



## REPORT ON CORPORATE GOVERNANCE

We are pleased to submit hereunder a detailed Report on Corporate Governance for the Financial Year ended on March 31, 2017 pursuant to Regulation 17 to 27 and Regulation 34 (3) read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015/ Listing Regulations”) as applicable, with regard to Corporate Governance.

### 1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company’s philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Since inception, CyberTech Systems and Software Limited (“the Company/CyberTech”) has been adopting best practices in the area of Corporate Governance as a means of effectively protecting and enhancing all the stakeholders’ 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 shareholders’ value. The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

The Company has adopted a Code of Conduct for its employees and the Board of Directors, which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 (“the Act”) and the SEBI (LODR) Regulations, 2015. These codes are available on the Company’s website.

The Details of Corporate Governance practices followed in CyberTech are hereunder:

### 2. BOARD OF DIRECTORS

#### a. Composition

The Board has an optimum combination of Executive and Non-Executive Directors in order to have a balanced Board Structure. As on March 31, 2017, the strength of the Board of Directors is Ten (10) Directors comprising of Nine (09) Non-Executive Directors including One (01) Woman Director. Out of total number of Directors, Five (05) are Independent Directors who constitute one-half of the total strength of the Board. The Company is in compliance with the requirements of Regulation 17 of the SEBI (LODR), Regulations, 2015. All Directors are competent and experienced personalities in their respective fields.

During the year under review, following changes took place in the Composition of the Board:

Mr. Wim Elfrink (DIN: 07741650) was appointed as an Additional Director (Non-Executive and Non-Independent) with effect from February 21, 2017.

**The Composition of the Board, details of other directorships, committee positions as on March 31, 2017 are given below:**

Sr. No.	Name	Directors Identification Number (DIN)	Category of Directors	No. of Directorships held (including CSSL)#	No. of Membership/ Chairmanship in Board Committees (including CSSL)@	
					Chairman	Member
1.	Mr. Vish Tadimety	00008106	Non-Executive Chairman and Promoter Director	1	NIL	NIL
2.	Mr. A.V. Rajwade	00007232	Non-Executive and Independent Director	1	NIL	2
3.	Mr. Wim Elfrink*	07741650	Non-Executive and Non-Independent Director	1	NIL	NIL
4.	Mr. Sudhir Joshi	00349597	Non-Executive and Independent Director	2	2	2
5.	Mr. M.P. Bharucha	00361911	Non-Executive and Independent Director	3	NIL	NIL
6.	Dr. N.L. Sarda	00147782	Non-Executive and Independent Director	4	0	2

7.	Mr. Ramasubramanian Sankaran	05350841	Executive Director	1	NIL	1
8.	Mr. Steven Jeske	01964333	Non-Executive and Non-Independent Director	1	NIL	NIL
9.	Dr. Shreepad Karmalkar	03273896	Non-Executive and Independent Director	1	NIL	2
10.	Ms. Amogha Tadimety	06952042	Non-Executive and Non-Independent Director	1	NIL	NIL

**Notes:**

\* Mr. Wim Elfrink has been appointed as an Additional Director (Non-Executive and Non-Independent) with effect from February 21, 2017.

#Number of Directorships held excludes Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Alternate directorships.

@Only covers Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Unlisted Public Limited Companies.

**The Board of Directors met Five (05) times during the year under review. The date of the Board Meetings and attendance thereat are furnished hereunder:**

Date of Board Meeting	May 19, 2016	August 02, 2016	August 18, 2016	October 27, 2016	January 31, 2017
Board Strength as on the date of Board Meetings	09	09	09	09	09
No. of Directors Present	07	07	06	09	07

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

Name of Director	No. of Board Meetings held during year	No. of Board Meetings Attended	Attendance at last AGM
Mr. Vish Tadimety	05	05	Attended
Mr. A.V. Rajwade	05	04	Not Attended
Mr. Ramasubramanian Sankaran	05	05	Attended
Mr. Sudhir Joshi	05	05	Attended
Mr. Wim Elfrink§	05	NIL	Attended as a Special Invitee of the Board of Directors
Mr. Steven Jeske	05	04	Attended
Mr. M.P. Bharucha	05	02	Not Attended
Dr. Shreepad Karmalkar	05	03	Not Attended
Ms. Amogha Tadimety	05	03	Not Attended
Dr. N.L. Sarda	05	05	Not Attended

§ Mr. Wim Elfrink has been appointed as an Additional Director (Non-Executive and Non-Independent) with effect from February 21, 2017.

None of the Directors on the Board is a Member of more than Ten (10) Board Committees and a Chairman of more than Five (05) such Committees, across all Companies in which he/she is a Director.

None of the Directors holds directorships in more than Twenty (20) Companies and more than Ten (10) Public Companies pursuant to the provisions of the Companies Act, 2013.

Further, in compliance with Regulation 25(1) of SEBI (LODR) Regulations, 2015, none of the Independent Directors holds directorship in more than seven listed companies.

**c. Inter-se relationships amongst Directors**

As on March 31, 2017, there is no inter-se relationship among the Directors except Ms. Amogha Tadimety, is Daughter of Mr. Vish Tadimety, Non-Executive Chairman and Promoter Director.



**d. Number of Shares and Convertible instruments held by Non-Executive Directors:**

The following Non-Executive Directors are holding Shares and Convertible Instruments of the Company as on March 31, 2017:

S.No.	Name of Director	No. of Shares held
1.	Mr. Vish Tadimety	56,13,350
2.	Ms. Amogha Tadimety	2,54,320
3.	Mr. Steven Jeske	24,31,433
S.No.	Name of Director	Optionally Fully Convertible Warrants Held <sup>^</sup>
1.	Mr. Wim Elfrink	10,00,000

<sup>^</sup>Issued and allotted One Million (10,00,000) Optionally Fully Convertible Warrants (OFCWs / Warrants / Securities) (with each warrant convertible into one Equity Share) on October 27, 2016 at a conversion Price of ₹67/- per Equity Share, pursuant to the prior approval of the members obtained through Postal Ballot on September 20, 2016.

**e. Independent Directors:**

The Independent Directors fulfill the criteria of independence, which are given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and have given declaration of independence as per the requirements. The Draft Letter of Appointment of Independent Directors is available on the website of the Company [www.cybertech.com](http://www.cybertech.com).

During the year under review, a separate meeting of Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR) Regulations, 2015 was held on March 30, 2017 without the attendance of Non-Independent Directors and the members of the management, *inter alia*, to discuss the following :

- Review the performance of Non-independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Assess the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent Directors were present at the meeting.

**f. Familiarization Programme:**

Pursuant to the provisions of Regulation 25(7) of the Listing Regulations, the Company has in place Familiarization Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The Familiarization Programme and details of Familiarization Programme imparted during 2016-17 are uploaded on the website of the Company and can be accessed through web-link:

[http://www.cybertech.com/financialReports/Familiarization\\_Program\\_for\\_Independent\\_Directors.pdf](http://www.cybertech.com/financialReports/Familiarization_Program_for_Independent_Directors.pdf).

**3. COMMITTEES OF THE BOARD**

The Company has four Board-level Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

All decisions pertaining to the constitution of Committees, terms of reference, etc. are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the Financial Year 2016-17 and the related attendance, are provided below:

**i) Audit Committee**

**a) Brief description of Terms of reference**

The scope and terms of reference of the committee, *inter alia*, includes following:

**Financial Reporting and Related Processes:**

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public;
- Reviewing with the Management the quarterly Un-audited Financial Statements and Limited Review Report thereon/ audited Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies, if any, and major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and/ or recommendation, if any, made by the Statutory Auditors in this regard;
- Reviewing the Management Discussion & Analysis of financial and operational performance; and
- Scrutiny of inter-corporate loans and investments, if any.

**Internal Controls and Governance Processes:**

- Review the adequacy and effectiveness of the Company's internal control system. Review and discuss with management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure;
- Review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon;
- To oversee and review the functioning of a Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof; and
- Approval and Review of Related Party Transactions.

**Audit & Auditors**

- Review the scope of the Statutory Auditors, the Annual Audit Plan and the Internal Audit Plan with a view to ensure adequate coverage;
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto;
- Review and recommend to the Board appointment/re-appointment of the Statutory Auditors, Internal Auditors; and
- Fixation of Statutory Audit Fees and approval of such other services to be rendered by the Statutory Auditors except those enumerated under Section 144 of the Companies Act, 2013 and payment for such services.

**b) Composition and attendance at Audit Committee Meetings:**

As on March 31, 2017, the Audit Committee comprises of Four (04) Directors as the Members. All the Members of the Audit Committee are qualified, experienced and possess sound knowledge of finance, accounting practices and Internal Controls.

During the year under review, four (04) meetings were held viz., on May 19, 2016, August 02, 2016, October 27, 2016, and January 31, 2017.

**The Composition of Audit Committee and details of attendance of the members during the year 2016-17 are as under:**

S. No.	Name	Designation & Category	No. of Meetings attended
1	Mr. Sudhir Joshi	Chairman, Independent Director	04
2	Mr. Anant V. Rajwade	Member, Independent Director	03
3	Dr. Shreepad Karmalkar	Member, Independent Director	04
4	Dr. N.L. Sarda	Member, Independent Director	04

The representatives of the Statutory Auditors, Internal Auditors, Secretarial Auditors and the Chief Financial Officer are permanent invitees to the Audit Committee Meetings and they attend the meetings. All the members of the Audit



Committee have requisite accounting and financial management expertise.

Mr. Sudhir Joshi, Chairman of the Audit Committee attended the previous Annual General Meeting and responded to the queries raised by the shareholders.

As per Regulation 18 (1) (e) of SEBI (LODR) Regulations, 2015, the Company Secretary acts as the Secretary of the Audit Committee.

### ii) **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") is constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2015.

#### a) **The terms of reference of the Committee inter alia, includes:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions;
- To recommend to the Board, appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down;
- Succession planning of the Board of Directors and Senior Management Employees;
- Recommendation to the Board on remuneration of Managing Director/Executive Directors/KMP and also revision in remuneration;
- Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director;
- Devising a policy on Board Diversity;
- Formulate and review the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- To devise and recommend to the Board, a Scheme for granting stock options to the employees of the Company; and
- To frame suitable regulations for ensuring proper administration and superintendence of the Employees Stock Option Plan (ESOP) Scheme. The Committee submits its recommendation to the Board of Directors from time to time indicating details of eligible employees to whom options under ESOP would be granted.

#### b) **Nomination and Remuneration Policy**

The Company has formed a Nomination and Remuneration policy in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations with the stock exchanges and in order to harmonize the aspirations of human resources that are consistent with the goals of the Company which *inter alia* includes Company's policy on Board Diversity, selection, appointment and remuneration of Directors, criteria for determining qualifications, positive attributes, independence of a Director and criteria for performance evaluation of the Directors.

The Nomination & Remuneration Policy as approved by the Board is uploaded on the Company's website [www.cybertech.com](http://www.cybertech.com).

c) **Composition and attendance at Nomination and Remuneration Committee:**

During the year under review, one (01) meeting of the Nomination and Remuneration Committee was held on January 31, 2017.

**The Composition of the Nomination and Remuneration Committee and details of attendance of the members during the year 2016-17 are as under:**

S. No.	Name	Designation & Category	No. of Meetings attended
1	Mr. Sudhir Joshi	Chairman, Independent Director	01
2	Mr. Vish Tadimety	Member, Non-Independent Director	01
3	Mr. Anant V. Rajwade	Member, Independent Director	Nil
4	Mr. M.P. Bharucha	Member, Independent Director	Nil
5	Dr. N.L. Sarda	Member, Independent Director	01
6	Dr. Shreepad Karmalkar	Member, Independent Director	Nil

d) **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

e) **Remuneration to Non-Executive Directors for the Financial Year 2016-17:**

(₹ in Lakhs)

Name	Designation	Salary	Commission	Sitting fees	Total*
Mr. Vish Tadimety	Chairman	Nil	Nil	1.20	1.20
Ms. Amogha Tadimety	Director	Nil	Nil	0.60	0.60
Mr. Steven Jeske	Director	Nil	Nil	0.80	0.80
Mr. Wim Elfrink@	Additional Director	Nil	Nil	Nil	Nil
Mr. Sudhir Joshi	Director	Nil	1.50	2.00	3.50
Dr. Shreepad Karmalkar	Director	Nil	1.00	1.40	2.40
Mr. M.P. Bharucha	Director	Nil	3.00	0.40	3.40
Dr. N.L. Sarda	Director	Nil	1.50	2.00	3.50
Mr. Anant. V. Rajwade	Director	Nil	1.50	1.40	2.90

@ Mr. Wim Elfrink (DIN: 07741650) has been appointed as an Additional Director (Non-Executive and Non-Independent) with effect from February 21, 2017.

\*The remuneration paid to Non-Executive Directors includes commission and sitting fees paid towards attending the Board Meeting, Audit Committee Meeting and Nomination and Remuneration Committee Meetings held during the year.



f) **Remuneration paid to Executive Director**

The remuneration paid to Mr. Ramasubramanian Sankaran for the Financial Year 2016-17 is ₹70.83 Lakhs inclusive of perquisites amounting to ₹ 19.25 Lakhs.

There is no separate provision for payment of severance fees.

Notice period is 3 Months as per terms of the appointment.

iii) **Stakeholders' Relationship Committee**

**Composition and attendance at Stakeholders' Relationship Committee Meeting**

In compliance with Regulation 20 of the SEBI (LODR) Regulations 2015, the Board has constituted the Stakeholders' Relationship Committee inter alia to consider and review the complaints received from shareholders. 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 Stakeholders' Relationship Committee.

No Stakeholders' Relationship Committee meeting was held during the year under review.

**The Composition of Stakeholders' Relationship Committee during the year 2016-17 is as under:**

S. No.	Name	Designation & Category
1	Mr. Sudhir Joshi	Chairman, Independent Director
2	Mr. Anant V. Rajwade	Member, Independent Director
3	Dr. N.L. Sarda	Member, Independent Director
4	Dr. Shreepad Karmalkar	Member, Independent Director
5	Mr. Ramasubramanian Sankaran	Member, Non-Independent Director

As per the provisions of Regulation 20 (2) of SEBI LODR Regulations, 2015, Mr. Sudhir Joshi, Chairman of the Committee is a Non-Executive Director.

**Name, designation and address of Compliance Officer:**

Ms. Sarita Leelaramani  
 Company Secretary and Compliance Officer  
 CyberTech Systems and Software Limited  
 'CyberTech House', Plot No. B-63/64/65  
 Road No. 21/34, J. B. Sawant Marg, MIDC  
 Wagle Estate, Thane (W)-400604  
 Exclusive e-mail id for Investor Grievances: [cssl.investors@cybertech.com](mailto:cssl.investors@cybertech.com).

Details of investor complaints received and redressed during the year 2016-17 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	06	06	Nil

iv) **Corporate Social Responsibility Committee**

In compliance with Section 135 of the Companies Act, 2013, the Board has constituted the 'Corporate Social Responsibility Committee' ('CSR Committee').

The terms of reference of CSR Committee includes formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the CSR activities, provide guidance on various CSR activities to be undertaken by the Company and monitor the CSR Policy of the Company from time to time.

During the year under review, the CSR Committee met once on March 31, 2017.

The composition of Corporate Social Responsibility Committee and details of attendance of the Members during the year 2016-17 is as under:

S. No.	Name	Designation & Category	Attendance
1	Mr. Sudhir Joshi	Chairman, Independent Director	1
2.	Mr. Vish Tadimety	Member, Non-Independent Director	1
3.	Dr. N.L. Sarda	Member, Independent Director	1
4.	Mr. Ramasubramanian Sankaran	Member, Non-Independent Director	1

A Report on CSR is provided as an annexure to Board's Report.

## 7. General Body meetings

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

Year	Venue	Date	Time	Special Resolutions passed
2013-14	'CyberTech House' Plot No. B-63/64/65 Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West)-400604	September 30, 2014	04.00 p.m.	(1) Approval for holding the office of profit by Mr. Steven Jeske as Director in CyberTech Systems and Software Inc. U.S.A (2) Approval for holding the office of profit by Mr. Vish Tadimety as Director in CyberTech Systems and Software Inc. U.S.A. (3) Issue of Securities under Employee Stock Option Scheme (4) Issue of Securities under Employee Stock Option Scheme (ESOS) to the employees and directors of holding and subsidiary companies and other persons.
2014-15	'CyberTech House' Plot No. B-63/64/65 Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West)- 400604	September 30, 2015	03.30 p.m.	(1) Re-appointment of Mr. Ramasubramanian Sankaran (DIN: 05350841) as an Executive Director of the Company. (2) Ratification of the Remuneration paid to Mr. Ramasubramanian Sankaran, Executive Director of the Company. (3) Payment of Commission to Independent Directors
2015-16	'CyberTech House' Plot No. B-63/64/65 Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West)-400604	September 30, 2016	04.30 p.m.	(1) Creation of Charge /Mortgage/Pledge on assets of the Company. (2) Authorization to the Board to borrow not exceeding ₹50,00,00,000/- (Rupees Fifty Crores) [including the money already borrowed by the Company] under Section 180(1)(c) of the Companies Act, 2013. (3) Approval for Qualified Institutional Placement on Private Placement Basis, in one or more tranches, to Qualified Institutional Buyers (QIBs) by way of Qualified Institutional Placement ('QIP').

### ii. Details of special resolution passed through postal ballot:

During the F.Y. 2016-17, Company sought the approval of the shareholders by way of a Special Resolution through Postal Ballot dated August 19, 2016 for issue, offer and allotment of not exceeding One Million (1,000,000) Optionally Fully Convertible Warrants (OFCWs /Warrants /Securities) with each warrant convertible into one Equity Share to Mr. Wim Elfrink, Strategic Investor.

Mr. S. Anantha Rama Subramanian (Membership No. FCS-4443, C.P. No. 1925) Proprietor of M/s. S. Anantha & Co., Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner by the Board.





**Details of Voting Pattern were as under:**

Sr. No.	Particulars	No. of Postal Ballot Forms (16) / e-Votes (21)	No of Equity Shares	% to Total Votes
A	Votes in favour of the Resolution	35	9,131,575	99.45
B	Votes against the Resolution	3	50,141	0.55
C	<b>Total Valid Votes (A + B)</b>	<b>38</b>	<b>9,181,716</b>	<b>100.00</b>
D	Invalid votes (signatures not tallied and / or Vote not casted)	Nil	Nil	-
	<b>Total (C + D)</b>	<b>38</b>	<b>9,181,716</b>	<b>100.00</b>

**Procedure for postal ballot:**

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated August 19, 2016 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on August 20, 2016 to the shareholders who had not registered their e-mail IDs with the Company/ Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/ Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically.

The voting under the postal ballot was kept open from August 21, 2016 (9.00 A.M. IST) to September 19, 2016 (5.00 P.M. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e., Mr. S. Anantha Rama Subramanian submitted his report to the Company and the results of the postal ballot were announced by the Company on September 20, 2016. The voting results were sent to the Stock Exchanges and also displayed on the Company's website [www.cybertech.com](http://www.cybertech.com) and on the website of Central Depository Services (India) Limited [www.evotingindia.com](http://www.evotingindia.com).

**8. Disclosures**

**(1) Statutory Compliance, Penalties/Strictures**

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years. However, during the year 2013-14, Reserve Bank of India levied a penalty of ₹3,97,800/- for compounding the offence under Regulation 2(ii) Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulation 2000 notified vide Notification No. FEMA-20/2000-RB dated 3<sup>rd</sup> May 2000).

**(2) Related Party Transactions**

The Company has adopted the Related Party Transaction Policy which is available on the website of the Company [www.cybertech.com](http://www.cybertech.com) and can be accessed at weblink:

[http://www.cybertech.com/financialReports/corporatePolicies/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.cybertech.com/financialReports/corporatePolicies/Related_Party_Transaction_Policy.pdf)

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

**(3) Subsidiary**

During the year under review, the Company has material subsidiary as per the criteria specified in SEBI (LODR) Regulations, 2015. Further, the Company has adopted a policy on material subsidiaries and the same is uploaded on the website of the Company which can be accessed through the web-link:

[http://www.cybertech.com/financialReports/corporatePolicies/Policy\\_on\\_Material\\_Subsiidiary.pdf](http://www.cybertech.com/financialReports/corporatePolicies/Policy_on_Material_Subsiidiary.pdf)

**(4) Vigil Mechanism / Whistle Blower Policy**

In line with Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has formulated Vigil Mechanism Policy to report concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The Company has also provided the complainant direct access to the Chairman of the Audit Committee. Further, no personnel has been denied access to the Audit Committee.

The Vigil Mechanism Policy has been placed on the website of the Company and web-link thereto is:

[http://www.cybertech.com/financialReports/corporatePolicies/Vigil\\_Mechanism\\_Policy.pdf](http://www.cybertech.com/financialReports/corporatePolicies/Vigil_Mechanism_Policy.pdf)

**9. Compliance with Mandatory and Non-Mandatory Requirements**

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable.

**Non-Mandatory Requirements**

Particulars	Status
A. <b>The Board</b> Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Complied
B. <b>Shareholders' Right</b> A Half- Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders	Complied, as the Company's half-yearly results are published in leading English and Marathi newspaper and also uploaded on the website of the Company, hence, the same are not sent to the shareholders of the Company
C. <b>Modified opinion in audit report</b> The listed entity may move towards a regime of financial statements with unmodified opinion	Complied, there are no qualification in the Audit Report
D. <b>Separate posts of chairperson and chief executive officer</b> The listed entity may appoint separate persons to the posts of chairperson and managing director or chief executive officer	Complied, as the Chairperson is Non-executive and as there is no chief executive officer in the Company. The Company has only one Whole-Time Director.
E. <b>Reporting of internal auditor</b> The internal auditor may report directly to the audit committee	Complied, The Internal Auditors of the Company are present in each Audit Committee and directly interacts with the Members of the Audit Committee.

**10. Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of schedule V of the SEBI (LODR) Regulations, 2015.**

There are no non-compliances of any requirements of Corporate Governance Report of sub-para (2) to (10) mentioned in schedule V of the SEBI (LODR) Regulations, 2015.

**11. The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.****12. Disclosure of Accounting Treatment**

The financial statements are prepared on accrual basis of accounting in accordance with Indian GAAP, provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the accounting standards, notified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006.

**13. Model Code of Conduct for Directors and Senior Management Team**

The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of SEBI (LODR) Regulations, 2015. The said code is available on the website of the Company and can be accessed through web-link: [http://www.cybertech.com/financialReports/corporatePolicies/Code\\_of\\_Conduct\\_for\\_Directors\\_and\\_Key\\_Management\\_Personnel.pdf](http://www.cybertech.com/financialReports/corporatePolicies/Code_of_Conduct_for_Directors_and_Key_Management_Personnel.pdf)



All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2017. A declaration to this effect signed by Mr. Ramasubramanian S., Executive Director of the Company forms part of this Report as **Annexure I**.

#### 14. **CEO/CFO Certification**

In terms of requirement of Regulation 17(8) of SEBI (LODR) Regulations, 2015, Mr. Praveen Agarwal, Chief Financial Officer have furnished certificate to the Board in the prescribed format. The certificate (**Annexure II**) has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 10, 2017.

#### 15. **Directors' Responsibility Statement**

The Directors' Responsibility Statement signed by Executive Director on behalf of the Board dated August 23, 2017 included in the Board's Report for F.Y.2016-17, has been reviewed by the Audit Committee at its meeting held on August 23, 2017.

#### 16. **Reconciliation of Share Capital Audit Report**

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat/remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

#### 17. **Risk Management Policy**

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. There are no risks which in the opinion of the Board threaten the existence of the Company. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis Report forming part of this Board's Report.

#### 18. **Code for Prevention of Insider Trading**

The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

#### 19. **Means of Communication**

- **Website:** The Company's website [www.cybertech.com](http://www.cybertech.com) contains inter alia the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, official press releases, the investor/ analysts presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.
- **Financial Results:** The quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper (Free Press Journal) and one Marathi newspaper (Navshakti) within 48 hours of approval thereof.
- **Annual Report:** Annual Report containing inter alia Standalone Financial Statements, Consolidated Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto and is also available on website of the Company.
- **Designated Exclusive Email ID:** The Company has designated Email Id [cssl.investors@cybertech.com](mailto:cssl.investors@cybertech.com) exclusively for shareholder/investor servicing.
- **SCORES (SEBI Complaints Redressal System):** SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.
- **Uploading on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

- **Email:** The financial results of the Company along with press release and investor presentation, if any, are sent by email to the shareholders who have registered their email id with the Company or Depository Participant.

There are no shares lying in demat suspense Account or unclaimed suspense account, hence the disclosure with respect to the same is not applicable.

**20. General Shareholder information:**

**a. Annual General Meeting for FY 2016-17**

Date : September 28, 2017, Thursday  
 Time : 4:00 P.M. (IST)  
 Venue : 'CyberTech House', Plot No. B-63/64/65, Road No. 21/34,  
 J. B. Sawant Marg, MIDC, Wagle Estate, Thane (W)-400604

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at the ensuing AGM are given herein and in the Annexure to the Notice of the AGM to be held on September 28, 2017.

**b. Financial Calendar:**

Year ending : March 31  
 AGM in : September  
 Dividend Payment : The final dividend, if declared, will be  
 Paid on or before October 27, 2017

**c. Date of Book Closure / Record Date :** September 22, 2017 to September 28, 2017

**d. Listing on Stock Exchanges and Code :**  
**National Stock Exchange of India Limited ("NSE")**

Exchange Plaza, C-1, Block G  
 Bandra Kurla Complex,  
 Bandra (East), Mumbai 400 051

**BSE Limited**

25th floor, P. J. Towers, Dalal Street  
 Fort, Mumbai 400 001

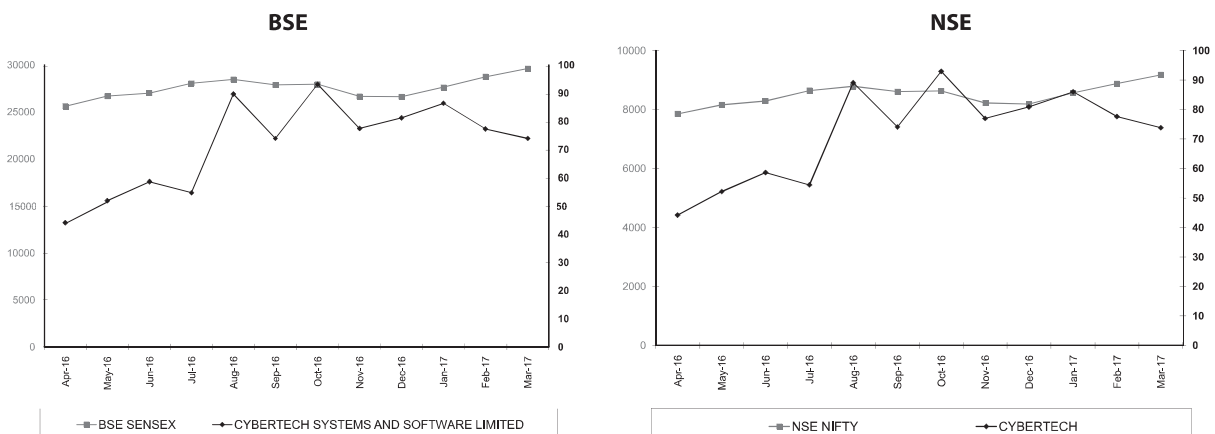
Annual Listing Fees have been paid to both stock exchanges for the year 2016-17.

The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for the year 2016-17.

**e. Scrip Code/ Symbol :**

NSE- CYBERTECH  
 BSE- 532173

**f. Performance in comparison of broad based indices such as BSE-Sensex, CRISIL, Index, etc. :**





g. **Market Price Data : High and Low during each month in last Financial Year**

Month	BSE		NSE	
	High	Low	High	Low
April 2016	47.85	35.50	48.70	35.45
May 2016	57.00	43.00	57.25	44.00
June 2016	60.50	51.90	61.00	51.35
July 2016	65.70	54.00	65.50	54.00
August 2016	93.90	50.00	94.00	49.60
September 2016	94.60	68.40	94.50	68.30
October 2016	101.00	75.00	100.00	73.10
November 2016	94.75	59.40	94.80	59.10
December 2016	93.95	73.10	94.00	72.55
January 2017	95.30	80.40	95.50	79.30
February 2017	89.40	75.50	89.00	76.10
March 2017	87.35	71.55	87.20	71.00

h. **Registrar and Transfer Agents :**

Link Intime India Private Limited  
 C-101, 247 Park, LBS Marg, Vikhroli (W)  
 Mumbai – 400 083  
 T +91 22 49186000 | F +91 22 49186060  
 E mail: mumbai@linkintime.co.in

i. **Share transfer system:**

Transfer of Equity Shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers in physical form are processed by Link Intime India Private Limited, Registrar & Transfer Agents and the share certificates are generally returned to the transferee(s) within a period of fifteen days from the date of receipt of transfer documents provided that the transfer documents are complete in all respects. The Board has constituted Share Transfer Committee which approves share transfers, transmission, issue of duplicate share certificates etc. on a weekly basis. In terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015, every six months, a Company Secretary in practice undertakes audit of the share transfer related activities and the compliance certificate issued upon audit is submitted to BSE and NSE.

j. **Details of Shareholding :**

**Summary of Shareholding Pattern as on March 31, 2017**

Category of Shareholder	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Promoter & Promoter Group	11	0.094	1,02,33,782	37.79
Public	11,704	99.906	1,68,44,561	62.21
<b>Total</b>	<b>11,715</b>	<b>100.000</b>	<b>2,70,78,343</b>	<b>100.00</b>

**Distribution of Shareholding as on March 31, 2017**

Category of Shares	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	9,514	81.2121	14,24,344	5.26
501 - 1000	1,025	8.7495	8,48,084	3.13
1001 - 2000	529	4.5156	7,86,688	2.91
2001 - 3000	188	1.6048	4,76,974	1.76
3001 - 4000	87	0.7426	3,10,159	1.15
4001 - 5000	75	0.6402	3,54,965	1.31
5001 - 10000	118	1.0073	8,51,908	3.15
10001 & above	179	1.5280	2,20,25,221	81.34
<b>Total</b>	<b>11,715</b>	<b>100.00</b>	<b>2,70,78,343</b>	<b>100.00</b>

**Top Ten Shareholders of the Company as on March 31, 2017:**

S. No.	Name of the Shareholder	Number of equity shares held	Percentage of holding
1	Vish Tadimety	56,13,350	20.73
2	Indotech Holdings LLC	39,00,000	14.40
3	Steven Jeske	24,31,433	8.98
4	Joseph Michael Vanek	13,57,000	5.01
5	Sukhada Tadimety	11,21,324	4.14
6	Prasad Rao Vellaturi	7,17,371	2.65
7	Red Banyan Holdings LLC	6,50,000	2.40
8	Uno Metals Ltd.	3,35,000	1.24
9	Aparna V. Goud	2,59,315	0.96
10	Amogha Tadimety	2,54,320	0.94

k. **Bifurcation of shares held in physical and demat form as on March 31, 2017:**

Particulars	No. of Shares	Percentage (%)
<b>Physical Segment</b>	6,18,6110	22.845
<b>Demat Segment</b>		
NSDL (A)	1,79,78,820	66.396
CDSL (B)	29,13,413	10.759
Total (A+B)	2,08,92,233	77.155
<b>Total</b>	<b>2,70,78,343</b>	<b>100.000</b>

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE214A01019**

l. **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, Conversion date and likely impact on equity:**

One Million (1,000,000) Optionally Fully Convertible Warrants (OFCWs / Warrants / Securities) with each warrant convertible into one Equity Share were issued and allotted to Mr. Wim Elfrink @ ₹ 67/- per warrant (face value ₹10/- ; Premium ₹57/-) on October 27, 2016 pursuant to resolution passed through postal ballot on September 20, 2016

Percentage of post-preferential issued capital that may be held by Mr. Wim Elfrink post conversion of OFCWs:

No. of Equity Shares to be held	% of post issue equity capital
1,000,000	3.57

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or the control of the Company as a result of the proposed preferential allotment, except a corresponding change in the shareholding pattern as well as the voting rights.

m. **Plant Locations** : Not applicablen. **Address for correspondence**: CyberTech House, Plot No. B-63/64/65, Road No. 21/34, J.B. Sawant Marg, MIDC, Wagle Estate, Thane (West), Maharashtra – 400 604.

**For CyberTech Systems and Software Ltd.**

**Sd/-**  
**Vish Tadimety**  
**Chairman**  
**DIN: 00008106**

**Place: Trevoise, PA, USA**  
**Date: August 23, 2017**



## Corporate Governance Certificate

To  
The Members of  
**CyberTech Systems and Software Limited**

We have examined the compliance of conditions of Corporate Governance by CyberTech Systems & Software Limited ('the Company'), for the year ended 31st March, 2017 as stipulated in Regulations 17-27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the year 1 April, 2016 to 31 March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations, as applicable.

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

**For LODHA & CO.  
Chartered Accountants  
Firm Registration No. 301051E**

**Sd/-  
R . P. Baradiya  
Partner  
Membership No. 44101**

**Place: Mumbai  
Date : May 10, 2017**

**Annexure I****DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF CYBERTECH SYSTEMS AND SOFTWARE LIMITED**

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ramasubramanian S., Executive Director (DIN: 05350841) of CyberTech Systems and Software Limited ("the Company") confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board of Directors and Senior Management for the financial year ended March 31, 2017.

**For and on behalf of the Board of Directors  
CyberTech Systems and Software Limited**

Sd/-

**Ramasubramanian S.  
Executive Director  
DIN: 05350841**

**Date: August 23, 2017  
Place: Thane**

**Annexure II****C. F. O. Certification under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

I, Praveen Agarwal, Chief Financial Officer of CyberTech Systems and Software Ltd. to the best of our knowledge and belief hereby certify:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2017 and based on my knowledge and belief, I state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading; and
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have been taken or propose to taken to rectify these deficiencies.
- (d) I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For CyberTech Systems and Software Ltd.**

Sd/-  
**Praveen Agarwal  
Chief Financial Officer**

**Place: Thane  
Date : May 10, 2017**