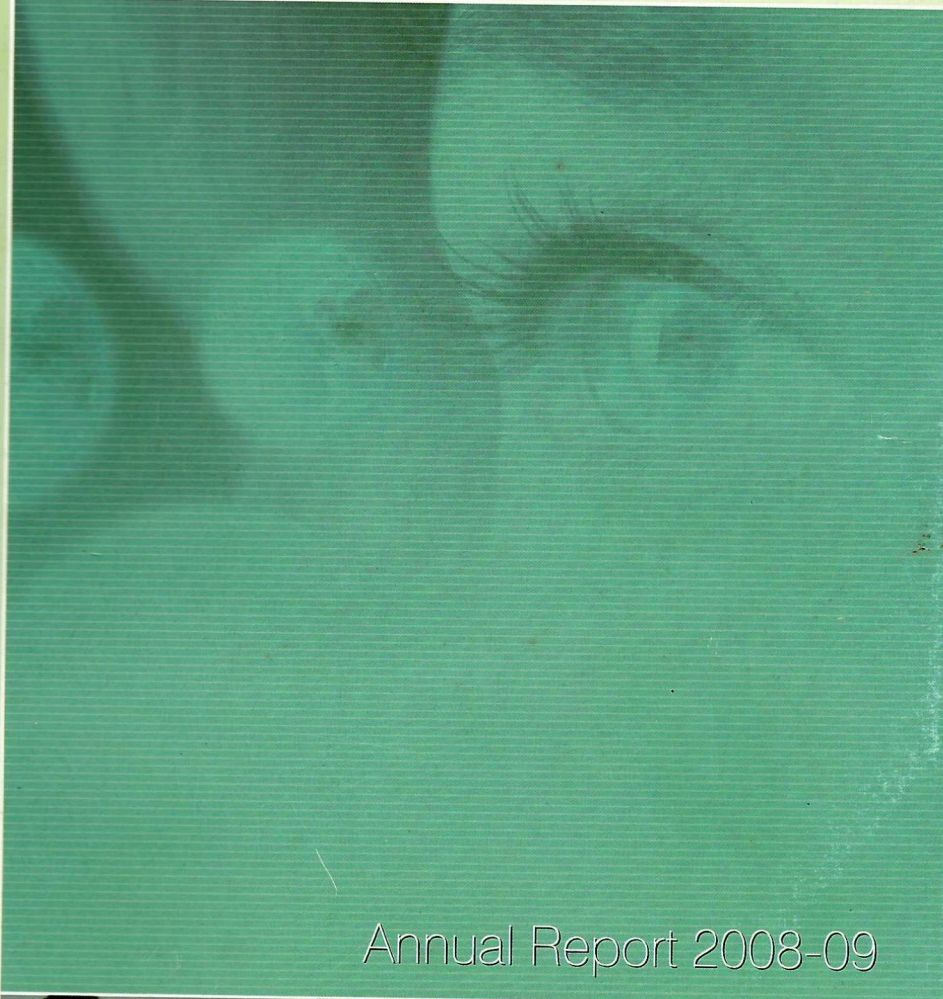


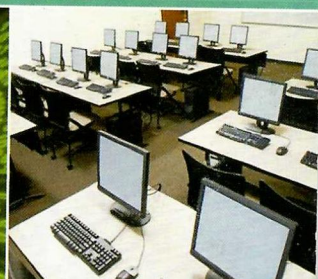


**CYBERMATE  
INFOTEK LIMITED**  
We win, when you win!

Annual Report 2008-09



Annual Report 2008-09



**BOARD OF DIRECTORS**

Sri P.C.PANTULU	-	Managing Director & CEO
Sri K.S.SHIVA KUMAR	-	Director & COO
Sri P. CHANDRA SEK HAR	-	Director-Finance
Sri K. K. RAO	-	Director
Sri S SURENDRANATH	-	Director
Sri K.SHANKAR	-	Director
Sri K.PAWAN KUMAR	-	Director
Dr.D.JAYARAMI REDDY	-	Director

**AUDITORS:**

B. Rama Rao & Co.  
Chartered Accountants  
Hyderabad

**BANKERS:**

IDBI Bank Ltd.  
ICICI Bank Ltd.

**REGISTERED OFFICE &  
SOFTWARE DEVELOPMENT CENTRE:**

#11, Sripuri Colony,  
Kakaguda, Karkhana,  
Secunderabad-50015  
e-mail: [info@cybermateinfotek.com](mailto:info@cybermateinfotek.com)  
Url : [www.cybermateinfotek.com](http://www.cybermateinfotek.com)

**NOTICE**

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on Tuesday the 29th September 2009 at 3.00 P.M. at Main Hall, Sundarayya Vignan Kendra, # 1-8-1/B/25/A, Baghlingampally, Hyderabad 500 044 A.P India to transact the following business:

**AS ORDINARY BUSINESS:**

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Balance Sheet as at 31<sup>st</sup> March 2009 and the Profit and Loss Account of the Company for the year ended on that date and the report of the Directors and Auditors thereon be and are hereby considered and adopted"

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. K Shankar, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment be and is hereby re-appointed, as a Director of the Company."

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. D Jayarami Reddy, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment be and is hereby re-appointed, as a Director of the Company."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT the retiring auditors M/s. B. RAMA RAO & Co., Chartered Accountants, Hyderabad, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

**AS SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or modifications (s) the following resolution as Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof, for the time being in force), in super cession of any earlier resolution, the consent of the Company be and is hereby accorded for the increase in remuneration of Mr. P.C. Pantulu, as Managing Director with effect from 1<sup>st</sup> April, 2009 till 31<sup>st</sup> March, 2014 (both days inclusive) as set out hereunder".

1. Basic Rs.1,80,000/-per month (in the scale of 1,80,000-10000-220000 p.m.)
2. Commission: 2% of the net profits of the Company as per the provisions of Section 198 and 309 of the Companies Act, 1956

3. Perquisites: (subject to the maximum of annual salary)
  - i. Housing: 40% of the salary over and above 10% payable by the managing director himself. In case the company provides accommodation the company shall recover 10% of the salary from the Managing Director.
  - ii. The expenditure incurred by the Company on gas, electricity, water and furnishing etc. shall be Valued as per the Income Tax rules, 1962. This shall however, be subject to a ceiling of 10% of his salary.
  - iii. Medical Reimbursement: Expenses incurred for the Director and family subject to a ceiling of one month's salary in year of 3 months salary in a block of 3 years
  - iv. Leave Travel Concession: For the Director and his family consisting spouse, dependent children and parents once in year incurred in accordance with the rules specified by the Company.
  - v. Club fees: Fees of Clubs subject, to a maximum of two clubs. This will not include admission and life membership.
  - vi. Personal Accident Insurance: Premium not exceeding Rs. 3000/- per annum.
  - vii. Provident Fund, super annuation Fund/ Annuity Fund: As per Company's rules.
  - viii. Gratuity: As per company's rules
  - ix. Leave:
    - a. Casual leave: As per Company Rules.
    - b. Sick Leave: As per Company Rules.
    - c. Privilege Leave: As per Company Rules.
  - x. Leave Encashment: As per Company Rules.
  - xi. Residential Telephone: Residential telephone be provided at the expense of the company. The company will pay the Telephone bill including STD and Trunk calls for the official business.
  - xii. Car: Entitled to use office car with driver for official purpose. Alternatively if he owns a car with driver he shall be entitled for reimbursement of expense of Rs. 9,000- p.m.
  - xiii. The following shall not be include in the computation of the ceiling on perquisites:
    - a. Contribution to Provident fund, Super Annuation Fund/ Annuity Fund to the extent either singly or put together are not taxable under Income Tax Act, 1961
    - b. Gratuity payable at the rate not exceeding half-month's salary for each completed year of service.

4. Minimum Remuneration: In the event of loss or inadequacy of profits in any year during the period of his appointment, Mr.P.C. Pantulu will be paid the remuneration as above as minimum remuneration. Mr. Mr.P.C. Pantulu will not be entitled to any sitting fee for attending meetings of the Board or any committee there of.
6. To consider and if thought fit to pass with or modifications (s) the following resolution as Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof, for the time being in force), in super cession of any earlier resolution, the consent of the Company be and is hereby accorded for the increase in remuneration of Mr. K.S. Shiva Kumar, as Director (Operations) & Chief Operating Officer with effect from 1<sup>st</sup> April, 2009 till 31<sup>st</sup> March, 2010 (both days inclusive) as set out hereunder".

1. Basic Rs.1,10,000/-per month (in the scale of 1,10,000-5000-1,30,0000 p.m.)
2. Commission: 1% of the net profits of the Company as per the provisions of Section 198 and 309 of the Companies Act, 1956
3. Perquisites: (subject to the maximum of annual salary)
  - i. Housing: 40% of the salary over and above 10% payable by the director

himself. In case the company provides accommodation the company shall recover 10% of the salary from the Director.

- ii. The expenditure incurred by the Company on gas, electricity, water and furnishing etc. shall be Valued as per the Income Tax rules, 1962. This shall however, be subject to a ceiling of 10% of his salary.
- iii. Medical Reimbursement: Expenses incurred for the Director and family subject to a ceiling of one month's salary in year of 3months salary in a block of 3 years
- iv. Leave Travel Concession: For the Director and his family consist of spouse, dependent children and parents once in year incurred in accordance with the rules specified by the Company.
- v. Club fees: Fees of Clubs subject, to a maximum of two clubs. This will not include admission and life membership.
- vi. Personal Accident Insurance: Premium not exceeding Rs. 2000/- per annum.
- vii. Provident Fund, super annuation Fund/ Annuity Fund: As per Company's rules.
- viii. Gratuity: As per company's rules

- ix. Leave:
  - a. Casual leave: As per Company Rules.
  - b. Sick Leave: As per Company Rules.
  - c. Privilege Leave: As per Company Rules.
- x. Leave Encashment: As per Company Rules.
- xi. Residential Telephone: Residential telephone be provided at the expense of the company. The company will pay the Telephone bill including STD and Trunk calls for the official business.
- xii. Car: Entitled to use office car with driver for official purpose. Alternatively if he owns a car with driver he shall be entitled for reimbursement of expense of Rs. 4,500/- p.m.
- xiii. The following shall not be include in the computation of the ceiling on perquisites:
  - a. Contribution to Provident fund, Super Annuation Fund/ Annuity Fund to the extent either singly or put together are not taxable under Income Tax Act, 1961
  - b. Gratuity payable at the rate not exceeding half-month's salary for each completed year of service.
- 4. Minimum Remuneration: In the event of loss or inadequacy of profits in any year during the period of his appointment, Mr. K.S. Shiva Kumar will be paid the remuneration as above as minimum remuneration. Mr. K.S. Shiva Kumar will not be entitled to any sitting fee for attending meetings of the Board or any committee there of.

**SPECIAL BUSINESS:**

**7. SUB-DIVISION OF EQUITY SHARES**

- 1. To Consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**: -

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956 (including any modification or re-enactment thereof) and other applicable provisions, if any, and subject to approvals, consents, permissions and sections as may be necessary from the concerned Statutory Authorities viz. Stock Exchange, CDSL, NSDL etc. the Authorized Share Capital of the Company comprising 14,50,00,000 (Fourteen Crore Fifty lacs) equity shares of the face value of Rs.10/- aggregating to Rs.145,00,00,000 (Rupees One Hundred and Forty Five Crore Only) be and is hereby sub-divided into 145,00,00,000 (One Hundred and Forty Five Crore) equity shares of the face value of Re.1/- each, with effect from the "Record Date" to be determined by the Board of Directors."

"**FURTHER RESOLVED THAT** the Issued, Subscribed and fully Paid-up Equity Share Capital of the Company, comprising of 6,25,41,962 (Six Crore Twenty Five Lakh Forty One Thousand Nine Hundred and Sixty Two) equity shares of the face value of Rs.10/- each aggregating to Rs.62,54,19,620/-

(Rupees Sixty Two Crore Fifty Four Lakh , Nineteen Thousand Six Hundred and Twenty) be sub-divided into 62,54,19,620 ( Sixty Two Crore Fifty Four Lakh , Nineteen Thousand Six Hundred and Twenty) equity shares of the face value of Re.1/- each, as on the 'Record Date' that may be fixed by the Board."

**"FURTHER RESOLVED THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instructions and writings as may be required in the connection and to delegate all or any of the powers herein vested in them to give effect to the above."

**8. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION**

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

**"RESOLVED THAT** pursuant to Section 16 of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be altered and substituted by inserting new Clause V as follows:

**The Authorized Share Capital of the company is Rs. 145,00,00,000 (Rupees One Hundred and Forty Five Crore Only) divided into 145,00,00,000 ( One Hundred and Forty Five Crore Only) Equity Shares of Re.1/- (Rupee One only) each.**

**9. AMENDMENT TO ARTICLES OF ASSOCIATION**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 31 of the Companies Act, 1956, the existing Clause 3 of the Articles of Association of the Company be altered and substituted by inserting new Clause 3 as follows:

**The Authorized Share Capital of the company is Rs. 145,00,00,000 (Rupees One Hundred and Forty Five Crore Only) divided into 145,00,00,000 ( One Hundred and Forty Five Crore Only) Equity Shares of Re.1/- (Rupee One only) each.**

By order of the Board of Directors  
Managing Director

Place: Hyderabad  
Date 03-09-2009

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the meeting.
2. The share transfer books and Register of Members of the Company will remain closed from 25<sup>th</sup> September 2009 to 28<sup>th</sup> September 2009 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the meeting. Please bring the Attendance slip with you duly filled in and handover the same at the entrance of the Meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. Members are requested to notify immediately any change in their address to the Company in case their shares held in dematerialized form; this information should be passed so that the information required can be made readily available at the meeting.
5. Members holding shares in physical form are requested to de-materialize the shares in electronic form to facilitate faster transfer and avoid rejections for bad deliveries. The Share Certificates may be sent to Aarthi Consultants (p) Ltd, 1-2-285, Domalguda, Hyderabad-500029

**ITEM NO.2:**

**Information on Director's seeking appointment / re-appointment as required under clause 49 of the listing agreement with stock exchanges.**

Sri K. Shankar is **forty three (43) years old. He has done B.E.** He has over fifteen (15) years of experience in the areas of IT and ITES. Presently, he is a senior associate with Feedback Business Consulting Services Private Limited. **He** is an independent director on the Board of CIL. He joined the Board of CIL on December 28, 2005

**ITEM NO.3:**

**Information on Director's seeking appointment / re-appointment as required under clause 49 of the listing agreement with stock exchanges.**

Dr. Jayarami Reddy, aged 63 years, is an independent director on the Board. He passed his MBBS from Karnataka University, Dharwad. He is a medical Practitioner and has worked with many Hospitals Managed by various industries in India and abroad

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT [PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956]**

**ITEM NO. 7: Sub-division of Shares**

The Equity Share of the company is listed on the Bombay Stock Exchange Limited (BSE) and the Bangalore Stock Exchange Limited (BgSE) and is



actively traded. In order to improve the liquidity of the Equity Shares with higher floating stock in absolute numbers and to make the Equity Shares more affordable to the investors and this will facilitate the small investors to purchase the shares of the Company, the Board of Directors of the Company, as its Board meeting held on 3<sup>rd</sup> September 2009, has recommended sub-division of the face value of equity shares of the Company from Rs.10/- each into 10 (Ten) equity shares of the face value of Re.1/- each.

**ITEM No.8 & 9: Amendment to the Memorandum of Association, and Articles of Association.**

Consequent to the above sub-division it is necessary to alter the Capital Clause V of the Memorandum of the Association of the Company.

The Ordinary Resolution, seek to make corresponding amendments in Clause V of the Memorandum of Association of the Company to give effect to the sub-division of shares which is proposed in the Ordinary Resolution.

The Board of Directors is of the opinion that aforesaid sub-division of the face value of Equity Shares, is in the best interest of the Company and the investors and hence recommends the passing of the above resolutions.

A copy of the Memorandum and Articles of Association of the Company showing proposed alteration is available for inspection at the Registered Office of the Company from 10:30a.m.to 12:30 p.m. on any working day up to the date of the Annual General Meeting.

The Director of the Company may be deemed to be concerned or interested in the resolutions at item no.1 *only to the extent of their respective shareholding*, if any, in the Company to the same extent as that of every other members of the Company.

**Directors' Report**

To the Members,

Your Directors have pleasure in presenting their 15th Annual Report of the business and operations of your company for the year ended March 31<sup>st</sup> 2009.

**Financial Results:**

	(Rs. in lakhs)	
	2008-09	2007-08
Operational Income	2092.82	2960.21
Other Income	156.22	113.55
<b>Total Revenues</b>	<b>2249.04</b>	<b>3073.76</b>
Profit before Depreciation,		
Interest & Tax	577.98	1604.86
Depreciation	240.40	61.21
Interest	40.81	48.76
Profit before Tax	296.77	1494.89
Provision for Tax	19.50	18.06
Profit after Tax	277.27	1476.82

**Overview of Operations:**

The year began with many challenges and many things changed. The financial sector suffered a meltdown, the stock markets collapsed. Liquidity became tight the world over. What started as a problem in the housing sector became a problem of the financial sector and very shortly, it hit the real world economy. Funds to the real world economy got choked and customers found their business shrinking, their supply chains and inventories mounting and their profitability disappearing and the first quarter of the last year only deepened as the year progressed. We are not yet out of these problems. By the most favorable estimates, the world economy may hit the rock bottom in another 2/3 quarters, but the recovery will take long time.

The pressure of liquidity and profitability forced customers all over. cut costs; to postpone his commitments and to ensure that they got value for their money.

In a sense last year we emerged toughened by the fire of the global economic challenges and I believe we came out as a distinctly better company at the end of the year as compared to what we were at the beginning of the year.

**Global Depository Receipts(GDR's)**

Your Company has been in a constant endeavour to get to the next level in its services and offerings has been facing the pressure for liquidity. The company has commenced the follow on offering of its GDR. The company has obtained in-principal approvals from the Bombay stock exchange and also the Bangalore stock exchange where the equity share of the company is listed. The company is in the process of concluding the offering to secure funds for its long term working capital requirements.

**Fixed Deposits**

Your company has not accepted any deposits and as such no amount of principal or interest was outstanding on the date of Balance Sheet.

**Directors:**

Sri K Shankar and Sri D Jayarami Reddy are to retire at the conclusion of this annual general meeting and being eligible offer them selves for reappointment. The Board of Directors recommend their appointment.

In accordance with the requirements of Clause 49 of the Listing Agreement executed with the stock exchanges as also in pursuance of section 292A of the Companies Act'1956, following steps have been taken by the Board of Directors:

a) The Board of Directors comprises eight members (inclusive of three executive directors and five Non-Executive directors). The reconstituted Board comprises the following:

1) Mr. P. C. Pantulu	Managing Director
2) Mr. K. S. Shiva Kumar	Director & COO
3) Mr. P.Chandra Sekhar	Director-Finance
4) Mr. K. K. Rao	Non-Executive Director
5) Mr. S. Surendranath	Independent Director
6) Mr. Shankar Khasnis	Independent Director
7) Mr. Pawan Kumar Kasera	Independent Director
8) Dr.D.Jayarami Reddy	Independent Director

**Audit Committee:**

The Audit committee provides direction to the audit and risk management function in the company and monitors the quality of internal audit and the Committee looks after the financial reporting process to ensure proper disclosure of financial statement, recommending appointment/ removal of external auditors and fixing remuneration:

Audit committee has been reconstituted as follows.

1) Mr. Pawan Kumar Kasera	Chairman
2) Mr. DJ Reddy	Member
3) Mr. KK Rao	Member

**Directors' Responsibility Statement** (As the provisions of Section 217(2AA) of the Companies Act' 1956), the Directors confirm that:

a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation related to material departures.

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at the end of 31<sup>st</sup> March 2009 and the profits for the year ended on that date.

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) the directors have prepared the annual accounts on a going concern basis:

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Structure and developments.**

In many ways, IT industry went through several changes, which in the near future will redefine the characteristics of the Indian IT industry. Faced with volatile cross- currency movement and uncertainty of revenues on account of global economic downturn, Indian IT industry increasingly diversified its geographic base and industry verticals, improved its productivity, rationalized its costs and modified its offerings portfolio. Investments are being made on building competencies, technology development and hiring 'right' people. As a market too, India is becoming more relevant for the industry. Led by the growth of the domestic economy over the last several years, many companies in the corporate sector, government and other sectors are increasingly accepting and adopting IT as a growth enabler.

Indian IT industry's value proposition continues to be strong and relevant for the customers. With the initiatives of many of the players in the industry to bring about more value to the customers, Indian IT industry will continue to maintain its leadership position globally.

### **Opportunities and threats**

General uncertainty in the business environment has led to extreme caution across the economy. Situations have forced businesses to cut costs across all cost components. Customers have postponed plans for expansions or spending on IT infrastructure.

Your company will continue to remain focused on the emerging trends in the markets to take advantage of improved business conditions.

### **Segment or product-wise performance**

Your Company operates only in one segment i.e customized software services. Hence there are no separate segments to be reported.

### **Outlook:**

The challenges for the IT industry are far from over, pricing pressures and delays in project decisions on part of our customers, shift in business mix towards offshore may result in a decline in revenues. Our focus will continue to be on internal efficiency and productivity improvement, better corporate governance, technology and employee's skill development and to improve our relevance to our customers.

### **Risks and concerns:**

The main risks causing concern to the IT Industry and your Company as well are Economic slowdown, ability to attract and retain talent, withdrawal of Tax benefits, Currency Exchange risks etc.

### **Internal control systems and their adequacy:**

Your Company has placed considerable emphasis on internal control system so as to minimize the costs and improve the efficiencies and existing systems are adequate given the size of the company.

### **Financial /operational performance:**

#### **1. Revenues**

Revenue for the year ended 31st March, 2009 is Rs. 2092.82 lacs as compared to 2960.21 lacs the same period last year, out of which Rs.1937.84 lacs is attributable to increase in stock arising on unbilled revenues and products which are under development.

#### **2. Operating Expenses**

The ratio of operating expenditure to total income has marginally increased by 30% over the same period last year.

#### **3. EBIDT**

The EBIDT was at 28% for the year ended 31<sup>st</sup> March, 2009 as compared to 54% for the same period last year.

#### **4. Profit after Tax**

Profit after Tax was at 12.32% for the year ended 31st March, 2009 as compared to 48.05 for the same period last year.

#### **5. Interest and Borrowings**

During the year the Company has incurred interest cost of Rs 40.81 lakhs on its Term Loan, Lease Rent Discounting, Hire Purchase Loans and others

#### **6. Capital Employed**

The Return on Average Capital Employed

(ROCE) for the year ended 31st March, 2009 was 2.71% as compared to 14.84% for the same period last year.

**7. Net Worth**

The Return on Average Net worth (RONW) for the year ended 31st March, 2009 was 2.84 % as compared to 15.85% for the same period last year.

**8. Fixed Assets**

The Company added to its fixed assets amounting to Rs 13.86 Lakhs. The additions were mainly attributable to replacement of Infrastructure, Computers, Peripherals and Networking Equipment. Other additions include product development and Software Product Costs.

**9. Cash Generation**

Cash generated from operations was Rs (2223.44) for the year ended 31st March, 2009

**10. Manpower**

The total employee strength as on 31st March, 2009 was 145 as against 99 as on 31st March, 2008.

**Human Resources/ Industrial Relations:**

Human resource functions and initiatives of your Company to attract, train, retain and motivate employees are driven by a strong set of values and policies. Your Company has taken all adequate and necessary steps from time to time to maintain a competitive, healthy and harmonious work environment at all levels. During the year under review, the manpower strength has increased from 99 to 145 as of 31st March, 2009. However, subsequent to 31<sup>st</sup> March 2009, the employee strength of the company was reduced to 45.

**Auditors:**

The auditors, M/s. B.Rama Rao & Co., Chartered Accountants, Hyderabad retire at this Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment.

**Auditors Observations:**

- a) Compliance to AS-21 i.e Consolidated Financial Statements.

The Company has two Wholly Owned Subsidiaries viz

1. Cybermate Infotek Limited Inc at U.S.A
2. Cybermate Infotek Ltd F.Z.E at Hamriyah Free Zone, Sharjah, U.A.E.

While the operations of the Subsidiary remained dormant since the year 2002, the company is making efforts to furnish audited financial statements, the same is likely to be completed during the current financial year.

Further, the subsidiary company at U.A.E was incorporated in January 2008 and advances have been paid for acquisition of products for marketing in the Middle East regions.

Subsequently, due to the slowdown in economy the company has postponed its plans for commencement of its operations. The company is confident of marketing its offerings once the economy improves and will be in a position to present its financial statements.

In view of the above the financial statements of the subsidiaries are not available for consolidation as required under Accounting Standard 21 , we shall ensure to get the accounts of the subsidiary updated, audited and include the same in our next report.

b) **Collection of Overdue Debtors**

Due to the recession globally, there have been delays in the recovery of debtors over a period of time. The Management of your company is taking adequate steps for collection of these amounts and the directors are hopeful of recovering a substantial portion. Provision for bad or doubtful debts will be made at the appropriate time upon a suitable review.

**Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo**

The particulars as prescribed under sub-section (1)(e) of section 217(2A) of the Companies Act'1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, are given in Annexure B.

**Employee Particulars**

As required under the provisions of Section 217(2A) of the Companies read with the Companies (Particulars of employees) Rules'

1975 as amended form part of this report. However, in pursuance of section 219(1)(b)(iv) of the companies Act' 1956 this report is being sent to all shareholders of the company excluding the aforesaid information and the said particulars are made available at the registered office of the company.

**Acknowledgement**

Your Directors acknowledge with a deep sense of gratitude the continued support extended by investors, customers, business associates, bankers and government departments.

For and on behalf of the Board

Sd/-	Sd/-	Sd/-
P. C. Pantulu	K.S.Shiva Kumar	P Chandra Sekhar
Managing Director	Director & COO	Director Finance.

Place: Secunderabad

Date: 3<sup>rd</sup> September, 2009

**Annexure to the Directors' Report**

a) Particulars pursuant to Companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988

**1. Conservation of Energy**

The operations of your company are not energy-intensive by using energy efficient computer terminals and equipment and electrical fittings. Energy saving conditioners are being purchased that reduces heat absorption. Your company is always in the look out for newer and efficient energy conservation technologies and introduces them appropriately.

**2. Research and Development (R & D)**

Research and Development of new products and services that allows software designs across different projects that continue to increase quality and productivity. Your company is continuously strengthening its research exposure in application and system development areas. Your company has set up practice units for web-related technologies and object and component technologies. Your company helps its customers creating a world standard virtual workplace connecting across offices, geographies, on a real time with multimedia linkups.

**3. Technology absorption, adaptation and Innovation**

Your company has taken steps to improvise on quality and desktops, that reduces working time on desktops. Various communication facilities include Video-conferencing, and

Middleware technologies. Your company has

**4. Foreign Exchange earnings and outgo**

Activities relating to exports, development of new markets, for products and services and export plans. Your company has over the past period, set up communication facilities and marketing offices situated in North America. Your company has plans to set up marketing and development centers at San Jose, California catering to the client needs.

**Foreign Exchange inflow and outflow for the year ended**

	(Rs. in Lacs)	
	2008-09	2007-08
Foreign Exchange inflow	303.51	966.07
Foreign Exchange Outgo	0.00	0.00

**REPORT ON CORPORATE GOVERNANCE:**

**1. Company's Philosophy on Corporate Governance:**

Corporate Governance is more a way of Business life than a mere legal compulsion. Your Company believes that, though its primary focus is on the core objective of earning profits, the same should be aligned with the expectations of stakeholders. In this direction, the Board of Directors of your Company is committed to adopt good corporate governance practice as a part of the corporate culture, a way of its corporate life and a kind of self-disciplinary code designed to serve the ultimate goal of making the Company a value driven Organization.

**2. Board of Directors (Board)**

The Board consists of 8 members comprising:

- 3 Executive Directors:
- 5 Independent & Non-Executive Directors:

**Attendance Record 2007-2008**

S.No	Name of the Director	Category	Meetings Attendance	Attended at last AGM on 17.10.2008
1	Sri P.C. Pantulu	Executive	6	Yes
2	Sri K.S. Shiva Kumar	Executive	7	Yes
3	Sri K.K. Rao	Non-Executive	3	Yes
4	Sri S. Surendranath	Independent	2	No
5	Sri Shankar Khasnis	Independent	3	Yes
6	Sri Pawan Kumar Kasera	Independent	Nil	No
7	Sri P Chandra Sekhar	Executive	7	Yes
8	Sri D J Reddy	Independent	7	Yes

**Number of other Directorships, Committee Membership(s) & Chairmanship(s):**

Sl.No	Name of the Director	Other Directorship	Committee Membership	Committee Chairmanship
1	Sri P.C. Pantulu	1	1	Nil
2	Sri K.S. Shiva Kumar	None	1	Nil
3	Sri K.K. Rao	None	2	Nil
4	Sri S. Surendranath	None	Nil	1
5	Sri Shankar Khasnis	None	Nil	Nil
6	Sri Pawan Kumar Kasera	7	2	1
7	Sri P Chandra Sekhar	3	Nil	Nil
8	Sri D J Reddy	None	Nil	1



**Number of Board Meetings held and the date on which held:**

Ten Board Meetings were held during the year as against the minimum requirement of four meetings. The gap between two Board meetings was not more than 4 months at any time.

The dates of Board meeting held during the year under review are:

S.No	Date	Time
1	30.04.2008	1.00 P.M
2	31.07.2008	1.00 P.M
3	01.09.2008	1.00 P.M
4	20.09.2008	1.00 P.M
5	17.10.2008	11.00 A.M
6	29.01.2009	11.00 A.M
7	06.03.2009	10.00A.M

**3. Audit Committee:**

The Board of Directors of the Company Constituted Audit Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements. During the year, in all, 3 meetings of the Committee took place and the Audit Committee comprises of the following Directors.

- |    |                        |          |
|----|------------------------|----------|
| 1) | Mr. Pawan Kumar Kasera | Chairman |
| 2) | Dr. D. Jayarami Reddy  | Member   |
| 3) | Mr. K. Koteswar Rao    | Member   |

**4. Remuneration of Directors & Remuneration Committee:**

Other than whole-time Directors, no other Director receives any remuneration from the Company excepting Sitting Fees for attending the Board Meetings. The details of remuneration paid to the whole-time Directors is mentioned in Schedule 12 read with notes on accounts 14 (12) (iii) to the Balance Sheet of the Company.

The Board of Directors of the Company constituted Remuneration Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

a) Composition, Name of the Chairman and Members:

- 1) Mr.D J Reddy -Chairman
- 2) Mr. Pawan Kumar Kasera -Member
- 3) Mr. K K Rao.-Member

b) Attendance during the year

The remuneration Committee had met once during the year and all the members of the Committee were present at the meeting.

**5. Shareholders' Grievance Committee:**

The Shareholders' Grievance Committee constituted by the Board of Directors and comprising of Mr. Pawan Kumar Kaseria (Chairman) Mr. P.C.Pantulu and Mr.K.S.Shiva Kumar, inter-alia oversees the transfer of shares and redressal of shareholders/ Investors grievances and complaints.

All the complaints received are replied to the satisfaction of shareholders during the year under review and there are no outstanding complaints as on 31<sup>st</sup> March 2008.

**6. General Body Meetings:**

c) Location and time for the last 3 Annual General Meetings were:

Year	Location	Date	Time
2005-06	1-8-1/B/25/A Sundaraya Vignan Kendra, Baghlingampally, Hyderabad-44	07.08.2006	10.00A.M.
2006-07	1-8-1/B/25/A Sundaraya Vignan Kendra, Baghlingampally, Hyderabad-44	29.09.2007	10.00 A.M.
2007-08	1-8-1/B/25/A Sundaraya Vignan Kendra, Baghlingampally, Hyderabad-44.	17.10.2008	10.00 A.M

**7. Disclosures:**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large -

None of the transactions with any of the related parties were in conflict with the interest of the Company.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or The Securities and Exchange Board of India of (SEBI) or any other statutory authority on any matter related to the Capital Markets during the last 4 years None.

**8. Means of Communication:**

Un-audited Quarterly results have been approved by the Board and has intimated to the Stock Exchanges and are published in Business Standard and Andhra Prabha. Management Discussion and Analysis Report forms part of Annual Report.

**General Shareholders Information:**

Annual General Meeting : Date :29.09.2009  
 Time: 3.00 P.M.  
 Venue: 1-8-1/B/25/A, Main Hall,  
 Sundaraya Vignan Kendra,  
 Baghlingampally, Hyderabad.

Financial Calendar : 01.04.2008 to 31.03.2009

Date of Book Closure : 25.09.2009 TO 28.09.2009  
 (Both days inclusive)

Listing on Stock Exchanges : 1. The Bombay Stock Exchange Limited  
 2. The Bangalore Stock Exchange Limited  
 3. Luxembourg Stock Exchange

Stock Code : 532271 on BSE

**Market Price Date:**

Month	High (Rs)	Low (Rs)
April, 08	8.01	5.50
May, 08	7.35	5.40
June, 08	6.11	4.46
July, 08	5.40	4.08
August, 08	5.29	3.00
September, 08	4.04	2.31
October, 08	2.59	1.26
November, 08	1.90	1.25
December, 08	2.30	1.25
January, 09	1.95	1.25
February, 09	1.72	1.24
March, 09	1.54	1.26

**Registrar/ Share Transfer Agents** : Aarathi Consultants (p) Ltd  
 1-2-285, Domalguda, Hyderabad-500029.  
 Ph: 040-27634445/8111/27642217  
 Fax No. 040-27632184  
 Email: Info@aarthiconsultants.com  
 Url: www.aarthiconsultants.com.

**Share Transfer System:**

Shares are received at the Registered office of the Company as well as directly at Registrar's Office. All are registered within 15 days from the date of receipt, if the documents submitted are found in order in all respects. A Committee of Directors authorized for approval of share transfers meets at regular intervals as required and the certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

**DISTRIBUTION OF SHAREHOLDING:**

The distribution of shareholding as on 31st March 2009 was as follows:

Category	No. Of Shares	Percentage(%)
Promoters	12,60,380	2.02
Financial Institutions & Banks	200	0.00
FII's/FCBs	4300	0.01
Bodies Corporate	93,64,018	14.97
NRI's/OCBs	30,13,346	4.82
Clearing Members	14,15,17	0.23
Resident Individuals	4,87,58,201	77.96
Total	6,25,41,962	100.00

**Dematerialization of shares as on 31.03.2009:**

Particulars	Number of Shares	% Of Share Capital
NSDL	4,09,55,298	65.48
CDSL	2,09,63,050	33.52
Physical	6,23,614	1.00
Total	6,25,41,962	100.00

**Address for Correspondence:**

Shareholders can correspond at the Registered Office of the Company at Secunderabad, addressed to the Company Secretary/Compliance Officer or to the Registrars & Share Transfer Agents, whose address has been mentioned elsewhere in this Report.

Particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

Name of Director	Mr. K Shankar
Expertise in specific functional area	IT AND ITES
Date of Birth	25.06.1966
List of other Companies in which Directorship is held as on 31st March, 2009	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2009	None

Name of Director	Dr. D Jayarami Reddy
Expertise in specific functional area	Hospital Management
Date of Birth	01.07.1945
List of other Companies in which Directorship is held as on 31st March, 2008	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2009	None

**AUDITORS' CERTIFICATE REGARDING  
CORPORATE GOVERNANCE**

To the Members of M/s. Cybermate Infotek Limited, Secunderabad

We have examined the compliance of conditions of corporate governance by Cybermate Infotek Limited for the year ended on 31.03.2008 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the 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 the above-mentioned listing agreement.

We state that generally no Investor Grievances are pending for a year exceeding one month against the company as per the records maintained by the shareholders/Investors Grievance Committee.

We further state that such compliance is neither and 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 B.Rama Rao & Co.  
Chartered Accountants

Sd/-  
G.V.Ranga Babu  
Partner

Place: Hyderabad  
Date: 29.06.2009.

**CEO and CFO Certification**

We, P C. PANTULU, Managing Director, P.CHANDRA SEKHAR, Executive Director, responsible for the finance function certify that :

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief :

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**P.C.PANTULU**  
MANAGING DIRECTOR  
& CEO

Sd/-

**P.CHANDRA SEKHAR**  
DIRECTOR FINANCE  
& CFO

Place: Hyderabad

Date: 03.09.2009

**AUDITORS' REPORT**

To  
The Members,  
Cybermate Infotek Limited.

We have audited the attached Balance Sheet of M/s. CYBERMATE INFOTEK 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.

We conducted our audit in accordance with 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 mis-statement. 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.

As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order:

Further to our comments in the Annexure referred to 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 appears from our examination of the books.

- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in compliance with the accounting standards referred to.
  - i) Consolidation of Financial Statements in accordance with AS 21 and
  - ii) Collection of Overdue debtors as mentioned in Note No. 12 (vi).
- e) On the basis of written representation received from the directors, as on 31.03.2009, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2009 from being appointed as director in terms of Clause (g) of section 274 (1) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said 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 and Loss Account, of the Profit for the year ended on that date and
  - III. In the case of cash flow statement, of the cash flows for the year ended on that date

For B.Rama Rao & Co.  
Chartered Accountants  
Sd/-

Place : Hyderabad  
Date : 29.06.2009

G.V.Ranga Babu  
Partner

**ANNEXURE TO THE AUDITOR'S REPORT**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As per the information and explanation given to us, the management at reasonable intervals carried out the physical verification of the fixed assets. No material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year under audit.
2. Due to the nature of its business, clause (ii) of the order, relating to physical verification of inventory is not applicable to the company.
3. As informed, the Company has neither granted or taken any loans, secured or unsecured to /from companies, firms or other parties covered in the register maintained under section 301 of the companies Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of this area.
5. The Company has not accepted any deposits from public to which the provisions of Section 58A of the act, and the rules made there under apply.
6. In our opinion, the company has an internal audit system, which is commensurate with the size and the nature of its business
7. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records prescribed under section 209(1)(d) of the act.
8. (a) According to the information and explanation given to us and the records examined by us, certain delays were observed in payments of statutory and institutional dues.  
As at 31st March 2009 the following amounts were outstanding as
  1. Statutory dues
 

(b) TDS Payable	Rs. 7,58,346
(c) PF Payable	Rs. 1,92,000
	<u>Rs.9,50,346</u>
  2. Institutional Dues
 

(a) IDBI Term Loan	NIL
(b) DHFL- Lease Rent Discounting	NIL
(c) ICICI Bank-Hire Purchase(computers)	3,25,860
(d) Orix Auto Services-Hire Purchase(computers)	1,47,943
(e) Kotak Mahindra Bank Hire Purchase (Generator)	51,050
	<u>5,24,853</u>



- (b) There is a disputed sales- tax liability of Rs.20, 94,131/- relating to the Assessment Year 2001-2002.The case is pending disposal with the Appellate Tribunal
9. The company has been registered for a period of more than five years and has no accumulated losses at the end of the year under audit.
10. Based on our examination of the records and the information and explanation given to us, the company has not granted any loan and or advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The company is not a chit fund, nidhi, mutual benefit fund or a society.
12. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(XIV) of the order are not applicable to the company.
13. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions except loans to employees given by banks.
14. According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the company has not raised any funds on short- term basis.
16. The company has not made any preferential allotment of shares during the year.
17. During the year covered by our audit report the company has not issued any secured debentures.
18. As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For B.RAMA RAO & CO  
Chartered Accountants

Sd/-  
G.V. Ranga Babu  
Partner

Hyderabad  
29.06.2009

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

	Schedule No.	31.03.2009 Rs.	31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
1. Share Holders' Funds			
(a) Capital	1	625419620	625419620
(b) Reserves and Surplus	2	397295446	369567957
2. Loan Funds			
(a) Secured Loans	3.	32849484	37819143
(b) Unsecured Loans	4	6943000	8441500
	<b>TOTAL</b>	<b>1062507550</b>	<b>1041248220</b>
<b>APPLICATION OF FUNDS</b>			
1. (a) Fixed Assets	5		
Gross Block		302046996	300785006
Less: Depreciation		155525092	131485059
Net Block		<b>146521904</b>	<b>169299947</b>
(B) Capital Work in Progress		367399890	367399890
2. Investments	6	155503909	318373218
3. Current Assets, Loans & Advances	7		
(a) Inventories		273678674	79894552
(c) Sundry Debtors		108387617	98379826
(d) Cash and Bank balances		221397	127014
(e) Loans and Advances		25183744	13562678
	<b>TOTAL</b>	<b>407471432</b>	<b>191964070</b>
Less : Current Liabilities & Provisions			
i. Current Liabilities	8 (a)	58678852	66168269
ii. Provisions	8 (b)	5233141	2026069
Net Current Assets	<b>TOTAL</b>	<b>343559439</b>	<b>123070688</b>
3. Miscellaneous Expenditure	9	49522408	63104477
	<b>TOTAL</b>	<b>1062507550</b>	<b>1041248220</b>

Statement of significant Accounting Policies & Notes forming part of Accounts 14

As per our report of even date  
For **B.RAMA RAO & CO.**  
**Chartered Accountants**

For and on behalf of the Board of Directors

Sd/-  
**GV.Ranga Babu**  
Partner

Sd/-  
**P.C.Pantulu**  
Managing Director

Sd/-  
**K.S.Shiva Kumar**  
Director-Operations

Sd/-  
**P Chandra Sekhar**  
Director-Finance

Date : 29.06.2009  
Place : Secunderabad

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

<b>PARTICULARS</b>	<b>Schedule No.</b>	<b>31.03.2009 Rs.</b>	<b>31.03.2008 Rs.</b>
<b>Income</b>			
Revenue	10	15498818	296021532
Other Income	-	15622425	11355180
Increase in stock		193784122	0
<b>TOTAL</b>		<b>224905365</b>	<b>307376712</b>
<b>Expenditure</b>			
Operating Expenses	12	167106412	135461441
Financial Charges	13	4081431	4876337
Depreciation	5	24040033	6121393
Decrease in Stock		0	11427690
<b>TOTAL</b>		<b>195227876</b>	<b>157886861</b>
Profit for the year		<b>29677489</b>	<b>149489851</b>
Provision for Tax		1875000	1719500
Provision for fringe benefit tax		75000	87500
Profit after Tax		<b>27727489</b>	<b>147682851</b>
Balance brought forward from the previous year		<b>253965321</b>	<b>121231455</b>
Profit available for appropriation		<b>281692810</b>	<b>268914306</b>
<b>Appropriations:</b>			
Provisions for Dividends			
Transfer to General Reserve		<b>2967749</b>	<b>14948985</b>
Balance carried to Balance Sheet		<b>278725061</b>	<b>253965321</b>
Earning per Share - Basic		0.44	3.47
- Diluted		0.44	3.47
<b>Statement of significant Accounting Policies &amp; Notes forming part of Accounts</b>	<b>14</b>		

As per our report of even date  
**For B.RAMA RAO & CO.**  
**Chartered Accountants**

For and on behalf of the Board of Directors

Sd/-  
**G.V.Ranga Babu**  
 Partner

Sd/-  
**P.C.Pantulu**  
 Managing Director

Sd/-  
**K.S.Shiva Kumar**  
 Director-Operations

Sd/-  
**P Chandra Sekhar**  
 Director-Finance

Date : 29.06.2009  
 Place : Secunderabad

**SCHEDULE I**

<b>SHARE CAPITAL</b>	<b>31.03.2009</b> Rs.	<b>31.03.2008</b> Rs.
<b>Authorised</b>		
14,50,00,000 Equity Shares of Rs. 10/- each fully paid up)	<b>1450000000</b>	<b>850000000</b>
(8,50,00,000 Equity shares of Rs.10/-each fully paid up)		
<b>Subscribed &amp; Paid Up</b>		
6,25,41,962 Equity Shares of Rs. 10/- each fully paid up	625419620	625419620
<b>TOTAL</b>	<b><u>625419620</u></b>	<b><u>625419620</u></b>

**SCHEDULE - 2**  
**Reserves & Surplus**

General Reserve	32860385	29892636
Profit and Loss Account	278725061	253965321
Share Premium	85710000	85710000
<b>TOTAL</b>	<b><u>397295446</u></b>	<b><u>369567957</u></b>

**SCHEDULE 3**  
**Secured Loans**

Hire Purchase	2255296	1018542
Dewan Housing Finance-Loan Against Rent	20940064	9654124
IDBI Bank-Term Loan	22004799	14795802
<b>TOTAL</b>	<b><u>32849484</u></b>	<b><u>37819143</u></b>

**SCHEDULE 4**  
**UnSecured Loans**

Security Deposits	5943000	7441500
(Subsidy from Govt. of Nagaland)	1000000	1000000
<b>TOTAL</b>	<b><u>6943000</u></b>	<b><u>8441500</u></b>

**SCHEDULE 5**  
**Fixed Assets**

Name of Asset	Gross Block				Depreciation			Net Block Ason 31.03.08	Net Block Ason 31.03.09
	On 01.04.08	Additions	Deletions	On 31.03.09	Upto	During	Total		
	Rs.	Rs.	Rs.	Rs.	The year	The year	Rs.	Rs.	Rs.
					Rs.	Rs.			
1) Motor Vehicles	1104603	0	0	1104603	1066360	4765	1071125	38243	33478
2) Computers & Peripherals	43320575	413902	124045	43610432	39812011	631562	40443573	3508564	3166859
3) Office Equipment	1188891	180100	0	1368991	726938	84027	810965	461953	558026
4) Furniture	7281353	517971	0	7799324	3367304	484206	3851510	3914049	3947814
5) Electrical Equipment	5020215	274062	0	5294277	1501606	276299	1777905	3518609	3516372
6) Buildings	24131497	0	0	24131497	4517589	393343	4910932	19613908	19220565
7) Web Development Expenses	106959927	0	0	106959927	63007779	10988037	73995816	43952148	32964111
8) Software Products	111777945	0	0	111777945	17485472	11177795	28663267	94292473	83114679
<b>TOTAL</b>	<b>Rs. 300785006</b>	<b>1386035</b>	<b>124045</b>	<b>302046996</b>	<b>131485059</b>	<b>24040033</b>	<b>155525092</b>	<b>169299947</b>	<b>146521904</b>

	31.03.2009	31.03.2008
	Rs.	Rs.
<b>SCHEDULE-6</b>		
<b>Investments</b>		
<b>Investments Non Trade Unquoted</b>		
Cybermate Infotek Limited USA	91191077	132137752
Twin Cities Investments and Finances Ltd	100000	100000
Cybermate Infotek ,FZE	64212832	186135466
<b>TOTAL</b>	<b><u>155503909</u></b>	<b><u>318373218</u></b>
<b>SCHEDULE-7</b>		
<b>Current Assets Loans &amp; Advances</b>		
<b>Current Assets</b>		
a) Inventories		
Work In Progress	79894552	79894552
<b>TOTAL</b>	<b><u>79894552</u></b>	<b><u>79894552</u></b>
b) Sundry Debtors		
(Unsecured, Considered Good)		
More than six months old	104978412	0
Less than six months old	3409205	98379826
<b>TOTAL</b>	<b><u>108387617</u></b>	<b><u>98379826</u></b>
c) Cash & Bank Balances		
i. Cash on hand	628	1031
ii. Balance with Scheduled Banks	220769	125983
<b>TOTAL</b>	<b><u>221397</u></b>	<b><u>127014</u></b>
<b>Loans and Advances</b>		
Advances Recoverable in cash or kind or for value to be received	10887269	454383
Inter Corporate Deposits	10522643	10522643
Deposits with Others	1421598	1399629
Advance Tax Paid	1186023	1186023
Tax deducted at source	1166211	0
<b>TOTAL</b>	<b><u>25183744</u></b>	<b><u>13562678</u></b>

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	31.03.2009	31.03.2008
	Rs.	Rs.
<b>SCHEDULE-8</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors	12479931	9720475
Other Current Liabilities	45704036	55178151
Loan from Others	494885	1269643
<b>TOTAL</b>	<b><u>58678852</u></b>	<b><u>66168269</u></b>
<b>(b) Provisions</b>		
Provision for Tax	5233141	2725113
<b>TOTAL</b>	<b><u>5233141</u></b>	<b><u>2725113</u></b>
<b>SCHEDULE-9</b>		
<b>Miscellaneous Expenses</b>		
To the extent not written off		
Public Issue Expenses	427037	640555
Product Development Expenses	26079594	33589053
Software Products	23015777	28874869
<b>TOTAL</b>	<b><u>49522408</u></b>	<b><u>63104477</u></b>
<b>SCHEDULE-10</b>		
<b>Revenue</b>		
Exports	15300444	296021532
Domestic	198374	0
<b>TOTAL</b>	<b><u>15498818</u></b>	<b><u>296021532</u></b>
<b>SCHEDULE-11</b>		
<b>Increase/Decrease in Stock</b>		
<b>Opening Stock</b>	0	11427690
Work in Process	79894552	79894552
	<u>79894552</u>	<u>91322242</u>
Less:		
<b>Closing Stock</b>	79894552	0
Work in Process	193784122	79894552
	<u>273678674</u>	<u>79894552</u>
<b>Increase in Stock</b>	<b>193784122</b>	<b>11427690</b>

	31.03.2009	31.03.2008
	Rs.	Rs.
<b>SCHEDULE - 12</b>		
<b>Operating and Other Expenditure</b>		
Salaries	49734162	50566657
Directors Remuneration	5136000	4715845
Software Purchases	5998560	4279841
Administration Expenses	20032967	7408073
Consultancy and Professional Expenses	3751921	1042708
Rent, Rates and Taxes	1465345	5405839
Business Promotion Expenses	7305795	1141742
Audit Fee	100000	100000
Insurance	61664	82746
Bank Charges	52409	427523
A.G.M. Expenses	227020	254511
Security Charges	47046	92120
Overseas Marketing Expenses	8791136	5540650
Investments written off	40946675	28135683
Miscellaneous Expenses written off	13582069	2402935
Loss on Foreign Exchange	27287	769226
GDR Issue Expenses	0	23095342
Training Expenses	9846356	0
<b>TOTAL</b>	<b><u>167106412</u></b>	<b><u>135461441</u></b>

**SCHEDULE 13**

**Financial Charges**

Interest on secured loans	3738246	4509165
Interest others	343185	367172
<b>TOTAL</b>	<b><u>4081431</u></b>	<b><u>4876337</u></b>



**SCHEDULE 14**

**Significant Accounting Policies & Notes on Accounts**

**A. Significant Accounting Policies**

**i. Accounting Convention**

Financial statements are prepared under the historical cost convention on the basis of a going concern with revenues and expenses recognized on accrual basis with the exception of insurance claims, export incentives, interest on calls in arrears and interest on over due receivables which are accounted for on cash basis.

**ii. Revenue Recognition.**

Revenue from software development on time and material contracts is recognized based on software developed and billed in accordance with the terms of specific contracts. Revenue from a fixed price contract is recognized on the basis of milestones achieved in the performance of the contracts on a percentage completion basis.

**iii. Fixed Assets and Depreciation**

Fixed Assets are stated at cost less depreciation. Cost includes freight, installation costs, duties and taxes and other incidental expenses incurred during the construction / installation.

Depreciation on Fixed Assets has been provided on the Straight Line Method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 on a single-shift working basis. Depreciation is charged on a prorata basis.

**iv. Expenditure**

The cost of software user licenses purchased for software development and the rendering of IT services is charged to revenue in the year the software is acquired at the time of acquisition. Provisions are made for all known losses and liabilities, future unforeseeable circumstances that may affect the profit on fixed-price software development contracts and also towards likely expenses for providing post-sales client support.

**v. Investments**

Long Term Investments are stated at cost.

**vi. Inventories.**

Software Products/ Projects in process are stated at cost. Development Costs of products are amortised over a period of five years or earlier on the basis of Management's evaluation.

**vii. Retirement benefits.**

Gratuity liability towards existing eligible employees will be met by the contribution made to the fund administered by LIC, since, the company has settled the employees dues from its resources who left the services of the company. Hence, during the year no contributions were made

**viii. Foreign currency transactions**

Foreign Exchange transactions are recorded at the spot rate prevailing at the beginning of the concerned month. Year-end balances of foreign currency assets and liabilities are restated at the closing rate/forward contract rate as applicable. Gains/Losses arising out of

fluctuations in the exchange rates are recognized in Profit & Loss A/c.

**ix. Deferred Tax liability**

The Company is a 100% EOU engaged in export of computer software and is claiming exemption of its business income under Section 10B. Hence, Accounting Standard on Deferred Tax liability is not applicable in so far as it relates to the business income of the company. However, with respect to other income, there is no timing or permanent deference and hence provision for tax is recognized in the year in which it arises.

**x. Miscellaneous Expenditure**

Expenses in connection with public issue of shares and preliminary expenses are being Written off over a period of 10 years.

**B. Notes on Accounts**

(All figures are reported in rupees, except data relating to shares or unless stated Otherwise)

1. Cost of Acquisition of Software  
Cost of Acquisition of Licensed versions of Software is charged off in the year of purchase.
2. Secured Loans
  - (a) Rupee Lease Rental Finance from Dewan Housing Finance Corporation Limited is primary secured by assignment of rent receivables, collateral security by a first charge on the on the property of the company.

(b) Term loan from IDBI Bank is secured by a first charge on property i.e land belonging to the Managing Director Mr.P.C Pantulu.

3. Employee Stock Option Scheme. (ESOP)  
The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options.

Amount received from employees on exercise of stock option, pending allotment of shares is shown as share application money pending allotment.

**4. Related Party Transactions**

**Directors Remuneration**

S No.	Name of the director	Remuneration
1	P C Pantulu	28,56,000
2	K S Shiva Kumar	15,60,000
3	P Chandra Sekhar	7,20,000
<b>Total</b>		<b>51,36,000</b>

5. Key Management personnel are non-director officers of the company, who have the authority and Responsibility for planning, directing and controlling the activities of the Company. The loans and advances receivable from non-director officers as at 31<sup>st</sup> March, 2009 are at Rs. NIL.
6. Segment reporting: The entire operations of the company relate only to one segment i.e., Computer Software.

7. Assets taken on lease comprise computers and peripherals, which are accounted as per the tenor of the hire purchase agreement. The dues against certain assets on hire purchase basis could not be settled as the Hire Purchase Company has suspended its operations.
8. Dues to S.S.I.: There are no dues to S.S.I. units in respect of Sundry Creditors as required to be disclosed in accordance with Section 211 read with part 1 of Schedule VI of the Companies Act, 1956.
9. Miscellaneous expenses: Miscellaneous expenses not written off include expenditure in connection with development of certain software products. The company proposed to charge off the same to revenue over a period of five years commencing from 2006-2007.
10. Investments by the company are in the category of non-trade and unquoted shares. The Wholly Owned Subsidiary in the USA has suspended its operations and hence the management proposes to recognize a diminution in the value of investment by 22.50% of the value amounting to Rs. 4,09,46,675/-.
11. Inter corporate Deposits: The recovery of interest on these deposits is very irregular and outstanding for a long period. The auditors have requested the company to make a suitable provision in the books of accounts. However the company has obtained judgment in favour of the company on a suit filed on Armour Pharmaceuticals Ltd for the recovery of inter corporate deposit and is confident of recovering interest and principal
12. Additional Information Pursuant to the provisions of the Schedule VI to the Companies Act, 1956.

i. Inflow in Foreign currency  
(Receipt Basis)

	<b>Figures in Rupees</b>	
	<b>31.03.09</b>	<b>31.03.08</b>
Receipts	3,03,51,334	9,66,07,111
<b>Total</b>	<b><u>3,03,51,334</u></b>	<b><u>9,66,07,111</u></b>
ii. Amounts paid/payable to Auditors	<b>31.03.09</b>	<b>31.03.08</b>
Audit Fees	60,000	60,000
Tax Audit Fee	5,000	5,000
Certification Fee	10,000	10,000
Tax Representation fee	10,000	10,000
Management Consultancy fee	10,000	10,000
Out of Pocket Expenses	5,000	5,000
	<u>1,00,000</u>	<u>1,00,000</u>
iii. Managerial Remuneration	<b>31.03.08</b>	<b>31.03.07</b>
Salaries	51,36,000	47,15,845
	<u>51,36,000</u>	<u>47,15,845</u>

iv. Contingent Liabilities not provided for

a) Bank Guarantee	Rs.Nil	Rs. Nil
b) LC's	Rs.Nil	Rs. Nil
c) Foreign Bills Discount	Rs.Nil	Rs. Nil
d) Disputed Income Tax Liability	Rs.Nil	Rs. Nil

v. Reconciliation of basic and diluted shares used in computing earnings per share

	<b>Year ended</b>	<b>Period ended</b>
	<b>31.03.09</b>	<b>31.03.08</b>
Number of shares considered as basic	6,25,41,962	4,25,41,962
Weighted average shares outstanding (12 months)		
Add: Effect of dilutive issues of shares / Stock options	--	---
Number of shares considered as weighted average shares and potential shares outstanding	<b>6,25,41,962</b>	<b>4,25,41,962</b>
Earnings per share	0.44	3.47

vi. Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation. The management is confident of recovering dues from debtors which are due for more than 180 days.

vii. Previous year's figures have been regrouped wherever necessary.

viii. Figures are rounded off to nearest rupee.

ix. The accounts for the year are prepared for the period of 12 months from 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009.

**For B.Rama Rao & Co**  
**Chartered Accountants**

**For and on behalf of the Board**

Sd/-  
**G.V.Ranga Babu**  
Partner

Sd/-  
**P.C. Pantulu**  
Managing Director

Sd/-  
**K.S.Shiva Kumar**  
Director-Operations

Sd/-  
**P Chandra Sekhar**  
Director-Finance.

**Date : 29.06.2009**  
**Place : Secunderabad**

**Balance Sheet Abstract and Company's General Business Profile**

Registration Details:

Registration No.

State code:

Balance Sheet Date:

Capital raised during the year (Amt. In Rs. thousands)

Public Issue:

Rights Issue:

Bonus Issue:

Private Placement

GDR Issue

Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds:

Paid up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

Performance of the Company (Amount in Rs. Thousands)

Turnover including

Other Income

2 2 4 9 0 5

Total Expenditure

1 9 5 2 2 7

+/- Profit/Loss before Tax

2 9 6 7 7

+/- Profit after Tax

2 7 7 2 7

Earning per share

0 . 4 4

Dividend Rate

-

Generic Names of three principal products/services of the company.

Item Code No.  
(ITC Code)

8 5 - 0 4

Product Description

C O M P U T E R   S O F T W A R E

**Cash Flow Statement for the year ended 31st March 2009.**

	Year ended 31st March, 2009 (Rs.)	Year ended 31st March, 2008 (Rs.)
<b>Cash Flow from Operating Activities:</b>		
Net Profit before Tax	29677489	149489851
Depreciation	24040033	6121393
Miscellaneous Expenses written off	13582069	2402935
<b>Operating Profit before working capital</b>	<b>67299591</b>	<b>158014179</b>
<b>Changes in Working Capital</b>		
Increase / (Decrease) in Inventories	(193784122)	(68466862)
Increase / (Decrease) in Sundry Debtors	(10007791)	196720533
Increase / (Decrease) in Loans & Advances	(11621066)	(617090)
Increase / (Decrease) in Current Liabilities	(6931389)	(83642406)
Change in Miscellaneous Expenses	0	(55895673)
Cash Generated from Operations	(222344367)	(11901498)
<b>Net Cash from Operating Activities</b>	<b>(155044777)</b>	<b>146112681</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1261990)	(113645896)
Change in work-in-Progress	0	(367399890)
Increase / (Decrease) in Investments	162869309	(158837683)
<b>Net Cash from Investing Activities</b>	<b>161607319</b>	<b>(639883469)</b>
<b>Cash Flow from Financing Activities</b>		
Increase in Share Capital	0	480000000
Increase / (Decrease) in Secured Loans	(4969660)	14077785
Decrease in Unsecured Loans	(1498500)	(297500)
<b>Net Cash used in Financing Activities</b>	<b>(6468160)</b>	<b>493780285</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>94383</b>	<b>9497</b>
Cash & Cash Equivalents at the Beginning of the year	127014	117517
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>221397</b>	<b>127014</b>

For and on Behalf of the Board

Date: 29.06.2009	Sd/- P.C.Pantulu	Sd/- K.S.Shiva Kumar	Sd/- P Chandra Sekhar
Place: Secunderabad	Managing Director	Director-Operations	Director-Finance

**AUDITOR'S CERTIFICATE**

To, The Board of Directors  
Cybermate Infotek Limited, Secunderabad

We have examined the attached Cash Flow Statement of M/s. Cybermate Infotek Limited, for the year ended 31st March 2008. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Hyderabad, Mumbai and Bangalore Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss A/c. Balance Sheet of the Company covered by our report of 31st July, 2008 to the members of the Company.

For B. Rama Rao & Co.  
Chartered Accountants

Sd/-  
G.V.Ranga Babu  
Partner

Date : 29.06.2009  
Place : Hyderabad



Regd. & Corp. Office 11, Sripuri Colony, Kakaguda, Karkhana, Secunderabad-500015

**PROXY FORM**

Folio No.: .....

I/We ..... of ..... in the district of ..... being a Member/Members of the above named Company, hereby appoint Mr/ Mrs/Kum ..... in the District of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held at Main Hall Sundarayya Vignan Kendra, # 1-8-1/B/25/A, Baghlingampally, Hyderabad 500 044 A.P India, on Tuesday the 29th September 2009 at 3.00 P.M. and at any adjournment thereof.

Signed ..... this ..... day of ..... 2009

Address .....  
.....  
.....

Signature .....

Note: The proxy form duly completed must be deposited at the Registered Office of the Company addressed to SECRETARIAL DEPARTMENT Cybermate Infotek Ltd at Plot 11, Sripuri Colony, Karkhana, Secunderabad- 500015. A.P. Not less than 48 Hrs. before the time for holding the meeting. A proxy need not be Member.



Regd. & Corp. Office 11, Sripuri Colony, Kakaguda, Karkhana, Secunderabad-500015

**ATTENDANCE SLIP**

I hereby record my presence at the 14th Annual General Meeting of the company at Main Hall, Sundarayya Vignan Kendra, # 1-8-1/B/25/A, Baghlingampally, Hyderabad 500 044 A.P India, on Tuesday the 29th September 2009 at 3.00 P.M.

Full Name of the Shareholder (in block letters) .....

Signature .....

Folio No. ....

No. of Shares Held .....

Full Name of the Proxy (in block letters) .....

(to be filled if the proxy attends instead of the Member)

Signature .....

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the meeting hall.





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email: [info@cybermateinfotek.com](mailto:info@cybermateinfotek.com) url: <http://www.cybermateinfotek.com>