550	3.3468
100001 & above	180	1.4563	211,615,940	79.9415
Total	12360	100.0000	264,713,430	100.0000

Dematerialization of shares and liquidity: As on March 31, 2009 1,38,48,536 shares (52.31% of total equity shares) of the Company are held by the Shareholders in dematerialized form.

- xii. 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.
- xiii. Plant Locations: Not applicable
- xiv. 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, 2009 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 sub-section (3C) of Section 211 of the Act, to the extent applicable;
  - (e) On the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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) 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 to the Accounts" in Schedule 15 and other notes appearing elsewhere in the accounts 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, 2009;
    - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended 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

**R. P. Baradiya**  
Partner  
(Membership No. 44101)

Place : Mumbai  
Dated : June 29, 2009



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 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 except interest free loan of Rs 129.62 lacs granted to a subsidiary in an earlier year which has been written off during the year, out of the provision made in an earlier year.
4. In our opinion, having regard to the explanations 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 Rs 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 adequate internal audit system commensurate with the size 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, 2009 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 followings:

Particulars	Forum where the dispute is pending	Amount (Rs in lacs)	Period to which it relates
Income Tax	Income Tax Appellate Tribunal	161.31	A.Y. 1997-98 to 1999-2000
	CIT (Appeals)	13.34	A.Y. 2005-06
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 defaulted in repayment of dues to a bank or financial institution.
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 terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of 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, the Company has not raised any funds on short term basis.
18. The Company has not made any preferential allotment of shares to a party covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
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

**R. P. Baradiya**  
Partner  
(Membership No. 44101)

Place : Mumbai  
Dated : June 29, 2009





**BALANCE SHEET AS AT MARCH 31, 2009**

	SCHEDULE	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	<b>264,713,430</b>	264,713,430
Reserves & Surplus	2	<b>241,971,304</b>	204,320,599
		<b>506,684,734</b>	469,034,029
<b>Loan Funds</b>			
Secured Loans	3	<b>147,409</b>	651,301
<b>Deferred Tax Liability (Net)</b> (Refer Note No. 6 in Schedule 15)		<b>14,089,918</b>	-
		<b>520,922,061</b>	469,685,330
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	<b>320,673,881</b>	326,288,832
Less: Depreciation		<b>128,745,452</b>	126,403,567
Net Block		<b>191,928,429</b>	199,885,265
Capital Work-In-Progress		<b>1,741,978</b>	522,500
		<b>193,670,407</b>	200,407,765
<b>Investments</b>			
	5	<b>129,347,014</b>	82,568,500
<b>Current Assets, Loans And Advances</b>			
Sundry Debtors	6	<b>67,306,026</b>	87,565,229
Cash and Bank Balances	7	<b>130,384,810</b>	114,967,478
Loans and Advances	8	<b>90,718,265</b>	69,749,319
		<b>288,409,101</b>	272,282,026
<b>Less: Current Liabilities And Provisions</b>			
Current Liabilities	9	<b>53,509,219</b>	49,132,356
Provisions	10	<b>36,995,242</b>	36,440,605
		<b>90,504,461</b>	85,572,961
<b>Net Current Assets</b>			
		<b>197,904,640</b>	186,709,065
		<b>520,922,061</b>	469,685,330

Significant Accounting Policies and Notes to the 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

**For and on behalf of the Board of Directors**

**R.P. Baradiya**

Partner

Place : Mumbai

Dated : June 29, 2009

**Sateesh Wadagbalkar**

Company Secretary

Place : Mumbai

Dated : June 29, 2009

**C.N. Rao**

Executive Director

**A.V. Rajwade**

Director

<b>PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009</b>			
	<b>SCHEDULE</b>	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	<b>For the year April 1, 2007 to March 31, 2008 Rs.</b>
<b>INCOME</b>			
Income from:			
Software Development and Services		<b>127,488,926</b>	163,185,872
Other Income	11	<b>89,478,465</b>	56,509,527
		<b>216,967,391</b>	219,695,399
<b>EXPENDITURE</b>			
Employee costs	12	<b>84,084,369</b>	101,423,389
Operating and Administrative expenses	13	<b>36,872,884</b>	53,105,907
Loss on sale of Investments		-	15,024,187
Depreciation		<b>17,403,103</b>	15,969,530
Interest	14	<b>151,409</b>	166,114
		<b>138,511,765</b>	185,689,127
<b>Profit before Tax</b>		<b>78,455,626</b>	34,006,272
<b>Provision for Tax</b>			
Current Tax (MAT)		<b>9,000,000</b>	4,000,000
Deferred Tax Liability (Net)		<b>14,089,918</b>	-
Fringe Benefit Tax (FBT)		<b>904,855</b>	975,000
MAT Credit Entitlement (Refer Note No.6 in Schedule 15)		<b>(14,160,000)</b>	-
<b>Profit after Tax</b>		<b>68,620,853</b>	29,031,272
Balance of Profit Brought Forward		<b>39,653,568</b>	41,606,964
<b>Profit Available for Appropriation</b>		<b>108,274,421</b>	70,638,236
<b>Appropriations</b>			
Proposed Dividend		<b>26,471,343</b>	26,471,343
Residual Dividend Paid		-	12,410
Corporate Dividend Tax		<b>4,498,805</b>	4,500,915
<b>Balance Carried Forward to the Balance Sheet</b>		<b>77,304,273</b>	39,653,568
Earnings Per Share of Rs.10 each - Basic/ Diluted		<b>2.59</b>	1.10

Significant Accounting Policies and Notes to the 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

**For and on behalf of the Board of Directors**

**R.P. Baradiya**

Partner

Place : Mumbai

Dated : June 29, 2009

**Sateesh Wadagbalkar**

Company Secretary

Place : Mumbai

Dated : June 29, 2009

**C.N. Rao**

Executive Director

**A.V.Rajwade**

Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Rs.	For the year April 1, 2008 to Mar 31, 2009 Rs.	Rs.	For the year April 1, 2007 to March 31, 2008 Rs.
<b>A. Cash flow from Operating activities</b>				
Net Profit/(Loss) before tax and exceptional items :		<b>78,455,626</b>		34,006,272
Adjustments for :				
Depreciation	<b>17,403,103</b>		15,969,530	
Unrealised foreign exchange	<b>140,521</b>		498,189	
Loss on assets sold / discarded (Net)	<b>2,076,228</b>		2,386,420	
Interest income	<b>(16,612,958)</b>		(2,789,540)	
Interest Paid	<b>151,409</b>		166,114	
Sundry Balances written off (net)	<b>6,843</b>		(607,199)	
(Profit)/Loss on Sale of Investments	<b>(983,875)</b>		15,024,187	
Dividend Received	<b>(2,275,973)</b>		-	
		<b>(94,702)</b>		30,647,701
<b>Operating profit before Working Capital changes</b>		<b>78,360,924</b>		64,653,973
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	<b>27,594,204</b>		(4,221,540)	
Increase/(Decrease)Trade payables	<b>4,678,918</b>		2,562,726	
		<b>32,273,122</b>		(1,658,814)
<b>Cash Generated from Operations</b>		<b>110,634,046</b>		62,995,159
Direct taxes paid		<b>(24,196,166)</b>		(15,611,897)
<b>Net cash used in operating activities</b>		<b>86,437,880</b>		47,383,262
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		<b>(12,762,972)</b>		(14,053,216)
Purchase of investments		<b>(106,500,000)</b>		(10,000,000)
Sale of fixed assets		<b>21,000</b>		1,623,326
Sale of investments		<b>65,255,108</b>		79,136,954
Investments in Joint Venture (Cybertech Middle East)		<b>(2,345,785)</b>		-
Interest received		<b>16,612,958</b>		2,235,211
Dividend Received		<b>72,012</b>		-
<b>Net cash from investing activities</b>		<b>(39,647,679)</b>		58,942,275

Rs.	For the year April 1, 2008 to Mar 31, 2009 Rs.	Rs.	For the year April 1, 2007 to March 31, 2008 Rs.
<b>C. Cash flow from financing activities :</b>			
Increase in Share Capital	-		15,392,250
Increase in Share Premium	-		5,720,486
Secured loan repaid	<b>(503,892)</b>		(581,110)
Interest paid	<b>(151,409)</b>		(163,349)
Dividend paid and Dividend Tax paid	<b>(30,717,568)</b>		(29,138,959)
<b>Net cash used in financing activities</b>	<b>(31,372,869)</b>		(8,770,682)
<b>Net increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>15,417,332</b>		97,554,855
Cash & cash equivalents (Opening)	<b>114,967,478</b>		17,412,623
Cash & cash equivalents (Closing)	<b>130,384,810</b>		114,967,478
	<b>15,417,332</b>		97,554,855

**Notes**

1. Cash and Cash equivalents includes :
  - a) Cash on Hand 24,032 60,304
  - b) Balance with Scheduled Banks in Current Accounts 1,246,469 7,165,319
  - c) Deposits with Scheduled Bank (Excludes deposits pledged with bank) 100,610,438 106,737,984
2. The above Cash Flow Statement has been prepared using the Indirect Method prescribed by the Accounting Standards (AS) 3 "Cash Flow Statements".
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

**R.P. Baradiya**

Partner

Place : Mumbai

Dated : June 29, 2009

**Sateesh Wadagbalkar**

Company Secretary

Place : Mumbai

Dated : June 29, 2009

**For and on behalf of the Board of Directors****C.N. Rao**

Executive Director

**A.V.Rajwade**

Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
Authorised		
30,000,000 (Previous Year 30,000,000) Equity Shares of Rs.10 each	<b>300,000,000</b>	300,000,000
Issued		
26,476,302 (Previous year 26,476,302) Equity Shares of Rs.10 each	<b>264,763,020</b>	264,763,020
Subscribed and Paid-up		
26,471,343 (Previous year 26,471,343) Equity Shares of Rs.10 each, fully paid	<b>264,713,430</b>	264,713,430
Of the above :		
i) 12,876,523 (Previous year 12,876,523) Equity Shares of Rs. 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		
<b>SCHEDULE '2'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account		
Balance as per last Balance Sheet	<b>164,667,031</b>	158,946,546
Add: Addition during the year on issue of shares	-	5,720,485
	<b>164,667,031</b>	164,667,031
Profit & Loss Account (Surplus as per annexed account)	<b>77,304,273</b>	39,653,568
	<b>241,971,304</b>	204,320,599
<b>SCHEDULE '3'</b>		
<b>SECURED LOANS</b>		
Vehicle Loans From Banks (Secured by way of hypothecation of vehicles purchased there against)	<b>147,409</b>	651,301
	<b>147,409</b>	651,301

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE '4' FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK		
	As at 01-04-08	Additions during the year	Deductions/ Adjustments during the year	As at 31-03-09	For the year	Deductions/ Adjustments during the year	Upto 31-03-09	As at 31-03-09	As at 31-03-08
Leasehold Land *	3,308,683	-	-	3,308,683	50,258	-	577,968	2,730,715	2,780,973
Office Building	115,526,363	131,082	-	115,657,445	1,900,125	-	14,393,795	101,263,650	103,032,693
Plant & Machinery and Office Equipment	56,592,178	881,083	3,726,572	53,746,689	2,614,750	2,749,024	23,151,699	30,594,990	33,306,205
Computers :									
Hardware	47,762,875	863,285	10,306,309	38,319,851	5,321,836	9,715,277	28,867,768	9,452,083	14,501,666
Software (Intangible Assets)	12,551,641	9,598,035	-	22,149,676	1,853,254	-	12,224,999	9,924,677	2,179,896
Furniture & Fixtures	88,164,166	70,009	3,125,564	85,108,611	5,436,502	2,596,917	48,804,451	36,304,160	42,199,300
Vehicles	2,382,926	-	-	2,382,926	226,378	-	724,772	1,658,154	1,884,532
<b>Current Year Total</b>	<b>326,288,832</b>	<b>11,543,494</b>	<b>17,158,445</b>	<b>320,673,881</b>	<b>17,403,103</b>	<b>15,061,218</b>	<b>128,745,452</b>	<b>191,928,429</b>	<b>199,885,265</b>
Previous Year Total	360,211,888	14,350,107	48,273,163	326,288,832	15,969,530	44,263,416	126,403,567	199,885,265	

Capital Work in Progress (Including Capital Advances of Rs. NIL; Previous year Rs. NIL.)

Building	1,077,796	-
Computers	646,250	522,500
Office Equipment	17,932	-
	1,741,978	522,500

\* Land is being 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 March 31, 2009 Rs.	As at March 31, 2008 Rs.
		Opening	Purchased	Sold	Closing		
<b>SCHEDULE '5'</b>							
<b>INVESTMENTS</b>							
<b>(Unquoted, unless otherwise stated)</b>							
<b>I Long term Investments</b>							
<b>Trade</b>							
<b>Shares in Wholly Owned Subsidiaries</b>							
CyberTech Europe S.A.	Euro1.2395	1,326,289	-	1,326,289*	-	-	84,313,700
Less: Provision for Diminution in value of investments						-	(84,313,700)
CyberTech Systems and Software Inc., USA	US\$ 0.01	1,585,000	-	-	1,585,000	<b>72,564,500</b>	72,564,500
<b>Shares in Subsidiary</b>							
CyberTech Middle East, W.L.L. (Refer Note No. 10 in Schedule 15 to the accounts)	US\$ 250	-	300	-	300	<b>2,345,785</b>	-
<b>Shares in Co-operative Societies</b>							
Acme Plaza Premises Co-operative Society Ltd.	Rs.50	80	-	-	80	<b>4,000</b>	4,000
<b>II Current Investments</b>							
<b>Non-Trade</b>							
<b>Units of Mutual funds</b>							
SBI Magnum Balanced Fund-Growth	Rs.10	63,211	-	63,211	-	-	2,500,000
DSPML Balanced Fund-Growth	Rs.10	56,267	-	56,267	-	-	2,500,000
DSPML FTP Series 3D-Reg-Growth	Rs.1000	5,000	-	5,000	-	-	5,000,000
UTI-Fixed Income Interval Fund -MIP-II-Dividend Plan-Payout	Rs.10	-	550,000	550,000	-	-	-
UTI-Fixed Income Interval Fund -MIP-I-Institutional Growth Plan	Rs.10	-	936,865	936,865	-	-	-
UTI-Fixed Income Interval Fund -MIP-I-Institutional Dividend Plan	Rs.10	-	1,015,970	1,015,970	-	-	-
UTI-Fixed Income Interval Fund-QIP -VII-Institutional Dividend Plan-Reinvestment	Rs.10	-	2,054,756	2,054,756	-	-	-
UTI-Fixed Maturity Plan-QFMP-07/08 -I Institutional Dividend Plan-Reinvestment	Rs.10	-	1,021,637	1,021,637	-	-	-

	Face Value per unit	Quantity in Numbers				As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
		Opening	Purchased	Sold	Closing		
UTI-Fixed income Inteval Fund-Series II-QIP IV-Dividend Plan-Reinvestment	Rs.10	-	992,315	992,315	-	-	-
UTI-Treasury Advantage Fund -Quarterly Dividend Plan-Reinvestment	Rs.10	-	8,577	8,577	-	-	-
UTI-Treasury Advantage Fund -Institutional Plan-Daily Dividend - Reinvestment	Rs.1000	-	73,211	43,797	29,414	<b>29,420,819</b>	-
UTI-Liquid Cash Plan Regular -Daily Income Option-Reinvestment	Rs.1000	-	25,531	25,531	-	-	-
LICMF-Liquid fund-Dividend Plan	Rs.10	-	2,140,676	2,140,676	-	-	-
LICMF-Income Plus Fund -Daily Dividend Plan	Rs.10	-	2,501,191	-	2,501,191	<b>25,011,910</b>	-
						<b>129,347,014</b>	82,568,500
Aggregate book value of Investments: Unquoted						<b>129,347,014</b>	82,568,500

\*CyberTech Europe S.A. a wholly owned subsidiary of the Company has been dissolved during the year and hence reduced from investments.





<b>SCHEDULES FORMING PART OF THE BALANCE SHEET</b>		
	<b>As at March 31, 2009 Rs.</b>	<b>As at March 31, 2008 Rs.</b>
<b>SCHEDULE '6'</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Considered Good		
Debts not exceeding six months (includes unbilled revenue of <b>Rs.Nil</b> ; Previous year Rs. 1,31,407)	<b>67,306,026</b>	87,565,229
Considered Doubtful		
Exceeding six months	<b>38,456,483</b>	41,704,934
	<b>105,762,509</b>	129,270,163
Less: Provision for Doubtful Debts (Refer Note No. 10 in Schedule 15)	<b>(38,456,483)</b>	(41,704,934)
	<b>67,306,026</b>	87,565,229
<b>SCHEDULE '7'</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash on hand</b>	<b>24,032</b>	60,304
<b>Bank Balances</b>		
With Scheduled Banks		
- in Current Accounts	<b>1,246,469</b>	7,165,319
- in Deposit Accounts*	<b>129,114,309</b>	107,741,855
(including interest accrued but not due <b>Rs.4,172,552</b> ; Previous year Rs. 717,104)		
* Fixed Deposit Receipts of <b>Rs.1,076,298</b> ; (Previous year Rs. 1,004,000) have been pledged with Banks for Guarantees issued in favour of Govt. Authorities for <b>Rs. 1,003,871</b> ; Previous year Rs. 1,003,871 respectively		
* Fixed Deposit Receipt of <b>Rs. 27,500,000</b> ; (Previous year Rs. Nil) has been pledged with a Bank for guarantee issued in favour of Subsidiary Company-CyberTech Systems and Software Inc.,)		
	<b>130,384,810</b>	114,967,478

<b>SCHEDULES FORMING PART OF THE BALANCE SHEET</b>		
	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '8'</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured ,Considered good unless otherwise stated)</b>		
Loan to Subsidiary Company (Considered doubtful)	-	12,962,400
[Maximum balance outstanding during the year <b>Rs.12,962,400</b> ; Previous year Rs.12,962,400]		
Less: Provision for Doubtful Loans & advances (Refer Note No. 10 in Schedule 15)	-	12,962,400
	-	-
Advances recoverable in cash or in kind or for value to be received	<b>4,266,256</b>	3,563,354
Loan to Employees	<b>120,500</b>	-
Sundry Deposits	<b>1,049,551</b>	1,071,951
Other Receivable	<b>892,178</b>	9,175,545
Income Tax	<b>70,229,780</b>	55,938,469
(Net of Provisions <b>Rs. 140,995,365</b> ; Previous year Rs. 131,868,365)		
MAT Credit Receivables	<b>14,160,000</b>	-
(Refer Note No. 6 in Schedule 15)		
	<b>90,718,265</b>	69,749,319
<b>SCHEDULE '9'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors #		
Dues of Micro, Small and Medium Enterprises	-	-
Others	<b>16,401,631</b>	10,656,876
Deposits	<b>35,039,240</b>	37,252,554
Advance from Customers	<b>382,278</b>	723,996
Interest Accrued but not due	<b>830</b>	9,253
Other Liabilities	<b>1,184,301</b>	241,318
Investors Education and Protection Fund shall be credited by the following amounts namely :		
Unpaid Dividend*	<b>500,939</b>	248,359
*There is no amount due to be credited to the fund and outstanding as at Balance Sheet date.		
(# Refer Note No.12 in Schedule 15)		
	<b>53,509,219</b>	49,132,356



### SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '10'</b>		
<b>PROVISIONS</b>		
Proposed Dividend	<b>26,471,343</b>	26,471,343
Provisions for:		
Tax on Dividend	<b>4,498,805</b>	4,498,805
Employee Benefits		
Leave Entitlements	<b>2,324,285</b>	2,662,702
Gratuity	<b>3,700,809</b>	2,807,755
	<b>36,995,242</b>	36,440,605

### SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year April 1, 2008 to March 31, 2009 Rs.	For the year April 1, 2007 to March 31, 2008 Rs.
<b>SCHEDULE '11'</b>		
<b>OTHER INCOME</b>		
Interest on:		
Deposit With banks	<b>11,913,840</b>	2,744,460
(Tax Deducted at source <b>Rs.2,433,337</b> ; Previous year Rs.575,477 )		
Others	<b>4,699,118</b>	45,080
(Tax Deducted at Source <b>Rs.9,484</b> ; Previous year Rs.9,576 )	<b>16,612,958</b>	2,789,540
Exchange Gain	<b>7,875,249</b>	-
Dividend received on Current Investment	<b>2,275,973</b>	-
Profit on sale of Current Investments	<b>983,875</b>	-
Income from Property	<b>61,592,343</b>	51,145,687
Sundry Credit Balances written back (Net)	-	626,282
Miscellaneous Income	<b>138,067</b>	1,948,018
(including service tax refund for earlier years <b>Rs. Nil</b> ; Previous year Rs.1,402,710)		
	<b>89,478,465</b>	56,509,527

<b>SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>		
	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	<b>For the year April 1, 2007 to March 31, 2008 Rs.</b>
<b>SCHEDULE '12'</b>		
<b>EMPLOYEE COSTS</b>		
Salaries	<b>79,384,075</b>	95,850,374
Contribution to Provident and other funds	<b>464,093</b>	713,089
Welfare (including Group Medical Insurance of <b>Rs. 1,401,849</b> ; Previous year Rs. 1,315,515)	<b>4,236,201</b>	4,859,926
	<b>84,084,369</b>	101,423,389
<b>SCHEDULE '13'</b>		
<b>OPERATING AND ADMINISTRATIVE EXPENSES</b>		
Travelling & Conveyance	<b>4,454,987</b>	4,322,337
Communication	<b>3,287,798</b>	3,884,917
Electricity Expenses	<b>3,871,045</b>	3,782,293
Insurance	<b>452,046</b>	511,384
Rent (Net)	-	128,255
Rates and Taxes	<b>4,503,089</b>	3,942,514
Professional fees	<b>3,576,459</b>	4,181,662
Software Development Charges	-	6,918,870
Auditors' Remuneration		
Audit Fees	<b>375,000</b>	375,000
Tax Audit fees	<b>125,000</b>	125,000
Other Services	<b>124,500</b>	80,250
Reimbursement of Expenses	<b>29,270</b>	31,060
	<b>653,770</b>	611,310
Repairs and Maintenance		
Buildings	<b>1,254,191</b>	1,306,037
Plant & Machinery	<b>2,558,353</b>	3,093,815
Others	<b>1,347,137</b>	1,976,646
	<b>5,159,681</b>	6,376,498



<b>SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>		
	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	<b>For the year April 1, 2007 to March 31, 2008 Rs.</b>
Loss on assets sold/discarded (Net)	<b>2,076,228</b>	2,386,420
Donation	<b>100,000</b>	-
Exchange Loss (Net)	-	5,155,961
Miscellaneous Expenses	<b>8,737,781</b>	10,903,486
Bad Debts	<b>3,248,451</b>	-
Less: Provision for Doubtful Debts	<b>3,248,451</b>	-
	<b>36,872,884</b>	53,105,907
<b>SCHEDULE '14'</b>		
<b>INTEREST</b>		
Interest on		
Term Loans	42,436	99,400
Others	108,973	66,714
	<b>151,409</b>	166,114

**SCHEDULE 15****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 have 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**

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

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

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 encashment 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.

Provision for Fringe Benefit Tax (FBT) is made on the basis of expenses incurred on employees/ other expenses as prescribed under the Income Tax Act, 1961.

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 (include penalties of **Rs.57,843,742**; Previous year Rs. 50,657,976) **Rs. 61,009,311** (Previous year Rs. 51,992,034).
- b) Disputed Service Tax Matters **Rs.6,607,614** (Previous year Rs.6,607,614).
- c) Guarantee provided by the Company in respect of loan granted to a subsidiary by a bank-**Rs.27,500,000** (Previous Year Rs. Nil).
- d) Gurantees provided by the Bank favouring Customs Authorities Rs. 1,003,871 (Previous Year Rs. 1,003,871).

3 Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. NIL**; (Previous year Rs. NIL).

**4 Defined Benefit Plans:**

**Contribution to Gratuity Fund :**

**Change in present value of obligation**

(Amount in Rupees)

		<b>As at March 31, 2009</b>	As at March 31, 2008
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>2,807,755</b>	2,792,152
2	Interest Cost	<b>224,620</b>	223,372
3	Current Service Cost	<b>1,319,279</b>	1,123,030
4	Benefits paid during the year	<b>Nil</b>	(840,147)
5	Actuarial (gain)/loss on Defined Benefit Obligation	<b>(650,845)</b>	(490,652)
6	Present Value of Defined Benefit Obligation, end of the year	<b>3,700,809</b>	2,807,755

**Amounts recognized in the Balance Sheet**

(Amount in Rupees)

		<b>As at March 31, 2009</b>	As at March 31, 2008
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>3,700,809</b>	2,807,755
2	Fair Value of plan assets as on March 31, 2009	<b>Nil</b>	Nil
3	Net obligation as at the end of the year	<b>3,700,809</b>	2,807,755

**Net gratuity cost for the year ended March 31, 2009**

(Amount in Rupees)

		<b>For the year April 1, 2008 to March 31, 2009</b>	For the year April 1, 2007 to March 31, 2008
1	Current Service Cost	<b>1,319,279</b>	1,123,030
2	Interest Cost on obligation	<b>224,620</b>	223,372
3	Expected Return on plan assets	<b>Nil</b>	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2009	<b>(650,845)</b>	(490,652)
5	Net Gratuity Cost	<b>893,054</b>	855,750

**Assumptions used in accounting for the gratuity plan**

(Amount in Rupees)

		<b>As at March 31, 2009</b>	As at March 31, 2008
1	Rate of interest	<b>7.75%</b>	8%
2	Salary Growth	<b>5%</b>	5%
3	Withdrawal rate	<b>5%</b>	5%





### 5. 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 4,634,950 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, 2009	As at March 31, 2008
Face Value of Grant	10	10
<b>Grants:</b>		
Outstanding at the beginning	968,260	1,070,160
Add.: Granted during the year	810,000	0
Less: Exercised during the year	0	21,100
Less : Forfeited during the year	675,960	80,800
Outstanding as at the end	1,102,300	968,260
<b>Vested:</b>		
Outstanding at the beginning	489,835	334,110
Add: Vested during the year	230,375	237,625
Less : Exercised during the year	0	21,100
Less : Forfeited during the year	60,410	60,800
Outstanding as at the end	659,800	489,835
<b>Grants to the Whole Time Director</b>		
Outstanding at the beginning	0	0
Add.: Granted during the year	100,000	0
Less: Exercised during the year	0	0
Less : Forfeited during the year	0	0
Outstanding as at the end	100,000	0
<b>Vested to the Whole Time Director</b>		
Outstanding at the beginning	0	0
Add: Vested during the year	0	0
Less : Exercised during the year	0	0
Less : Forfeited during the year	0	0
Outstanding as at the end	0	0
<b>Grants to Non Executive Director</b>		
Outstanding at the beginning	132,780	172,780
Add.: Granted during the year	150,000	0
Less: Exercised during the year	0	0
Less : Forfeited during the year	15,040	40,000
Outstanding as at the end	267,740	132,780
<b>Vested to Non Executive Director</b>		
Outstanding at the beginning	97,480	107,980
Add: Vested during the year	132,250	29,500
Less : Exercised during the year	0	0
Less : Forfeited during the year	13,240	40,000
Outstanding as at the end	216,490	97,480

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, 2009		As at March 31, 2008	
	Options	Weighted Average Exercise Price (Rs.)	Options	Weighted Average Exercise Price (Rs.)
Options outstanding at beginning of the year	968,260	11.93	1,070,160	14.55
Granted during the year	810,000	17.95	0	0
Exercised during the year	0	0	21,100	11.56
Forfeited/lapsed during the year	675,960	16.27	80,800	46.63
Options outstanding at end of year	1,102,300	13.67	968,260	11.93
Vested options pending exercise	659,800	11.77	489,835	11.71

The following summarizes information about stock options outstanding:

**As at March 31, 2009**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (Rs.)
Rs.7.50 to Rs.15.00	708,550	3	11.22
Rs.15.00 to Rs.23.00	393,750	7	18.08

**As at March 31, 2008**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (Rs.)
Rs.7.50 to Rs.15.00	868,260	3	11.25
Rs.15.00 to Rs.23.00	100,000	5	17.88

**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 Rs.7.55 to Rs.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, 2009	As at March 31, 2008
Dividend yield	0%-10%	0%-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46%-6.65%	6.39%-6.65%
Expected life of option	0-7 yrs	0-6 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, 2009	As at March 31, 2008
Profit attributable to Equity Shareholders	68,620,853	29,031,272
Add: Stock-based employee compensation expense included in net income	-	-
Less: Stock-based compensation expense determined under fair value based method	288,222	176,714
Net Profit	68,332,628	28,854,558
Basic and diluted earning per share (as reported)	2.59	1.10
Basic and diluted earning per share (under fair value method)	2.58	1.09



**6. a. Deferred Tax Liability/(Net) comprises of the following :**

	<b>As at March 31, 2009</b>	As at March 31, 2008
Deferred Tax Asset:		
Unabsorbed losses / depreciation	<b>6,688,140</b>	28,461,062
Expenses allowable on payments and others	<b>2,047,929</b>	1,572,807
<b>Total</b>	<b>8,736,070</b>	30,033,869
Deferred Tax Liability:		
Fixed Assets (depreciation / amortization)	<b>22,825,987</b>	21,890,088
Net Deferred Tax Asset / (Liability)	<b>(14,089,918)</b>	8,143,781*

\* As a matter of prudence, the Company had not recognized the deferred tax asset in the previous year.

b. During the Year, the Company has recognized the MAT Credit for the current year's MAT liability of Rs.14,160,000 and also, the Previous Year's MAT liability of Rs.5,160,000 as the management is certain of it being set off against regular tax payable in the next year.

**7. 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.

- 8. (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.

**9. Earnings Per Share:**

	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	For the year April 1, 2007 to March 31, 2008 Rs.
Profit attributable to the Shareholders	<b>68,620,853</b>	29,031,272
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>26,467,302</b>	26,467,302
Nominal Value of Equity Shares (Rs.)	<b>10</b>	10
Basic and Diluted Earnings Per Share (Rs.) (Not annualized)	<b>2.59</b>	1.10

**10. 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 Subsidiaries

CyberTech Systems and Software Inc. USA (CSSI)

CyberTech Europe S.A. (CTE) - Ceased to be a subsidiary w.e.f. December 12, 2008

Subsidiary

CyberTech Middle East W.L.L. (Bahrain)

ii) Other Parties with whom the Company has entered into transactions during the year:

**1. Key Management Personnel**

Mr. C. N. Rao - Executive Director

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

(Amount in Rupees)

Particulars	Related Party Transactions			
	CSSI	CyberTech Middle East	Key Management Personnel	Total
Sales	<b>126,356,194</b> (136,633,745)	<b>964,345</b> (-)	- (-)	<b>127,320,539</b> (136,633,745)
Expenses	- (-)	- (-)	<b>1,365,868</b> (1,267,500)	<b>1,365,868</b> (1,267,500)
Investment	- (-)	<b>3,376,185</b> (-)	- (-)	<b>3,376,185</b> (-)
Guarantees given	<b>27,500,000</b> (-)	- (-)	- (-)	<b>27,500,000</b> (-)
Outstanding as at the year end				
Receivable	<b>66,319,209</b> (86,287,752)	<b>964,345</b> (-)	- (-)	<b>67,283,554</b> (86,287,752)
Investment	<b>72,564,500</b> (72,564,500)	<b>3,376,185</b> (-)	- (-)	<b>75,940,685</b> (72,564,500)
Guarantees given	<b>27,500,000</b> (-)	- (-)	- (-)	<b>27,500,000</b> (-)

**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 parties during the year, except the following amounts written off out of the provisions made in earlier years.

Name of the Party	Debtors (Rs)	Investment (Rs)	Loan (Rs)
CyberTech Europe S.A.	3,248,451	84,313,700	12,962,400

iii) Figures in brackets represent previous year figures.



**11. Foreign Exchange currency exposures not covered by derivative instruments as at March 31, 2009:**

Particulars	March 31, 2009		March 31, 2008	
	USD	INR	USD	INR
Sundry Debtors	<b>150,469</b>	<b>7,637,054</b>	2,185,994	86,781,533

**12.** 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.

**13. Leases :**

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

	For the year April 1, 2008 to March 31, 2009 Rs.	For the year April 1, 2007 to March 31, 2008 Rs.
Future minimum lease receivable under cancellable operating leases		
Not later than 1 year	<b>64,704,229</b>	25,823,000
Later than 1 year and not later than 5 years	<b>174,182,000</b>	43,382,640
Later than 5 years	<b>Nil</b>	Nil

**14.**

	For the year April 1, 2008 to March 31, 2009 Rs.	For the year April 1, 2007 to March 31, 2008 Rs.
<b>(A) Directors' remuneration:</b>		
(a) Executive Director		
Salary		
Perquisites (Evaluated as per Income Tax Rules, where necessary)	<b>1,335,000</b>	1,267,500
	<b>30,868</b>	NIL
(b) Other Directors		
Sitting fees	<b>560,000</b>	420,000
Commission	<b>575,000</b>	400,000
	<b>2,500,868</b>	2,087,500

Excludes the provision for gratuity and leave encashment, 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**

	<b>As at March 31, 2009 Rs.</b>	As at March 31, 2008 Rs.
Net Profit before tax from ordinary activities	<b>78,455,626</b>	34,006,272
Add:		
Managerial Remuneration (including Commission)	<b>2,500,868</b>	2,087,500
Loss on assets sold / discarded (Net)	<b>2,076,228</b>	17,410,607
Net Profit as per Section 349	<b>83,032,722</b>	53,504,379
Commission payable to non-whole time directors		
Maximum allowed as per the Companies Act, 1956 @ 1%	<b>830,327</b>	535,044
Commission approved by the Board	<b>575,000</b>	400,000

**15. 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.

	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	For the year April 1, 2007 to March 31, 2008 Rs.
B. CIF value of imports: Capital goods	<b>493,666</b>	485,130
C. Expenditure in foreign currency: Travel Expenses (Net of reimbursements) Subscription	<b>1,433,513</b> <b>135,907</b>	1,458,987 Nil
D. Dividend remitted in foreign currency Dividend relating to the year Number of Equity Shares held (Nos) Number of Non-Resident Shareholders (Nos)	<b>10,593,177</b> <b>2007-08</b> <b>10,593,177</b> <b>33</b>	11,818,137 2006-07 11,818,137 35
E. Earnings in foreign exchange: Income from Operations	<b>127,320,539</b>	162,057,998

- 16.** Interest free loans given to employees of the Company and outstanding as at the year-end **Rs.120,500** (Previous year Rs. Nil) in the ordinary course of Company's business. Maximum balance due at any time during the year was **Rs.749,693** (Previous Year Rs.Nil). 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

**C. N. Rao**  
Executive Director

**A.V. Rajwade**  
Director

Place : Mumbai  
Dated : June 29, 2009



**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
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 State Code 

1	1
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Balance Sheet Date 

3	1	0	3	0	9
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**II Capital raised during the year (Amount in Rs. Thousands)**

Public Issue <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Right Issue <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					
Bonus Issue <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Private Placement <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					

**III Position of Mobilisation and deployment of Funds (Amounts in Rs. Thousands)**

Total Liabilities <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>5</td><td>2</td><td>0</td><td>9</td><td>2</td><td>2</td></tr></table>	5	2	0	9	2	2	Total Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>5</td><td>2</td><td>0</td><td>9</td><td>2</td><td>2</td></tr></table>	5	2	0	9	2	2
5	2	0	9	2	2								
5	2	0	9	2	2								
<b>Sources of Funds</b>													
Paid - up capital <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>6</td><td>4</td><td>7</td><td>1</td><td>3</td></tr></table>	2	6	4	7	1	3	Reserves and Surplus <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>4</td><td>1</td><td>9</td><td>7</td><td>1</td></tr></table>	2	4	1	9	7	1
2	6	4	7	1	3								
2	4	1	9	7	1								
Secured Loans <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>4</td><td>8</td></tr></table>	1	4	8	Deferred tax liability <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>4</td><td>0</td><td>9</td><td>0</td></tr></table>	1	4	0	9	0				
1	4	8											
1	4	0	9	0									
<b>Application of Funds</b>													
Net Fixed Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>9</td><td>3</td><td>6</td><td>7</td><td>0</td></tr></table>	1	9	3	6	7	0	Investments <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>2</td><td>9</td><td>3</td><td>4</td><td>7</td></tr></table>	1	2	9	3	4	7
1	9	3	6	7	0								
1	2	9	3	4	7								
Net Current Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>9</td><td>7</td><td>9</td><td>0</td><td>5</td></tr></table>	1	9	7	9	0	5							
1	9	7	9	0	5								

**IV Performance of the Company (Amount in Rs. Thousands)**

Turnover (Income from Operations and Other Income) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>1</td><td>6</td><td>9</td><td>6</td><td>7</td></tr></table>	2	1	6	9	6	7	Total Expenditure <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>3</td><td>8</td><td>5</td><td>1</td><td>2</td></tr></table>	1	3	8	5	1	2
2	1	6	9	6	7								
1	3	8	5	1	2								
+ - Profit (+)/Loss(-) before Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>+</td><td>7</td><td>8</td><td>4</td><td>5</td><td>5</td></tr></table>	+	7	8	4	5	5	+ - Profit (+)/Loss(-) after Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>6</td><td>8</td><td>6</td><td>2</td><td>1</td></tr></table>	6	8	6	2	1	
+	7	8	4	5	5								
6	8	6	2	1									
Earning Per Share in Rs. <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>.</td><td>5</td><td>9</td></tr></table>	2	.	5	9	Dividend Rate % <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>0</td></tr></table>	1	0						
2	.	5	9										
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
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Product Description 

S	O	F	T	W	A	R	E
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**For and on behalf of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

**C.N. Rao**  
Executive Director

**A.V. Rajwade**  
Director

Place : Mumbai  
Dated : June 29, 2009

## 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, 2009 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. We report that 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.
4. 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 read together with "Significant Accounting Policies and Notes to the Accounts" in Schedule 16 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 as at 31st March, 2009;
  - ii) in the case of the Consolidated Profit & Loss Account, of the consolidated results of operations for the year ended as on that date; and
  - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & CO.**  
Chartered Accountants

**R. P. Baradiya**  
Partner  
(Membership No. 44101)

Place : Mumbai  
Dated : June 29, 2009





**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

	SCHEDULE	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	264,713,430	264,713,430
Reserves & Surplus	2	240,295,343	204,758,442
		<b>505,008,773</b>	469,471,872
<b>Loan Funds</b>			
Secured Loans	3	147,409	651,301
<b>Deferred Tax Liability</b>			
(Refer Note No. 9 in Schedule 15)		14,089,918	-
		<b>519,246,100</b>	470,123,173
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	382,932,130	372,002,397
Less: Depreciation		167,240,602	152,951,204
Net Block		215,691,528	219,051,193
Capital W.I.P		1,741,978	522,500
		<b>217,433,506</b>	219,573,693
<b>INVESTMENTS</b>			
<b>Current Assets, Loans &amp; Advances</b>	5	54,436,729	10,004,000
Sundry Debtors	6	199,516,905	149,142,206
Cash and Bank Balances	7	180,657,751	156,633,501
Loans and Advances	8	99,808,867	75,343,724
		<b>479,983,523</b>	381,119,431
<b>Less: Current Liabilities &amp; Provisions</b>			
<b>Current Liabilities</b>	9	195,923,610	104,133,346
<b>Provisions</b>	10	36,995,242	36,440,605
		<b>232,918,852</b>	140,573,951
<b>Net Current Assets / (Liabilities)</b>		<b>247,064,671</b>	240,545,480
<b>Minority Interest</b>		311,194	-
		<b>519,246,100</b>	470,123,173

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

**For and on behalf of the Board of Directors**

**R.P. Baradiya**  
Partner

**Sateesh Wadagbalkar**  
Company Secretary

**C.N. Rao**  
Executive Director

**A.V. Rajwade**  
Director

Place : Mumbai  
Dated : June 29, 2009

Place : Mumbai  
Dated : June 29, 2009

<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009</b>			
	SCHEDULE	For the year April 1, 2008 to March 31, 2009 Rs.	For the year April 1, 2007 to March 31, 2008 Rs.
<b>INCOME</b>			
Income from:			
Software Services and Development (Refer Note No. 6 in Schedule 15)		<b>654,462,222</b>	615,361,431
Other Income	11	<b>89,677,183</b>	57,173,593
		<b>744,139,405</b>	672,535,024
<b>EXPENDITURE</b>			
Purchases		<b>104,281,200</b>	-
Employee costs	12	<b>346,855,714</b>	351,555,014
Operating and Administrative expenses	13	<b>221,012,035</b>	258,135,893
Loss on sale of Investments		-	16,505,008
Interest	14	<b>283,672</b>	166,114
Depreciation		<b>29,350,616</b>	18,691,271
		<b>701,783,237</b>	645,053,300
<b>Profit before Exceptional Items and Tax</b>			
Current Tax (MAT)		<b>9,000,000</b>	4,000,000
Deffered Tax Liability/(Asset)		<b>14,089,918</b>	547,936
Provision for Fringe Benefits Tax		<b>904,855</b>	975,000
MAT credit Entitlement		<b>(14,160,000)</b>	-
<b>Profit for the year</b>		<b>32,521,395</b>	21,958,788
Income Tax adjustment for earlier years		<b>(4,009,499)</b>	1,003,545
<b>Profit after Tax</b>		<b>36,530,894</b>	20,955,243
Less: Minority Interest (Loss)		<b>2,792,413</b>	-
<b>Profit after Minority Interest</b>		<b>39,323,307</b>	20,955,243
Balance of Profit Brought Forward		<b>56,539,165</b>	66,568,590
<b>Profit available for appropriation</b>		<b>95,862,472</b>	87,523,833
<b>Appropriations</b>			
Proposed Dividend		<b>26,471,343</b>	26,471,343
Residual Dividend Paid		-	12,410
Corporate Dividend Tax		<b>4,498,805</b>	4,500,915
<b>Balance Carried Forward to Balance Sheet</b>		<b>64,892,324</b>	56,539,165
Earnings per share- Basic and Diluted		<b>1.49</b>	0.79

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

**R.P. Baradiya**  
Partner

Place : Mumbai  
Dated : June 29, 2009

**Sateesh Wadagbalkar**  
Company Secretary

Place : Mumbai  
Dated : June 29, 2009

**For and on behalf of the Board of Directors**

**C.N. Rao**  
Executive Director

**A.V. Rajwade**  
Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

	(Rs.)	For the year April 1, 2008 to March 31, 2009 Rs.	(Rs.)	For the year April 1, 2007 to March 31, 2008 Rs.
<b>A. Cash flow from Operating activities</b>				
Net Profit before tax and exceptional items :		<b>42,356,168</b>		27,481,724
Adjustments for :				
Depreciation	<b>29,350,616</b>		18,691,271	
Unrealised foreign exchange	-		2,429	
Loss on assets sold / discarded (Net)	<b>2,076,228</b>		2,386,420	
Provision for Doubtful Debts	<b>1,047,170</b>		-	
Interest income	<b>(16,811,676)</b>		(3,403,027)	
Interest Paid	<b>283,672</b>		166,114	
(Profit) / Loss on Sale of Investments	<b>(983,875)</b>		16,505,008	
Sundry Credit Balances written back	-		(626,282)	
Dividend Received	<b>(2,275,973)</b>		-	
		<b>12,686,162</b>		33,721,933
<b>Operating profit before Working Capital changes</b>		<b>55,042,330</b>		61,203,657
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	<b>(47,681,347)</b>		6,804,192	
Increase/(Decrease)Trade payables	<b>117,046,231</b>		(20,030,022)	
		<b>69,364,884</b>		(13,225,830)
<b>Cash used in operations</b>		<b>124,407,214</b>		47,977,827
Direct taxes paid		<b>(28,205,665)</b>		(2,842,898)
<b>Net cash used in operating activities</b>		<b>96,201,549</b>		45,134,929
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		<b>(16,331,962)</b>		(15,176,804)
Purchase of investments		<b>(106,500,001)</b>		(10,000,000)
Sale of fixed assets		<b>21,000</b>		1,623,326
Sale of investments		<b>65,255,108</b>		79,811,519
Interest received		<b>16,811,676</b>		3,403,027
Dividendreceived		<b>72,012</b>		-
<b>Net cash from investing activities</b>		<b>(40,672,167)</b>		59,661,068

<b>C.</b>	<b>Cash flow from financing activities :</b>		
	Increase in Share Capital	-	15,392,250
	Increase in Share Premium	-	5,720,485
	Interest paid	<b>(283,672)</b>	(166,114)
	Secured Loans repaid	<b>(503,892)</b>	(581,110)
	Unsecured Loans repaid	-	(7,463,578)
	Dividend paid and Dividend Tax	<b>(30,717,568)</b>	(29,136,849)
	<b>Net cash used in financing activities</b>	<b>(31,505,132)</b>	(16,234,916)
	<b>Net increase/(Decrease) in cash &amp; cash equivalents (a+b+c)</b>	<b>24,024,250</b>	88,561,081
	<b>Cash &amp; cash equivalents (Opening)</b>	<b>156,633,501</b>	68,072,420
	<b>Cash &amp; cash equivalents (Closing)</b>	<b>180,657,751</b>	156,633,501
		<b>24,024,250</b>	88,561,081

**Notes:**

1 Cash and Cash equivalents includes :

a) Cash on Hand	<b>24,032</b>	60,304
b) Balance with Scheduled Banks in Current Accounts	<b>48,931,751</b>	40,492,913
c) Deposits with Scheduled Bank	<b>131,701,968</b>	116,080,284

2 The above Cash Flow Statement has been prepared using the Indirect Method prescribed by the Accounting Standards (AS)3 "Cash Flow Statements"

3 The previous years' figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

**For Lodha & Co.**

Chartered Accountants

**R.P.Baradiya**

Partner

Place : Mumbai

Dated : June 29, 2009

**For and on behalf of the Board of Directors****Sateesh Wadagbalkar**

Company Secretary

Place : Mumbai

Dated : June 29, 2009

**C.N.Rao**

Executive Director

**A.V. Rajwade**

Director



<b>SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET</b>		
	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
30,000,000 Equity shares of Rs. 10 each.	<b>300,000,000</b>	300,000,000
<b>Issued</b>		
26,476,302 Equity shares of Rs.10 each fully paid.	<b>264,763,020</b>	264,763,020
<b>Subscribed And Paid-up</b>		
26, 471,343 Equity Shares of Rs. 10 each fully paid	<b>264,713,430</b>	264,713,430
<b>SCHEDULE '2'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account		
Balance as per last Balance Sheet	<b>164,667,031</b>	158,946,546
Add: Addition during the year	-	5,720,485
	<b>164,667,031</b>	164,667,031
<b>Profit &amp; Loss Account</b>		
Surplus as per annexed accounts	<b>64,892,324</b>	56,539,165
Foreign Exchange Translation Reserve	<b>10,735,988</b>	(16,447,754)
	<b>240,295,343</b>	204,758,442
<b>SCHEDULE '3'</b>		
<b>SECURED LOANS</b>		
Vehicle Loan from Banks	<b>147,409</b>	651,301
(Secured by way of hypothecation of vehicles purchased there against)	<b>147,409</b>	651,301

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### SCHEDULE '4' FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01-04-08	Additions during the year	(Deductions)/ Adjustments	As at 31-03-09	As at 01-04-08	For the year	On Deductions/ Adjustments	Upto 31-03-09	As at 31-03-09	As at 31-03-08
Goodwill	30,767,500	-	8,736,188	39,503,688	13,845,375	7,881,653	-	21,727,028	17,776,660	16,922,125
Leasehold Land	3,308,683	-	-	3,308,683	527,710	50,258	-	577,968	2,730,715	2,780,973
Office Building	115,526,363	131,082	-	115,657,445	12,493,670	1,900,125	-	14,393,795	101,263,650	103,032,693
Plant & Machinery and Office Equipment	56,592,178	1,089,505	(3,726,572)	53,955,111	23,285,973	2,629,002	2,749,024	23,165,951	30,789,160	33,306,205
Computers	70,950,581	10,964,172	(7,286,281)	74,628,472	52,025,216	11,039,981	9,715,277	53,349,920	21,278,552	18,925,365
Furniture & Fixtures	92,474,166	3,044,439	(3,125,564)	92,393,041	50,274,866	5,553,699	2,596,917	53,231,648	39,161,393	42,199,300
Motor Cars	2,382,926	1,102,764	-	3,485,690	498,394	295,898	-	794,292	2,691,398	1,884,532
<b>Current Year Total</b>	<b>372,002,397</b>	<b>16,331,962</b>	<b>(5,402,229)</b>	<b>382,932,130</b>	<b>152,951,204</b>	<b>29,350,616</b>	<b>15,061,218</b>	<b>167,240,602</b>	<b>215,691,528</b>	<b>219,051,193</b>
Previous Year Total	408,251,536	15,473,696	51,722,835	372,002,397	178,523,349	18,691,271	44,263,416	152,951,204	219,051,193	-

Capital Work in Progress (Including Capital Advances of Rs. NIL; Previous year Rs. NIL )

Building	1,077,796	-
Computers	646,250	522,500
Office Equipment	17,932	-
	1,741,978	522,500



<b>SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET</b>		
	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '5'</b>		
<b>INVESTMENTS</b>		
<b>(Unquoted, unless otherwise stated)</b>		
Mutual funds		
SBI Magnum Balanced Fund-Growth	-	2,500,000
DSPML Balanced Fund-Growth	-	2,500,000
DSPML FTP Series 3D-Reg-Growth	-	5,000,000
UTI-Treasury Advantage Fund-Institutional Plan-Daily Dividend-Reinvestment	<b>29,420,819</b>	-
LICMF-Income Plus Fund-Daily Dividend Plan	<b>25,011,910</b>	-
Shares in Co-operative Society	<b>4,000</b>	4,000
	<b>54,436,729</b>	1 0,004,000
<b>SCHEDULE '6'</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Considered Good		
Exceeding six months	<b>79,126,804</b>	11,645,280
Others	<b>120,390,101</b>	137,496,926
	<b>199,516,905</b>	149,142,206
Considered Doubtful		
Exceeding six months	<b>40,495,383</b>	42,876,084
Less: Provision for Doubtful Debts	<b>(40,495,383)</b>	(42,876,084)
	<b>199,516,905</b>	149,142,206
<b>SCHEDULE '7'</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	<b>24,032</b>	60,304
Bank Balances		
With Scheduled Banks		
- in Current Accounts	<b>48,931,751</b>	40,492,913
- in Deposits Account*	<b>131,701,968</b>	116,080,284
(including interest accrued but not due <b>Rs.4,172,552</b> ; Previous year Rs. 717,104)		
* Fixed Deposit Receipts of <b>Rs.1,076,298</b> ; (Previous year Rs. 1,004,000) have been pledged with Banks for Guarantees issued in favour of Govt. Authorities for <b>Rs. 1,003,871</b> ; Previous year Rs. 1,003,871 respectively		
* Fixed Deposit Receipt of <b>Rs. 27,500,000</b> ; (Previous year Rs. Nil) has been pledged with a Bank for guarantee issued in favour of Subsidiary Company-CyberTech Systems and Software Inc.,)		
	<b>180,657,751</b>	156,633,501

<b>SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET</b>		
	<b>As at March 31, 2009 Rs.</b>	<b>As at March 31, 2008 Rs.</b>
<b>SCHEDULE '8'</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured ,Considered good unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received	<b>7,108,904</b>	8,226,000
Loan to Employees	<b>120,500</b>	-
Sundry deposits	<b>2,233,047</b>	1,825,020
Others	<b>892,178</b>	9,175,545
Tax Receivable	<b>75,294,238</b>	56,117,159
MAT Entitlements	<b>14,160,000</b>	-
	<b>99,808,867</b>	75,343,724
<b>SCHEDULE '9'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	<b>156,592,601</b>	64,317,319
Deposits	<b>35,039,240</b>	37,252,554
Advance from Customers	<b>2,605,699</b>	2,073,796
Other Liabilities	<b>1,185,131</b>	241,318
Investors Education and Protection fund shall be credited by the following amounts namely :		
Unpaid Dividend *	<b>500,939</b>	248,359
* There is no amount due to be credited to the fund and outstanding as at Balance Sheet date.		
	<b>195,923,610</b>	104,133,346
<b>SCHEDULE '10'</b>		
<b>PROVISIONS</b>		
Proposed Dividend	<b>26,471,343</b>	26,471,343
Provision for		
- Tax on dividend	<b>4,498,805</b>	4,498,805
Employee benefits		
- Leave encashment	<b>2,324,285</b>	2,662,702
- Gratuity	<b>3,700,809</b>	2,807,755
	<b>36,995,242</b>	36,440,605





**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '11'</b>		
<b>OTHER INCOME</b>		
Gross Interest		
On Deposit with Banks	<b>12,112,558</b>	3,357,947
On Others	<b>4,699,118</b>	45,080
	<b>16,811,676</b>	3,403,027
Exchange Gain	<b>7,875,249</b>	-
Income from Property	<b>61,592,343</b>	51,145,687
Profit on sale of Current Investments	<b>983,875</b>	-
Dividend received on Current Investments	<b>2,275,973</b>	-
Miscellaneous Income	<b>138,067</b>	1,998,597
Excess provision written back	-	626,282
	<b>89,677,183</b>	57,173,593
<b>SCHEDULE '12'</b>		
<b>EMPLOYEE COSTS</b>		
Salaries	<b>329,777,198</b>	332,367,024
Contribution to Provident and other funds	<b>464,093</b>	713,089
Welfare	<b>16,614,423</b>	18,474,901
	<b>346,855,714</b>	351,555,014

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
<b>SCHEDULE '13'</b>		
<b>OPERATING AND ADMINISTRATIVE EXPENSES</b>		
Travelling & conveyance	<b>18,464,668</b>	18,283,856
Communication	<b>7,354,593</b>	7,675,146
Electricity	<b>4,375,934</b>	4,048,433
Insurance	<b>3,539,823</b>	2,945,783
Rent	<b>10,225,464</b>	6,275,972
Rates and Taxes	<b>5,229,922</b>	4,740,453
Professional fees	<b>11,608,086</b>	13,232,996
Software Development and Support Charges	<b>135,137,708</b>	168,155,515
Auditors' Remuneration		
Audit Fees	<b>792,298</b>	696,134
Tax Audit fees	<b>129,693</b>	125,000
Other Services	<b>124,500</b>	80,250
Reimbursement of Expenses	<b>75,811</b>	71,202
	<b>1,122,302</b>	972,586
Repairs and Maintenance		
Buildings	<b>1,254,191</b>	1,306,037
Plant & Machinery	<b>5,282,778</b>	5,899,687
Others	<b>1,982,578</b>	2,420,735
	<b>8,519,547</b>	9,626,458
Loss on assets sold/discarded (Net)	<b>2,076,228</b>	2,386,420
Provision for Doubtful Debts	<b>1,047,170</b>	481,702
Exchange Loss (Net)	-	5,155,961
Miscellaneous expenses	<b>12,310,590</b>	14,154,611
	<b>221,012,035</b>	258,135,892
<b>SCHEDULE '14'</b>		
<b>Interest Paid</b>		
Interest on		
- Term Loans	<b>174,699</b>	99,400
- Others	<b>108,973</b>	66,714
	<b>283,672</b>	166,114



**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" issued by 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 & Software Limited and its subsidiaries, CyberTech Systems & Software Inc., USA and CyberTech Middle East W.L.L., Bahrain (CME) are as under:

(I) Subsidiaries:		
Name of the Company	Country of Incorporation	Proportion of ownership interest
CyberTech Systems & Software Inc. (CSSI)	U.S.A.	100%
Cyber Middle East W.L.L., Bahrain (CME)	Kingdom of Bahrain	55%

- b) 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.
- c) The effects of intra group transactions between CyberTech Systems & Software Limited and its subsidiaries are eliminated in consolidation.
- d) For significant accounting policies followed refer Schedule 15 of the Holding Company's audited financial statement.

3. Foreign Subsidiaries :

In case of CyberTech Systems & Software Inc., USA, and CyberTech Middle East W.L.L. revenue items have been considered 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 (include penalties of **Rs.57,843,742**; Previous year Rs. 50,657,956) **Rs. 61,009,311** (Previous year Rs. 51,992,034)
- b) Disputed Service Tax Matters **Rs.6,607,614** (Previous year Rs.6,607,614)

5. Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. NIL**; Previous year Rs. NIL.

6. Income from Software services and development includes Rs. 104,281,200 being a sale of hardware and software items as a part of composite IT project at Bahrain.

**7. Contribution to Gratuity Fund:**

**Change in present value of obligation**

(Amount in Rupees)

		<b>As at March 31, 2009</b>	As at March 31, 2008
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>2,807,755</b>	2,792,152
2	Interest Cost	<b>224,620</b>	223,372
3	Current Service Cost	<b>1,319,279</b>	1,123,030
4	Benefits paid during the year	<b>Nil</b>	(840,147)
5	Actuarial (gain)/loss on Defined Benefit Obligation	<b>(650,845)</b>	(490,652)
6	Present Value of Defined Benefit Obligation, end of the year	<b>3,700,809</b>	2,807,755

**Amounts recognized in the Balance Sheet**

(Amount in Rupees)

		<b>As at March 31, 2009</b>	As at March 31, 2008
1	Present Value of Defined Benefit Obligation, beginning of the year	<b>3,700,809</b>	2,807,755
2	Fair Value of plan assets as on March 31, 2009	<b>Nil</b>	Nil
3	Net obligation as at the end of the year	<b>3,700,809</b>	2,807,755

**Net gratuity cost for the year ended March 31, 2009**

(Amount in Rupees)

		<b>For the year April 1, 2008 to March 31, 2009</b>	For the year April 1, 2007 to March 31, 2008
1	Current Service Cost	<b>1,319,279</b>	1,123,030
2	Interest Cost on obligation	<b>224,620</b>	223,372
3	Expected Return on plan assets	<b>Nil</b>	Nil
4	Net Actuarial (gain)/loss recognized for the year ending March 31, 2009	<b>(650,845)</b>	(490,652)
5	Net Gratuity Cost	<b>893,054</b>	855,750

**Assumptions used in accounting for the gratuity plan**

(Amount in Rupees)

		<b>As at March 31, 2009</b>	As at March 31, 2008
1	Rate of interest	<b>7.75%</b>	8%
2	Salary Growth	<b>5%</b>	5%
3	Withdrawal rate	<b>5%</b>	5%

**8. 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 4,634,950 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.

	<b>As at March 31, 2009</b>	As at March 31, 2008
Face Value of Grant	<b>10</b>	10
<b>Grants:</b>		
Outstanding at the beginning	<b>968,260</b>	1,070,160
Add: Granted during the year	<b>810,000</b>	0
Less: Exercised during the year	<b>0</b>	21,100
Less : Forfeited during the year	<b>675,960</b>	80,800
Outstanding as at the end	<b>1,102,300</b>	968,260
<b>Vested:</b>		
Outstanding at the beginning	<b>489,835</b>	334,110
Add: Vested during the year	<b>230,375</b>	237,625
Less : Exercised during the year	<b>0</b>	21,100



Less : Forfeited during the year	<b>60,410</b>	60,800
Outstanding as at the end	<b>659,800</b>	489,835
<b>Grants to the Whole Time Director</b>		
Outstanding at the beginning	<b>0</b>	0
Add.: Granted during the year	<b>100,000</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited during the year	<b>0</b>	0
Outstanding as at the end	<b>100,000</b>	0
<b>Vested to the Whole Time Director</b>		
Outstanding at the beginning	<b>0</b>	0
Add: Vested during the year	<b>0</b>	0
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited during the year	<b>0</b>	0
Outstanding as at the end	<b>0</b>	0
<b>Grants to Non Executive Director</b>		
Outstanding at the beginning	<b>132,780</b>	172,780
Add.: Granted during the year	<b>150,000</b>	0
Less: Exercised during the year	<b>0</b>	0
Less : Forfeited during the year	<b>15,040</b>	40,000
Outstanding as at the end	<b>267,740</b>	132,780
<b>Vested to Non Executive Director</b>		
Outstanding at the beginning	<b>97,480</b>	107,980
Add: Vested during the year	<b>132,250</b>	29,500
Less : Exercised during the year	<b>0</b>	0
Less : Forfeited during the year	<b>13,240</b>	40,000
Outstanding as at the end	<b>216,490</b>	97,480

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, 2009		As at March 31, 2008	
	Options	Weighted Average Exercise Price (Rs.)	Options	Weighted Average Exercise Price (Rs.)
Options outstanding at beginning of the year	<b>968,260</b>	<b>11.93</b>	1,070,160	14.55
Granted during the year	<b>810,000</b>	<b>17.95</b>	0	0
Exercised during the year	<b>0</b>	<b>0</b>	21,100	11.56
Forfeited/lapsed during the year	<b>675,960</b>	<b>16.27</b>	80,800	46.63
Options outstanding at end of year	<b>1,102,300</b>	<b>13.67</b>	968,260	11.93
Vested options pending exercise	<b>659,800</b>	<b>11.77</b>	489,835	11.71

The following summarizes information about stock options outstanding:

**As at March 31, 2009**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (Rs.)
<b>Rs. 7.50 to Rs. 15.00</b>	<b>708,550</b>	<b>3</b>	<b>11.22</b>
<b>Rs. 15.00 to Rs. 23.00</b>	<b>393,750</b>	<b>7</b>	<b>18.08</b>

**As at March 31, 2008**

Range of Exercise Price	Number of shares arising out of options	Weighted average remaining life (Years)	Weighted average Exercise Price (Rs.)
Rs. 7.50 to Rs. 15.00	868,260	3	11.26
Rs. 15.00 to Rs. 23.00	100,000	5	17.88

**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 Rs.7.55 to Rs.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, 2009	As at March 31, 2008
Dividend yield	0%-10%	0%-10%
Expected volatility	10%-20%	10%-20%
Risk-free interest rate	6.46%-6.65%	6.39%-6.65%
Expected life of option	0 – 7 yrs	0 – 6 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, 2009	As at March 31, 2008
Profit attributable to Equity Shareholders	39,323,307	20,955,243
Add: Stock-based employee compensation expense included in net income	-	-
Less: Stock-based compensation expense determined under fair value based method	2,88,222	176,714
Net Profit	39,035,085	20,778,529
Basic and diluted earning per share (as reported)	1.49	0.79
Basic and diluted earning per share (under fair value method)	1.48	0.78

**9. Income Tax Matters**

Deferred Tax Liability comprises of the following:

	As at March 31, 2009	As at March 31, 2008
Deferred Tax Asset:		
Unabsorbed losses / depreciation	6,688,140	28,461,062
Expenses allowable on payments and others	2,047,929	1,572,807
<b>Total</b>	<b>8,736,070</b>	30,033,869
Deferred Tax Liability:		
Fixed Assets (depreciation / amortization)	22,825,987	21,890,088
Net Deferred Tax Asset / (Liability)	(14,089,918)	*8,143,781

\* As a matter of prudence, the Company had not recognized the deferred tax Asset/Liability in the previous year.

**10. 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.

11. (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.



**12. Earnings Per Share:**

	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	<b>For the year April 1, 2007 to March 31, 2008 Rs.</b>
Profit attributable to the Shareholders	<b>39,323,307</b>	20,955,243
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>26,467,302</b>	26,467,302
Nominal Value of Equity Shares (Rs.)	<b>10</b>	10
Basic and Diluted Earnings Per Share (Rs.) (Not annualized)	<b>1.49</b>	0.79

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

**A. List of Related Parties:**

- i) Parties where control exists: NIL
- ii) Other Parties with whom the Company has entered into transactions during the year:
  - Key Management Personnel
    - Mr. C. N. Rao Executive Director
    - Mr. Viswanath Tadimety Director-CSSI, CSSL and CME  
CyberTech Systems & Software Inc. (CSSI)  
CyberTech Systems & Software Limited (CSSL)  
CyberTech Systems & Software Limited (CME)
    - Mr. Steven Jeske Director-CSSI, CSSL and CME
    - Mr. Ravi Rengan Director-CSSI (upto January 7,2009)
    - Mrs. Sukhada Tadimety (wife of Viswanath Tadimety) Director-CSSI
    - Mr. Pankaj Sehgal Director-CME

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

(Amount in Rupees)

Particulars	Related Party Transactions		
	Associates	Key Management Personnel	Total
Sales	- (-)	- (-)	- (-)
Expenses	- (-)	<b>17,678,450<sup>#</sup></b> 17,580,082	<b>17,678,450</b> 17,580,082
Outstanding as at the year end			
Payable	- (-)	- (-)	- (-)
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.
14. 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  
Place : Mumbai,  
Dated : June 29, 2009

**C.N. Rao**  
Executive Director

**A.V. Rajwade**  
Director

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

<b>Name of the Subsidiary Company</b>	<b>CyberTech Systems and Software Inc., USA</b>	<b>CyberTech Middle East W.L.L., Bahrain</b>
The Financial Year of the Subsidiary ended on	March 31, 2009	March 31, 2009
Shares of the Subsidiary Company held by CyberTech Systems & Software Ltd on the above date	1,585,000	220
Equity	USD 15,850	BHD 22,000
Extent of holding	100%	55%
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 & Software Limited:		
Dealt with in the accounts of CyberTech Systems & Software Ltd., for the year ended March 31, 2009	Nil	Nil
Not dealt with in the Accounts of CyberTech Systems & Software Ltd. (Amount in Rupees)	(26,694,514)	(6,205,362)
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 & Software Ltd.		
Dealt with in the Accounts of CyberTech Systems & Software Ltd.	NA	Nil
Not dealt with in the Accounts of CyberTech Systems & Software Ltd. (Amount in Rupees)	15,826,488	Nil

**For and on behalf of the Board of Directors**

**Sateesh Wadagbalkar**  
Company Secretary

**C.N. Rao**  
Executive Director

**A.V. Rajwade**  
Director

Place : Mumbai

Dated : June 29, 2009





## DIRECTORS' REPORT

### To the Shareholders of

### CyberTech Systems and Software, Inc. (USA)

Your Directors are pleased to present this Annual Report on the business and operations of your Company together with the audited Statements of Accounts of the Company for the year ended March 31, 2009.

### COMPANY FINANCIAL RESULTS

U.S. Dollars (\$)

	2008-2009	2007-2008
Gross Revenue	11,822,104	14,684,776
Profit/(Loss) before Interest and Depreciation	(404,804)	(73,757)
Interest	2,842	-
Depreciation	106,285	107,337
Profit/(Loss) before Tax	(513,931)	(181,094)
<b>Provision for Tax</b>		
Deferred Tax (Asset) Liabilities	-	13,650
Income Tax Adjustments for earlier years	(86,150)	25,000
<b>Profit/(Loss) after Tax</b>	<b>(427,781)</b>	(219,744)
Profit b/f from previous year	253,850	473,594
<b>Balance carried to Balance Sheet</b>	<b>(173,931)</b>	253,850

Operations of the Company are completely integrated with its parent company (CyberTech Systems and Software, Ltd.). The Company serves as the group's sales and delivery front end in the United States and promotes offshore support and development services as well as onsite implementation and support.

During the year under review the Company generated a loss after tax of \$(427,781) on the revenue of \$11,822,104. Results are disclosed in the attached financial statements. The consolidated group, including this subsidiary, continues to focus on delivering services to its identified market segments in its core technology areas utilizing offshore centric sales and delivery model. It maintains strong relationships with its key partners, including SAP, Microsoft and ESRI.

The global economic meltdown has adversely affected the IT industry world over. The various policy decisions taken by the Government of United States as well as shrinking IT budgets of all customers affected by the economic slowdown has had a significant adverse impact on the operations of the Company. The Company is taking all possible measures to reduce and optimize costs to improve profitability. Focus remains on creating offshore opportunities where relationships are of a long term nature and recurring services can be provided at a lower cost.

### DIRECTORS

The Company is governed by its Board of Directors. Currently the Directors are:

Mr. Viswanath Tadimety, Mr. Arun Shah, Mr. Steven Jeske and Mrs. Sukhada Tadimety.

### Registered Office

1210 Northbrook Drive, Suite 400,

Treose, Pennsylvania 19053

With offices in Chicago, IL, and Los Angeles, CA metropolitan areas.

For and on behalf of the Board of Directors

**Viswanath Tadimety**  
Chairman

Place : Mumbai

Dated : August 10, 2009

## 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 March 31, 2009 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 to the Accounts" in Schedule 11 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - ii) in the case of the Profit & Loss Account, of the Loss of the Company for the year ended 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

**R. P. Baradiya**  
Partner  
(Membership No. 44101)

Place : Mumbai

Dated : June 29, 2009



## BALANCE SHEET AS AT MARCH 31, 2009

	SCHEDULE	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2008
		US DOLLARS	Indian Rupees	US DOLLARS	Indian Rupees
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	15,850	807,914	15,850	629,245
Reserves & Surplus	2	1,569,150	81,985,859	1,823,000	72,373,098
		<b>1,585,000</b>	<b>82,793,773</b>	1,838,850	73,002,343
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	3	1,150,378	57,850,393	1,142,911	45,713,565
Less: Depreciation		766,427	38,279,450	660,142	26,547,637
Net Block		<b>383,951</b>	<b>19,570,942</b>	482,769	19,165,928
<b>Current Assets, Loans And Advances</b>					
Sundry Debtors	4	2,441,100	124,428,970	3,724,551	147,864,674
Cash and Bank Balances	5	978,192	49,860,889	1,049,522	41,666,023
Loans and Advances	6	195,854	9,983,156	140,917	5,594,405
		<b>3,615,146</b>	<b>184,273,015</b>	4,914,990	195,125,102
<b>Less: Current Liabilities And Provisions</b>					
Current Liabilities	7	2,588,027	131,918,211	3,558,909	141,288,687
		<b>2,588,027</b>	<b>131,918,211</b>	3,558,909	141,288,687
<b>Net Current Assets</b>		<b>1,027,119</b>	<b>52,354,804</b>	1,356,081	53,836,415
<b>Profit And Loss Account</b>		<b>173,931</b>	<b>10,868,026</b>	-	-
(As per Annexed Accounts)		<b>1,585,000</b>	<b>82,793,773</b>	1,838,850	73,002,343

Significant Accounting Policies and Notes to the  
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

**R.P.Baradiya**

Partner

Place : Mumbai

Dated : June 29, 2009

**For and on behalf of the Board of Directors**

**Steven Jeske**

Director

Place : Mumbai

Dated : June 29, 2009

<b>PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009</b>					
	SCHEDULE	For the year	For the year	For the year	For the year
		April 1, 2008 to March 31, 2009	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008	April 1, 2007 to March 31, 2008
		US DOLLARS	INDIAN RUPEES	US DOLLARS	INDIAN RUPEES
<b>INCOME</b>					
<b>Income from</b>					
Software Development and Services		<b>11,817,834</b>	<b>550,012,635</b>	14,668,233	588,809,275
Other Income	8	<b>4,270</b>	<b>198,718</b>	16,543	664,066
		<b>11,822,104</b>	<b>550,211,353</b>	14,684,776	589,473,341
<b>EXPENDITURE</b>					
Employee costs	9	<b>5,627,376</b>	<b>261,903,145</b>	6,231,201	250,131,625
Operating and Administrative expenses	10	<b>6,599,532</b>	<b>307,148,145</b>	8,527,332	342,302,456
Depreciation/Amortisation		<b>106,285</b>	<b>11,731,813</b>	107,337	2,721,741
Interest		<b>2,842</b>	<b>132,263</b>	-	-
		<b>12,336,035</b>	<b>580,915,366</b>	14,865,870	595,155,822
<b>Profit/(Loss) before tax</b>		<b>(513,931)</b>	<b>(30,704,013)</b>	(181,094)	(5,682,481)
<b>Provision for Tax</b>					
Deferred Tax (Asset)/Liabilities		-	-	13,650	547,936
<b>Profit/(Loss) for the Year</b>		<b>(513,931)</b>	<b>(30,704,013)</b>	(194,744)	(6,230,417)
Income Tax adjustments for earlier years (Refer Note No. 5 in Schedule 11)		<b>(86,150)</b>	<b>(4,009,499)</b>	25,000	1,003,545
<b>Profit / (Loss) after Tax</b>		<b>(427,781)</b>	<b>(26,694,514)</b>	(219,744)	(7,233,962)
Add:Balance of Profit brought forward		<b>253,850</b>	<b>15,826,488</b>	473,594	23,060,450
<b>Balance Carried Forward to Balance Sheet</b>		<b>(173,931)</b>	<b>(10,868,026)</b>	253,850	15,826,488
Earnings per share- Basic and Diluted		<b>(0.27)</b>	<b>(16.84)</b>	(0.14)	(4.56)

Significant Accounting Policies and Notes to the  
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

**For and on behalf of the Board of Directors**

**R.P.Baradiya**  
Partner

**Steven Jeske**  
Director

Place : Mumbai  
Dated : June 29, 2009

Place : Mumbai  
Dated : June 29, 2009



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	For the year April 01, 2008 to March 31, 2009		For the year April 1, 2007 to March 31, 2008	
	US DOLLARS	INR	US DOLLARS	INR
<b>A. Cash flow from Operating activities</b>				
Net Profit(Loss) before tax and exceptional items :	(513,931)	(30,704,013)	(181,094)	(5,682,481)
Adjustments for :				
Depreciation	106,285	11,731,813	107,337	2,721,741
Interest income	(4,270)	(198,718)	(15,283)	(613,487)
Interest expense	2,842	132,263	-	-
Provision for Doubtful Debts	22,500	1,047,170	12,000	531,120
Effect of exchange rate change	-	21,880,667	-	(5,039,424)
	<b>127,357</b>	<b>34,593,195</b>	104,054	(2,400,050)
<b>Operating profit before Working Capital changes</b>	<b>(386,574)</b>	<b>3,889,182</b>	(77,040)	(8,082,531)
Adjustments for :				
Decrease/(Increase) in Trade & other receivables	1,300,872	17,999,872	(255,223)	2,271,598
Increase/(Decrease)Trade payables	(970,883)	(9,370,532)	321,204	1,714,898
	<b>329,989</b>	<b>8,629,340</b>	65,981	3,986,496
<b>Cash used in operations</b>	<b>(56,585)</b>	<b>12,518,522</b>	(11,059)	(4,096,035)
Direct taxes paid	(8,706)	(4,009,499)	-	-
<b>Net cash used in operating activities</b>	<b>(65,291)</b>	<b>8,509,023</b>	(11,059)	(4,096,035)
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(7,467)	(380,612)	(28,302)	(1,123,589)
Interest received	4,270	198,718	15,283	613,487
<b>Net cash from investing activities</b>	<b>(3,197)</b>	<b>(181,894)</b>	(13,019)	(510,102)
<b>C. Cash flow from financing activities :</b>				
Interest paid	(2,842)	(132,263)	-	-
<b>Net cash used in financing activities</b>	<b>(2,842)</b>	<b>(132,263)</b>	-	-
<b>Net increase/(Decrease) in cash &amp; cash equivalents (a+b+c)</b>	<b>(71,330)</b>	<b>8,194,866</b>	(24,078)	(4,606,137)
<b>Cash &amp; cash equivalents (Opening)</b>	<b>1,049,522</b>	<b>41,666,023</b>	1,073,600	46,272,160
<b>Cash &amp; cash equivalents (Closing)</b>	<b>978,192</b>	<b>49,860,889</b>	1,049,522	41,666,023
	<b>(71,330)</b>	<b>8,194,866</b>	(24,078)	(4,606,137)

**Notes**

- 1 Cash and Cash equivalents includes :
    - a) Balance with Scheduled Banks in Current Accounts 927,426    47,273,230    839,486    33,327,594
    - b) In call accounts 50,766    2,587,659    210,036    8,338,429
  - 2 The above Cash Flow Statement has been prepared using the Indirect Method prescribed by the Accounting Standards (AS) 3" Cash Flow Statements"
  - 3 The previous years' figures have been regrouped/rearranged wherever necessary.
- As per our attached report of even date

**For Lodha & Co.**

Chartered Accountants

**For CyberTech Systems & Software Inc.**

**(R.P. Baradiya)**

Partner

Place : Mumbai

Dated : June 29, 2009

**Steve Jeske**

Director

Place : Mumbai

Dated : June 29, 2009

### SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2009 US DOLLARS	As at March 31, 2009 INDIAN RUPEES	As at March 31, 2008 US DOLLARS	As at March 31, 2008 INDIAN RUPEES
<b>SCHEDULE '1'</b>				
<b>SHARE CAPITAL</b>				
Authorised 10,000,000 Common Stock of USD 0.01 each.	<b>100,000</b>	<b>5,097,250</b>	100,000	3,970,000
Issued, Subscribed and Paid-up 1,585,000 Common Stock of USD.0.01 each; fully paid. (All the shares are held by CyberTech Systems and Software Limited,India)	<b>15,850</b>	<b>807,914</b>	15,850	629,245
<b>SCHEDULE '2'</b>				
<b>RESERVES AND SURPLUS</b>				
Securities Premium Account As per Last Balance Sheet	<b>1,569,150</b>	<b>79,983,498</b>	1,569,150	62,295,255
Profit and Loss Account (As per Annexed Accounts)	-	-	253,850	15,826,488
Foreign Currency Translation Reserve		<b>2,002,361</b>		(5,748,645)
	<b>1,569,150</b>	<b>81,985,859</b>	1,823,000	72,373,098



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

**SCHEDULE '3'  
FIXED ASSETS**

(Amount in US Dollars)

DESCRIPTION	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at April 1, 2008	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2009	For the year	Deductions/ Adjustments during the year	Upto March 31, 2009	As at 31-03-09	As at 31-03-08
Goodwill	775,000	-	-	775,000	77,500	-	426,250	348,750	426,250
Computers	267,911	7,467	-	275,378	28,785	-	240,177	35,201	56,519
Furniture & Fixtures	100,000	-	-	100,000	-	-	100,000	-	-
<b>Current Year Total</b>	<b>1,142,911</b>	<b>7,467</b>	<b>-</b>	<b>1,150,378</b>	<b>106,285</b>	<b>-</b>	<b>766,427</b>	<b>383,951</b>	<b>482,769</b>
Previous Year Total	1,114,609	28,302	-	1,142,911	107,337	-	660,142	482,769	

**FIXED ASSETS**

(Amount in Indian Rupees)

DESCRIPTION	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at April 1, 2008	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2009	For the year	Deductions/ Adjustments during the year	Upto March 31, 2009	As at 31-03-09	As at 31-03-08
Goodwill	30,767,500	-	8,736,188	39,503,688	7,881,653	-	21,727,028	17,776,659	16,922,125
Computers	10,636,065	380,612	3,020,028	14,036,705	3,850,160	-	12,242,422	1,794,283	2,243,803
Furniture & Fixtures	4,310,000	-	-	4,310,000	-	-	4,310,000	-	-
<b>Current Year Total</b>	<b>45,713,565</b>	<b>380,612</b>	<b>11,756,216</b>	<b>57,850,393</b>	<b>11,731,813</b>	<b>-</b>	<b>38,279,450</b>	<b>19,570,942</b>	<b>19,165,928</b>
Previous Year Total	48,039,648	1,123,589	3,449,673	45,713,565	2,721,741	-	26,547,637	19,165,928	

<b>SCHEDULES FORMING PART OF THE BALANCE SHEET</b>				
	As at March 31, 2009 US DOLLARS	As at March 31, 2009 INDIAN RUPEES	As at March 31, 2008 US DOLLARS	As at March 31, 2008 INDIAN RUPEES
<b>SCHEDULE '4'</b>				
<b>SUNDRY DEBTORS (Unsecured)</b>				
Considered Good				
Exceeding six months	231,905	11,820,778	293,332	11,645,280
Others	2,203,865	112,336,509	3,217,520	127,735,544
Unbilled Revenue	5,330	271,683	213,699	8,483,850
	<b>2,441,100</b>	<b>124,428,970</b>	3,724,551	147,864,674
Considered Doubtful				
Exceeding six months	40,000	2,038,900	29,500	1,171,150
Less: Provision for Doubtful Debs	40,000	2,038,900	29,500	1,171,150
	-	-	-	-
	<b>2,441,100</b>	<b>124,428,970</b>	3,724,551	147,864,674
<b>SCHEDULE '5'</b>				
<b>CASH AND BANK BALANCES</b>				
Bank Balances				
With non-scheduled Banks :				
- in Current Accounts	927,426	47,273,230	839,486	33,327,594
- in Call Accounts	50,766	2,587,659	210,036	8,338,429
	<b>978,192</b>	<b>49,860,889</b>	1,049,522	41,666,023
<b>SCHEDULE '6'</b>				
<b>LOANS AND ADVANCES</b>				
(Unsecured ,Considered good)				
Advances recoverable in cash or in kind or for value to be received	75,983	3,873,048	117,447	4,662,646
Sundry deposits	20,514	1,045,650	18,969	753,069
Income Tax (Refer Note No. 5 in Schedule 11)	99,357	5,064,458	4,501	178,690
	<b>195,854</b>	<b>9,983,156</b>	140,917	5,594,405
<b>SCHEDULE '7'</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors*	2,544,407	129,694,790	3,524,909	139,938,887
Advance received from customers	43,620	2,223,421	34,000	1,349,800
*including dues to holding company- (USD1,340,469 ; Previous year USD 2,173,495)				
	<b>2,588,027</b>	<b>131,918,211</b>	3,558,909	141,288,687





<b>SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>				
	<b>For the year April 1, 2008 to March 31, 2009</b>	<b>For the year April 1, 2008 to March 31, 2009</b>	For the year April 1, 2007 to March 31, 2008	For the year April 1, 2007 to March 31, 2008
	<b>US DOLLARS</b>	<b>INDIAN RUPEES</b>	US DOLLARS	INDIAN RUPEES
<b>SCHEDULE '8'</b>				
<b>OTHER INCOME</b>				
Interest Received	<b>4,270</b>	<b>198,718</b>	15,283	613,487
Miscellaneous income	-	-	1,260	50,579
	<b>4,270</b>	<b>198,718</b>	16,543	664,066
<b>SCHEDULE '9'</b>				
<b>EMPLOYEE COSTS</b>				
Salaries	<b>5,361,662</b>	<b>249,536,583</b>	5,892,029	236,516,650
Welfare	<b>265,714</b>	<b>12,366,562</b>	339,172	13,614,975
	<b>5,627,376</b>	<b>261,903,145</b>	6,231,201	250,131,625
<b>SCHEDULE '10'</b>				
<b>OPERATING AND ADMINISTRATIVE EXPENSES</b>				
Travelling & Conveyance	<b>273,605</b>	<b>12,733,833</b>	347,805	13,961,519
Communication	<b>82,488</b>	<b>3,839,050</b>	94,421	3,790,229
Power	<b>9,332</b>	<b>434,300</b>	6,630	266,140
Insurance	<b>66,345</b>	<b>3,087,777</b>	60,645	2,434,399
Rent	<b>210,747</b>	<b>9,808,339</b>	153,150	6,147,717
Rate & Taxes	<b>15,617</b>	<b>726,833</b>	19,878	797,939
Professional Fees	<b>159,408</b>	<b>7,418,975</b>	225,484	9,051,334
Software Development and Support Charges	<b>5,618,569</b>	<b>261,493,246</b>	7,436,366	298,509,117
Auditors' Remuneration				
Audit Fees	<b>8,000</b>	<b>372,327</b>	8,000	321,134
Service Tax	<b>1,000</b>	<b>46,541</b>	1,000	40,142
	<b>9,000</b>	<b>418,868</b>	9,000	361,276
Repairs and Maintenance:				
Plant & Machinery	<b>58,219</b>	<b>2,709,561</b>	69,899	2,805,872
Others	<b>13,653</b>	<b>635,441</b>	11,063	444,089
	<b>71,872</b>	<b>3,345,002</b>	80,962	3,249,960
Provision for Doubtful Debts	<b>22,500</b>	<b>1,047,170</b>	12,000	481,702
Miscellaneous Expenses	<b>60,049</b>	<b>2,794,752</b>	80,991	3,251,125
	<b>6,599,532</b>	<b>307,148,145</b>	8,527,332	342,302,456

**SCHEDULE "11"****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2009****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) requires the management to make estimates and assumptions that affect the reported income and expenses and disclosure of contingent liabilities . The recognition, measurement, classification or disclosure of an item or information in the financial statements have 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
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.



**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:

	<b>For the year April 1, 2008 to March 31, 2009</b>	<b>For the year April 1, 2008 to March 31, 2009</b>	For the year March 1, 2007 to March 31, 2008	For the year March 1, 2007 to March 31, 2008
Profit /(Loss) attributable to the Shareholders	<b>USD (427,781)</b>	<b>Rs. (26,694,514)</b>	USD (219,744)	Rs. (7,233,962)
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>1,585,000</b>	<b>1,585,000</b>	1,585,000	1,585,000
Nominal Value of Equity Shares	<b>USD 0.01</b>	<b>Rs. 0.51</b>	USD 0.01	Rs. 0.39
Basic and Diluted Earnings Per Share (Not annualised)	<b>USD (0.27)</b>	<b>Rs. (16.84)</b>	USD (0.14)	Rs. (4.56)

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) Associates :

CyberTech Systems Inc., USA

(ii) Fellow Subsidiary

CyberTech Middle East W.L.L., Bahrain

(iii) Key Management Personnel

Mr. Viswanath Tadimety-Director

Mr. Steven Jeske-Director

Mr. Ravi Rengan-Director (upto 7-Jan-2009)

Mrs. Sukhada Tadimety-Director

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

Particulars	Referred in (A)(1) above	Referred in (A)(1) above	Referred in (A)(2)(i) above	Referred in (A)(2)(i) above	Referred in (A)(2)(iii) above	Referred in (A)(2)(iii) above
	USD	RS.	USD	RS.	USD	RS.
1) Expenses	<b>2,764,905</b> (3,632,005)	<b>128,681,167</b> (145,795,218)	- (-)	- (-)	<b>438,285</b> ( 406,374)	<b>20,397,783</b> (16,312,582)
2) Guarantees Provided	<b>539,507</b> (-)	<b>275,00,000</b> (-)	- (-)	- (-)	- (-)	- (-)
Outstanding as at the year end						
3) Payable	<b>1,340,469</b> (2,194,395)	<b>68,327,056</b> (87,117,507)	<b>23,668</b> (21,483)	<b>1,206,438</b> (852,868)	<b>12,292</b> (-)	<b>626,537</b> (-)
4) Guarantees Provided	<b>539,507</b> (-)	<b>275,00,000</b> (-)	- (-)	- (-)	- (-)	- (-)

**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 bracket represent previous year figures.
5. In view of provisions of carried backward of losses under US tax laws, the Company is entitled to about USD 90,000 (Rs.4,188,681) and the same has been recognised by the Company during the year.
  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. Operating Lease:

	<b>For the year April 1, 2008 to March 31, 2009 USD</b>	<b>For the year April 1, 2008 to March 31, 2009 Rs.</b>	For the year March 1, 2007 to March 31, 2008 USD	For the year March 1, 2007 to March 31, 2008 Rs.
Future minimum lease payments under non-cancelable operating leases				
Not later than 1 year	<b>159,730</b>	<b>7,433,834</b>	113,458	4,554,408
Later than 1 year and not later than 5 years	<b>270,327</b>	<b>12,581,019</b>	116,463	4,675,034
Later than 5 years	<b>Nil</b>	<b>Nil</b>	Nil	Nil

9. 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.
10. 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 : Mumbai  
Dated : June 29, 2009

**Steven Jeske**  
Director



## DIRECTORS' REPORT

### To the Shareholders of CyberTech Middle East W.L.L. (Bahrain)

Your Directors are pleased to present this Report on the business and operations of your Company together with the audited Statement of Accounts of the Company for the period ended 31<sup>st</sup> March 2009.

### Company Financial Results

Bahrain Dinars

Gross Revenue	800,000
Profit/(Loss) before Interest and Depreciation	(45,950)
Depreciation	1,655
Profit/(Loss) for the year carried to Balance Sheet	(47,605)

The company is a joint venture registered in the Kingdom of Bahrain between Cybertech System & Software Ltd. and Gold Coastway Ltd. (a company registered in the British Virgin Islands). The Company was formed in August 2008 to take advantage of various business opportunities in the Middle East, primarily around geo-solutions and other GIS and custom technologies. The Company also promotes work to be performed offshore by CyberTech Systems and Software Limited.

CyberTech Middle East W.L.L. has been in a start up mode in the short period since its formation, investing in an office, staff and infrastructure to establish its credentials and has been successful in starting to develop business locally. It is believed that global market conditions have increased project lead times in the middle east region similar to other parts of the globe.

### DIRECTORS

The company is governed by its Board of Directors. Currently the directors are:

Mr. Viswanath Tadimety, Mr. Pankaj Sehgal and Mr. Steven Jeske.

### Registered Office

5<sup>th</sup> Floor, Alia Building, Diplomatic Area

Manama, Kingdom Of Bahrain.

For and on behalf of the Board of Directors

**Viswanath Tadimety**

Chairman

Place : Mumbai

Dated : August 10, 2009

## AUDITORS' REPORT

### To the members

#### CYBERTECH MIDDLE EAST W.L.L., (BAHRAIN)

1. We have audited the attached Balance Sheet of CYBERTECH MIDDLE EAST W.L.L., (BAHRAIN) as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the period from 18th August, 2008 (Date of Incorporation) to 31st March, 2009. 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 to the Accounts" in Schedule 10 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - ii) in the case of the Profit & Loss Account, of the Loss of the Company for the period from 18th August, 2008 to 31st March, 2009; and
    - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period from 18th August, 2008 to 31st March, 2009

For **LODHA & CO.**  
Chartered Accountants

**R. P. Baradiya**  
Partner  
(Membership No. 44101)

Place : Mumbai  
Dated : June 29, 2009



## BALANCE SHEET AS AT MARCH 31, 2009

	SCHEDULE	As at March 31, 2009	As at March 31, 2009
		BAHRAIN DINARS	INDIAN RUPEES
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	40,000	5,513,820
Share Application Money		7,471	1,029,795
Reserves & Surplus	2	-	(344,316)
		<b>47,471</b>	<b>6,199,299</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	31,977	4,407,856
Less: Depreciation		1,655	215,700
Net Block		<b>30,322</b>	<b>4,192,156</b>
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	4	544,562	75,065,463
Cash and Bank Balances	5	2,989	412,052
Loans and Advances	6	1,000	137,846
		<b>548,552</b>	<b>75,615,361</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	7	579,008	79,813,580
		<b>579,008</b>	<b>79,813,580</b>
<b>Net Current Assets/(Liabilities)</b>		<b>(30,456)</b>	<b>(4,198,219)</b>
<b>Profit and Loss Account</b>			
(As per Annexed Accounts)		47,605	6,205,362
		<b>47,471</b>	<b>6,199,299</b>

Significant Accounting Policies and Notes to the Financial Statements 10

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

**For and on behalf of the Board of Directors**

**R. P. Baradiya**  
Partner

**Steven Jeske**  
Director

Place : Mumbai  
Dated : June 29, 2009

Place : Mumbai  
Dated : June 29, 2009

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
AUGUST 18, 2008 TO MARCH 31, 2009**

	SCHEDULE	For the period August 18, 2008 to March 31, 2009	For the period August 18, 2008 to March 31, 2009
		BAHRAIN DINARS	INDIAN RUPEES
<b>INCOME</b>			
Income from:		<b>800,000</b>	<b>104,281,200</b>
Software Development and Services (Refer Note No. 7 in schedule 10)			
		<b>800,000</b>	<b>104,281,200</b>
<b>EXPENDITURE</b>			
Purchases		<b>800,000</b>	<b>104,281,200</b>
Employee costs	8	<b>6,660</b>	<b>868,200</b>
Operating and Administrative expenses	9	<b>39,290</b>	<b>5,121,462</b>
Depreciation/Amortisation		<b>1,655</b>	<b>215,700</b>
		<b>847,605</b>	<b>110,486,562</b>
<b>Loss for the year carried forward to Balance Sheet</b>		<b>(47,605)</b>	<b>(6,205,362)</b>
Earnings per share- Basic and Diluted		<b>(191.96)</b>	<b>(25,022)</b>

Significant Accounting Policies and Notes to the Financial Statements 10

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

**For and on behalf of the Board of Directors**

**R. P. Baradiya**

Partner

Place : Mumbai

Dated : June 29, 2009

**Steven Jeske**

Director

Place : Mumbai

Dated : June 29, 2009





**CASH FLOW STATEMENT FOR THE PERIOD  
AUGUST 18, 2008 TO MARCH 31, 2009**

	For the period August 18, 2008 to March 31, 2009	For the period August 18, 2008 to March 31, 2009
	BHD	INR
<b>A. Cash flow from Operating activities</b>		
Net Profit(Loss) before tax and exceptional items :	(47,605)	(6,205,362)
Adjustments for :		
Depreciation	1,655	215,700
Effect of exchange rate change	-	(344,316)
	1,655	(128,616)
<b>Operating profit before Working Capital changes</b>	(45,950)	(6,333,978)
Adjustments for :		
Decrease/(Increase) in Trade & other receivables	(545,563)	(75,203,309)
Increase/(Decrease)Trade payables	579,008	79,813,580
	33,445	4,610,271
Cash used in operations	(12,505)	(1,723,707)
<b>Net cash used in operating activities</b>	(12,505)	(1,723,707)
<b>B. Cash flow from investing activities</b>		
Increase in Share Capital	40,000	5,513,820
Share Application Money received	7,471	1,029,745
Purchase of fixed assets	(31,977)	(4,407,886)
<b>Net cash from investing activities</b>	15,494	2,135,759
<b>C. Cash flow from financing activities :</b>		
<b>Net cash used in financing activities</b>	-	-
<b>Net increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	2,989	412,052
Cash & cash equivalents (Opening)	-	-
Cash & cash equivalents (Closing)	2,989	412,052
	2,989	412,052

**Notes:**

- Cash and Cash equivalents includes :
  - Balance with Scheduled Banks in Current Accounts 2,989                      412,052
- The above Cash Flow Statement has been prepared using the Indirect Method prescribed by the Accounting Standards (AS) 3" Cash Flow Statements"
- Since this is the first year of operation, previous years figures are not applicable.

As per our attached report of even date

**For Lodha & Co.**

Chartered Accountants

**For CyberTech Systems & Software Inc.**

**(R. P. Baradiya)**

Partner

Place : Mumbai

Dated : June 29, 2009

**Steve Jeske**

Director

Place : Mumbai

Dated: June 29, 2009

<b>SCHEDULES FORMING PART OF THE BALANCE SHEET</b>		
	As at March 31, 2009	As at March 31, 2009
	BAHRAIN DINARS	INDIAN RUPEES
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
Authorised 400 Common Stock of BD 100 each.	<b>40,000</b>	<b>5,513,820</b>
Issued, Subscribed And Paid-up 400 Common Stock of 100 each; fully paid. (220 shares held by CyberTech Systems and Software Limited, India, Holding Company)	<b>40,000</b>	<b>5,513,820</b>
	<b>40,000</b>	<b>5,513,820</b>
<b>SCHEDULE '2'</b>		
<b>RESERVES AND SURPLUS</b>		
Foreign Currency Translation Reserve	-	<b>(344,316)</b>
	-	<b>(344,316)</b>

## SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

### SCHEDULE '3' FIXED ASSETS

(Amount in Bahrain Dinars)

DESCRIPTION	GROSS BLOCK (AT COST)		DEPRECIATION/AMORTISATION			NET BLOCK	
	Additions During the period	Deductions/ during the period	As at March 31, 2009	For the period	On Deductions/ Adjustments	Upto March 31, 2009	As at March 31, 2009
Computers	887	-	887	113	-	113	774
Office Equipments	1,512	-	1,512	109	-	109	1,403
Furniture & Fixtures	21,578	-	21,578	899	-	899	20,679
Motor Vehicle	8,000	-	8,000	533	-	533	7,467
<b>Current Year Total</b>	<b>31,977</b>	<b>-</b>	<b>31,977</b>	<b>1,655</b>	<b>-</b>	<b>1,655</b>	<b>30,322</b>

(Amount in Indian Rupees)

DESCRIPTION	GROSS BLOCK (AT COST)		DEPRECIATION/AMORTISATION			NET BLOCK	
	Additions During the period	Deductions/ during the period	As at March 31, 2009	For the period	On Deductions/ Adjustments	Upto March 31, 2009	As at March 31, 2009
Computers	122,240	-	122,240	14,730	-	14,730	107,510
Office Equipments	208,422	-	208,422	14,252	-	14,252	194,170
Furniture & Fixtures	2,974,430	-	2,974,430	117,197	-	117,197	2,857,233
Motor Vehicle	1,102,764	-	1,102,764	69,521	-	69,521	1,033,243
<b>Current Year Total</b>	<b>4,407,856</b>	<b>-</b>	<b>4,407,856</b>	<b>215,700</b>	<b>-</b>	<b>215,700</b>	<b>4,192,156</b>



<b>SCHEDULES FORMING PART OF THE BALANCE SHEET</b>		
	As at March 31, 2009	As at March 31, 2009
	BAHRAIN DINARS	INDIAN RUPEES
<b>SCHEDULE '4'</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding for less than six months (includes unbilled revenue <b>BHD 161,407; Rs. 22,249,229</b> )	<b>544,562</b>	<b>75,065,463</b>
	<b>544,562</b>	<b>75,065,463</b>
<b>SCHEDULE '5'</b>		
<b>CASH AND BANK BALANCES</b>		
Bank Balances		
With non-scheduled Banks :		
- in Current Accounts	<b>2,989</b>	<b>412,052</b>
	<b>2,989</b>	<b>412,052</b>
<b>SCHEDULE '6'</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured ,Considered good)		
Sundry deposits	<b>1,000</b>	<b>137,846</b>
	<b>1,000</b>	<b>137,846</b>
<b>SCHEDULE '7'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	<b>579,008*</b>	<b>79,813,580</b>
*including dues to holding company- <b>(BHD 7,184; Rs. 1,774,918)</b>		
	<b>579,008</b>	<b>79,813,580</b>



<b>SCHEDULES FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT</b>		
	For the period August 18, 2008 to March 31, 2009	For the year August 18, 2008 to March 31, 2009
	BAHRAIN DINARS	INDIAN RUPEES
<b>SCHEDULE '8'</b>		
<b>EMPLOYEE COSTS</b>		
Salaries	6,571	856,540
Welfare	89	11,660
	<b>6,660</b>	<b>868,200</b>
<b>SCHEDULE '9'</b>		
<b>OPERATING AND ADMINISTRATIVE EXPENSES</b>		
Travelling & Conveyance	9,788	1,275,848
Communication	1,747	227,745
Power	542	70,589
Rent	3,200	417,125
Professional Fees	4,700	612,652
Software Development and Support Charges	13,616	1,774,918
Auditors' Remuneration		
Audit Fees	345	44,971
Service Tax	36	4,693
	<b>381</b>	<b>49,664</b>
Repairs and Maintenance:		
Plant & Machinery	114	14,864
Miscellaneous Expenses	5,202	678,057
	<b>39,290</b>	<b>5,121,462</b>

**SCHEDULE "10"****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE PERIOD AUGUST 18, 2008 TO MARCH 31, 2009****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 an accrual basis.

**Use of estimates**

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported income and expenses and disclosure of contingent liabilities. The recognition, measurement, classification or disclosure of an item or information in the financial statements have 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	4 years
Equipments	5 years
Vehicles	5 years
Furniture & Fixtures	10 years

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 Kingdom of Bahrain. 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.

**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 Institute of Chartered Accountants of India, the Company has only one reportable segment viz. Software Services & Development.



**3. Earnings Per Share:**

	<b>For the period August 18, 2008 to March 31, 2009</b>	<b>For the period August 18, 2008 to March 31, 2009</b>
Profit/(Loss) attributable to the Shareholders	<b>BHD (47,605)</b>	<b>Rs. (6,205,362)</b>
Weighted average number of Equity Shares outstanding during the year (Nos.)	<b>248</b>	<b>248</b>
Nominal Value of Equity Shares	<b>BHD 100</b>	<b>13785</b>
Basic and Diluted Earnings Per Share (Not annualised)	<b>BHD (191.96)</b>	<b>Rs. (25,022)</b>

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

**A. List of Related Parties:**

Parties where control exists:

1. Holding Company  
CyberTech Systems and Software Ltd., India
2. Fellow Subsidiary  
CyberTech Systems Inc., USA

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

<b>Particulars</b>	<b>Referred in (A)(1) above BHD</b>	<b>Referred in (A)(1) above RS.</b>
1) Expenses	<b>7,184</b>	<b>1,774,918</b>
2) Outstanding as at the year end Payable	<b>7,184</b>	<b>1,774,918</b>

**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 bracket represent previous year figures.
5. 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, at least 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.
6. 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.
7. Income from operations consists of Rs.104,281,200 being a sale of hardware and Software items as a part of composite IT projects at Bahrain.
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. Since this is the first year of operation, previous year's figures are not applicable

**For and on behalf of the Board of Directors**

Place : Mumbai  
Dated : June 29, 2009

**Steven Jeske**  
Director



**CyberTech Systems and Software Limited**

**Registered Office:**

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

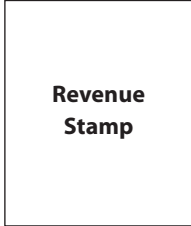
**PROXY FORM**

I / We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member / members of CyberTech systems and Software Limited, appoint  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him, \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ as my / our proxy to vote for me / us and on my / our behalf at the Fourteenth Annual  
General Meeting of the Company to be held on Wednesday the 30th day of September, 2009 at the Registered Office of the Company at  
CyberTech House', Plot No. B-63 - 65, Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West) 400604 at 3.00 p.m. and at any  
adjournment thereof.

DP. ID: \_\_\_\_\_ Client ID : \_\_\_\_\_

Folio No. : \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009



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 - 65, Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West), 400604

**ATTENDANCE SLIP**

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

I hereby record my presence at the Fourteenth Annual General Meeting of the Company to be held on Wednesday the 30th day of  
September, 2009 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 3.00 p.m.

DP. ID : \_\_\_\_\_ Client ID : \_\_\_\_\_ Folio No. : \_\_\_\_\_

Full Name of the Shareholder / Proxy \_\_\_\_\_

**(In BLOCK letters)**

\_\_\_\_\_  
Signature

*Please bring this attendance slip to the Meeting.*

Applicable for investors holding shares in Electronic Form.





**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 (West) - 400 604.

Website: <http://india.cybertech.com>