



**CYBERMATE  
INFOTEK LIMITED**

---

**We win, when you win!**

---

---

**Fifth  
Annual Report  
1998-99**

---

**Board of Directors**

<b>Dr. J.V. Rao</b>	-	Director
<b>Rajiv Goyal</b>	-	Director
<b>K. Koteswara Rao</b>	-	Director
<b>B.K. Sharma</b>	-	Alternate Director to Mr. Rajiv Goyal
<b>Ch. Laxmi Narayana</b>	-	Alternate Director to Dr. J.V. Rao
<b>P.S. Murthy</b>	-	Director (Technical)
<b>K.S. Shiva Kumar</b>	-	Director (Operations)
<b>P.C. Pantulu</b>	-	Managing Director

**Auditors**

B. Rama Rao & Co.  
Chartered Accountants  
Hyderabad.

**Bankers**

Punjab National Bank  
Canara Bank

**Registered Office &  
Software Development Centre**

#11, Sripuri Colony,  
Kakaguda, Karkhana,  
Secunderabad - 500 015.  
URL : [www.cil-it.com](http://www.cil-it.com)

E-mail : [info@cil-it.com](mailto:info@cil-it.com)  
Tel : +91-40-774 6447/8  
Fax : +91-40-774 5395

**Registrar & Share Transfer Agent**

Sindhu Corporate Service (P) Ltd.  
#18A (492), East Marredpally,  
Secunderabad - 500 026

E-mail : [sindhu@hd2.dot.net.in](mailto:sindhu@hd2.dot.net.in)  
Tel : +91-40-773-3478/485  
Fax : +91-40-773 3479

**Overseas Offices :**

U.S.A.  
Cybermate Infotek Limited  
#25, Greystone Maner,  
Lewes, DE - 19958-9776

Middle East  
Vision Technologies LLC  
#504, Marzan Plaza,  
ABU DHABI - UAE

**Equity Shares Listed at**

Hyderabad Stock Exchange Ltd.  
Bangalore Stock Exchange Ltd.

## *Fifth Annual Report 1998-99*

---

### **NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of the Company will be held at Juloori Vajramma Kalyana Mandapam, Kakaguda, Karkhana, Secunderabad - 500 015, on 30th September, 1999 at 10.00 A.M to transact the following business :

#### **Ordinary Business :**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended 31st March, 1999 and the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in the Place of Mr. K.K. Rao, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s B.Rama Rao & Co., Chartered Accountants, the Statutory Auditors retire at the end of this Meeting and are eligible for re-appointment.

#### **Special Business :**

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

"RESOLVED THAT Mr. Rajiv Goyal, who was appointed as Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Dr. J.V.Rao, who was appointed as Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT in accordance with Section 94 and other applicable provisions, if any, of the Companies Act 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs. 9 crores (Rupees Nine Crores Only) divided into 90,00,000 (Ninety Lakhs Only) shares of Rs. 10/- (Rupees Ten Only) each to Rs. 12 crores (Rupees Twelve Crores Only), divided into 1,20,00,000 (One Crore Twenty Lakhs Only) shares of Rs. 10/- (Rupees Ten Only) each by creation of 30,00,000 (Thirty Lakhs Only) Equity Shares of 10/- (Rupees Ten Only) each and that clause V of the Articles of Association of the Company be altered accordingly."

"RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company as to the share capital be and is hereby deleted and in its place the following clause V be substituted :

The Authorised Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve crores only) divided into 1,20,00,000 (One crore Twenty lakhs) Equity Shares of

Rs.10/- (Rupees Ten only) each with power for the Company to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential, or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the existing clause 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following Article 3 be substituted :

3. The Authorised Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lacs ) Equity Shares of Rs.10/- (Rupees Ten Only)."

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

"RESOLVED that pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and in accordance with the provisions of the Articles of Association of the Company and subject to the necessary approvals, permissions and/or sanctions as may be necessary and imposed by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and any other appropriate authorities, Institutions or Bodies, if any and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, permissions and/or sanctions, the Board of Directors be and is hereby authorised to issue, offer and allot Equity shares not exceeding 12,00,000 Shares (Twelve Lakhs Shares Only) of Rs. 10/- each fully paid up for cash in one or more tranches through Preferential Offer and/or Private Placement to the Investors (Whether Individuals, Institutions, Banks, Bodies Corporate, Non-Resident Indians, Overseas Corporate Bodies, Foreign Institutional Investors, Mutual Funds or any combination

thereof or any other category) and whether or not such Investors are the existing holders of Equity Shares of the Company, on such terms and conditions and at a premium as may be decided by the Board of Directors in accordance with the guidelines, rules and regulations of SEBI/Companies Act, 1956, and other legislations in this regard."

"RESOLVED FURTHER THAT for the purposes of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters, things and execute all such deem necessary or desirable."

"RESOLVED FURTHER THAT THE Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director or any other Officers of the Company to give effect to the aforesaid resolution."

8. To consider and if thought fit, to pass with or without modifications(s), the following Resolution as a Special Resolution.

"RESOLVED THAT, pursuant to section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other approval, permissions and sanctions, as may be necessary by the Board of Directors in the interest of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), the consent of the Company be and is hereby accorded to the Board to issue such number of new Equity Shares of the Company of the face value of Rs. 10/- each fully Paid-Up for cash or any other instrumental in one more tranches not exceeding 5% of the Paid-Up Share Capital of the Company either directly to the employees of the Company either directly to the employees of the Company whether, such employees are existing shareholders of

## *Fifth Annual Report 1998-99*

---

the Company or not, or any other "Employees Trust" to be created for the purpose on such terms and conditions and at such prices as may be fixed and determined by the Board in accordance with the applicable guidelines and provisions of law in force from time to time and such shares/ securities to issued shall rank pari passu with the existing share/securities of the Company."

"RESOLVED FURTHER that for the purpose of giving effect to be above, the Board be and is hereby authorised to determine the terms and conditions of the issue, the issue price and all other terms and matters connected therewith and to settle any questions or difficulties that may arise in regard to the issue."

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED THAT subject to the statutory approvals that may be required, approval of the Company be and is hereby accorded to the investments in the Equity Share Capital of the Company by Non-Resident Indians/ Overseas Corporate Bodies/ Foreign Institutional Investors) upto an overall maximum limit of 30% of the Paid up Equity Share Capital of the Company or such higher limit as may, from time to time, be prescribed by the Reserve Bank of India or the Central Government or any other Statutory Authority provided, however, that the Board of Directors of the Company is hereby authorised to reduce the maximum limit from 30% or the higher permissible limit to a level which the board may determine so long as such lower limits are notified by the Company to the Stock Exchanges, where the Shares of the Company are listed and all other relevant authorities."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby

authorised to do all acts, deeds and things as may be necessary or expedient in this regard."

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

"RESOLVED THAT in accordance with Section 372 and other applicable provisions if any of the Companies Act, 1956, or of any law for the time being in force, and subject to the approval of the Central Government, where necessary, the Board of Directors of the Company be and is hereby authorised to make Investments in excess of he limits prescribed under section 372, in the shares of other Bodies Corporate as they may, in their absolute discretion deem beneficial and in the interest of the Company up to an aggregate amount of Rs. 7 Crores."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution."

11. To pass with or modification(s) the following resolution as a special resolution :

"RESOLVED THAT the consent of the Members be and is hereby accorded u/s 314 of the Companies Act, 1956 for the appointment of Shri P. Chandrasekhar as Executive (F&A) w.e.f. from 01.06.1999 at a remuneration of Rs. 12,500/- p.m. inclusive of all benefits as per the service rules of the Company."

By Order of the Board  
For **CYBERMATE INFOTEK LIMITED**

Place: Secunderabad  
Date : 6th Sept., 1999

**P.C.PANTULU**  
Managing Director

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy and such Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September, 1999 to 30th September, 1999 (both days inclusive) in order to ascertain the eligibility of the shareholders for the purpose of AGM,
4. Members are requested to inform the Company of any change in their addresses immediately.
5. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio.

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

**Item No. 4 :**

Mr. Rajiv Goyal was co-opted as Additional Director on the Board at its meeting held on 15.11.1998. He is a B.E. (Comp. Sc.) from Indore University, India and a M.S. (Comp. Sc.) from Utah, USA. He has a work experience of over 10 years, providing technical leadership to GTE, Security First Technologies, Philadelphia Stock Exchange, Space Dynamics, CMC, etc., His experience and exposure in Overseas Markets in different sectors (Financial : - Internet Banking, Brokerage, Telecom, Defence, Law Enforcement and Shipping, etc.) will be valuable to the Company. A Notice was received by the Company in writing from a Member pursuant to Section 257 of the Companies Act, 1956 proposing Mr. Rajiv Goyal's candidature as director liable to retire by rotation.

Excepting Mr. Rajiv Goyal, none of the other Directors are interested in the above said resolution.

**Item No. 5 :**

Dr. J.V.Rao was co-opted as Additional Director on the Board at its meeting held on 10.03.1999. He has a Ph.D in Physics (Faculty of Engg.) from Regional Engineering College, Warangal and Post Doctoral Fellow at University of Nottingham, UK. He has an outstanding work experience of 19 years in the fields of Information Technology and Telecommunication Networks. His strength lies in providing Management Consultancy and Strategic Business Planning, which will be valuable to the Company. A Notice was received by the Company in writing from a Member pursuant to Section 257 of the Companies Act, 1956 proposing Dr. J.V.Rao's candidature as director liable to retire by rotation.

Excepting Dr. J.V.Rao, none of the other Directors are interested in the above said resolution.

**Item No. 6 :**

Increase in Authorised Capital and consequential amendments to the Memorandum and Articles of Association.

The present Authorised Share Capital of the company is Rs. 9,00,00,000 divided into 90,00,000 Equity shares of Rs. 10/- each. Consequent to the Issue / Offer and Allotment Equity Shares by Preferential/Private Placement envisaged under Item No. 6, the Authorised Share Capital of the Company needs to be increased from the existing Rs. 9 Crores to Rs. 12 Crores and consequently alteration of the Memorandum and Articles of Association of the Company is required which needs the approval of the Members in the General Meeting of the Company.

The Directors recommend the resolution set out at Item No. 6 of the Notice for approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 7 :**

The Company contemplates issue of Shares on Preferential Basis to a select group of investors for its proposed Investments in New Jersey, California, establishments of USA for developing projects in new lines of business like E-Services, & E-commerce, specifically as a E-Services Infrastructure Development Partner for a Fortune 500 Company for USA and also providing infrastructure for setting up a Certification Authority in collaboration with GTE CyberTrust Corporation of USA and further an office in Malaysia, subject to the necessary approvals from the appropriate authorities, in Malaysia and India and a Joint Venture in UAE for development and Marketing of Computer Software and seeks

the consent of Shareholders for the proposed Allotment of shares, not exceeding 12,00,000 Shares (Twelve Lakhs Shares Only) of Rs. 10/- each fully paid up for cash in one or more tranches, on such terms and conditions and at a premium as may be decided by the Board of Directors in accordance with the guidelines, rules and regulations of SEBI/Companies Act, 1956. and other legislations in this regard."

The Directors recommend the resolution set out at Item No. 7 of the Notice for approval of the members.

*None of the Directors of the Company is, in any way, concerned or interested in the said resolution.*

**Item No. 8 :**

Employees contribute to the growth of the Company substantially. In order to motivate and retain experienced, talented and competent personnel, your company is proposing to introduce Employees Stock Option Scheme (ESOP), a scheme that encourage the employees to have participation in the Company.

The issue and allotment of shares will be made in accordance with the guidelines issued by SEBI for ESOP.

The consent of the shareholders is therefore sought to authorise the Board of Directors to issue the shares under ESOP in accordance with the guidelines issued by SEBI and the provisions of law in the manner as set out in the resolution.

The Directors recommend the resolution set out at Item No. 8 of the notice for approval of the Members.

*None of the Directors of the Company is, in any way, concerned or interested in the said resolution.*

**Item No. 9 :**

As per the existing guidelines for Portfolio Investment Scheme prescribed by Reserve Bank of India (RBI), Non-Resident Individuals(NRI's)/ Overseas Corporate Bodies(OCB's)/Foreign Institutional Investors(FII's), could invest up to 10% of the paid Up Capital of the Company, which was the maximum limit prescribed under this category without any express approvals in this regard. The said guidelines have been now amended to allow such investments up to an overall limit of 30% of the Paid Up Capital of the Company. The resolution seeks shareholder's approval for authorising Board of Directors of the Company to determine this limit of investment for NRI's/OCB's/FII's within the overall limit of 30% of the Paid Up Capital of the Company or such higher limit(s) that may be allowed by RBI in future from time to time and intimate such determined limits to all concerned authorities.

For increasing the limit from 10% to 30% as aforesaid, special resolution of the Members is required.

The Directors recommend the resolution set out at Item No. 9 of the notice for approval of the Members.

*None of the Directors of the company is, in any way, concerned or interested in the said resolution.*

**Item No. 10 :**

As per section 372 of the Companies Act, 1956, and any other applicable provisions, the Board of Directors of the Investing Company shall be entitled to invest in shares of any other Bodies Corporate up to 60% of the Subscribed Equity Share Capital or the aggregate of the Paid Up Equity and Preference Share Capital of such other Bodies Corporate, whichever is less, provided that the aggregate of the investments so made by the Board in all other Bodies Corporate put together



## *Fifth Annual Report 1998-99*

---

shall not exceed 60% of its Subscribed Capital and Free Reserves.

Now as the proposed investments are likely to exceed the prescribed limits, the sanction of the shareholders is sought by the proposed resolution, however, subject to the approval of Central Government.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 11 :**

Sri P. Chandrasekhar, Executive (F & A) is looking after the Finance and Accounts of our Company. He is a qualified Cost Accountant with 1 year of experience in various lines of activities relating to

accounts, treasury & finance. The Board felt it appropriate to fix his remuneration at Rs. 12,500/- p.m. inclusive of all the benefits as per the Service Rules of the Company.

None of the Directors is interested in the above resolution, except Shri P.C. Pantulu, Managing Director, being a relative of Shri P. Chandrasekhar.

By Order of the Board  
For **CYBERMATE INFOTEK LIMITED**

Place: Secunderabad  
Date : 6th Sept., 1999

**P.C.PANTULU**  
Managing Director

## DIRECTOR'S REPORT

Dear Members,

Your Directors have the pleasure of presenting this Fifth Annual Report of your Company for the year ended 31-03-1999.

### Operational Results :

	(Rs. In Lakhs)	
	1998-99	1997-98
Total Income	311.83	162.42
Total Expenditure	211.42	113.84
PBDIT	100.41	48.58
Profit Before Tax	58.27	14.12
Less : Provision for Tax	6.74	1.50
Profit after Tax	51.53	12.62
Add : Surplus brought forward	18.54	7.41
Profit available for appropriation	70.07	20.03
Transfer to General Reserve	8.77	1.00
Surplus carried to Balance Sheet	61.30	18.54

### Public Issue :

The Company successfully completed its maiden Public Issue at the most difficult times in the Market, and got an overwhelming response from the public, resulting in an Oversubscription by about 20 times. Your Board of Directors wish to place on record their deep gratitude to the Investing Public and welcome all the new shareholders into the CYBERMATE INFOTEK Family.

### Performance Vs Projections :

(as on 31.03.1999)

	(Rs. in Lakhs)	
Particulars	Performance	Projections
Total Turnover	311.83	426.98
Profit After Tax	51.53	47.31

The variance in Performance Vs Projections is due to delay in commercial operations as funds were made available through Public Issue of Equity Shares only in March, 1999.

### Global Tie-ups :

Your Company is in the process of conforming tie-ups with various Foreign Partners for making a presence in the Global market. This includes a tie-up with the following:

#### GSK Infosys Sdn. Bhd, Malaysia :

GSK Infosys is a software company based at Kaulalampur who are well connected and established with the local Malaysian Govt. and also in the nation of Brunei. They would be outsourcing software development jobs on a turnkey basis and also GIS jobs in the areas of mapping and digitisation. CIL has already made presentations to the Ministries in the Govt. at Malaysia and also to the State Electricity Board of Brunei. CIL and GSK jointly have bid for large tenders which are in the pipeline.

#### GTE CyberTrust :

With the boom in the Internet and E-Commerce, CIL has initiated discussions with GTE to be their business partners in the areas of digital certification and establishing Certification Authorities in India. An agreement to this extent has been concluded. GTE is a Global Company and one of the highly trusted Company in establishing Public Key Infrastructure (PKI).. Under this business model CIL and GTE will work together to establish trusted third party certification authorities. As on date CIL is the only business partner to GTE and this association will bring high volumes of web based software development jobs to your Company.

#### Hewlett Packard - USA :

Hewlett Packard (HP), Open Systems Operations is a flag ship division of the company which

recently launched a revolutionising product of the next millennium in the areas of E-services called as "E-Speak". CIL in association with HP, USA, will further scale up this technology and built a number of business models on product types of E-Speak. E-Speak is considered as the second chapter of the internet wherein the internet will work for the customer with CIL developing the domain expertise of E-Speak, huge volumes of business will be generated both from HP as well as other major companies who would use E-Speak as the engine.

### **Digital Speed Inc - Canada :**

Digital Speed Inc (DSI) is a turnkey based Software Company, which markets an ERP product, called EMS. DSI has partnered with CIL to provide customisation services to the EMS clients and also support it for maintenance. CIL & DSI are also jointly developing additional software modules, which can be integrated to the EMS package and scale up it's functionality.

### **Investment in Subsidiary and Joint Venture :**

Your company, in order to strengthen its presence in the USA and the Middle East markets, proposes to set up a Wholly Owned Subsidiary (WOS) in the USA and a Joint Venture in Abu Dhabi and an office in Malaysia.

The Company has applied for approval of the Reserve Bank of India under the normal route. The company has registered the WOS in the USA under the name and style "Cybermate Infotek Ltd" as per the local laws and in the Middle East under the name "Vision Technologies LLC."

No remittances have been made towards these investments pending approval from the Reserve Bank of India.

### **GIS/CADD Services :**

Your Company, in the process of diversification, has acquired a firm specialising in the areas of GIS/CADD under the name and style of Unitech Consultancy Services, which has projects on hand and under execution.

### **Software Solutions & Services :**

Your company has since its inception tried for excellence in areas of Software Development & Services catering to the needs of various Customers in India & Abroad in areas of ERP, MRP, Customised Software Solutions & providing Turnkey Solutions to a vast clientele. We are now entering into new Emerging Technologies like, E-Commerce, E-services, Internet Programming, OOAD, Distributed Computing etc.

### **Y2K Preparedness :**

Your Company has already taken steps to make its Hardware, Network Components and internally developed Software/Components etc., Y2K compliant.

### **Research & Development :**

We are in the process of setting up R & D Software Development Center with importance on Quality & Customer Certified Software Products & Services. The sole purpose of selecting a team of highly talented Manpower is to retain the trained manpower in India, so as to develop new technology in areas of Software Services/Products. We may be in the process developing newer Technologies for better Solutions in the new Millennium, and a wider market segment.

### **Training Division :**

We have a truly professional Captive Training Division which is very well equipped to churn out Professionals with a greater Wealth of Knowledge & help us to serve in a better way. Young Fresh Technical and Computer Graduates go through a rigorous Training Programme to get themselves equipped with the Latest Technologies. Every Employee has a Motto of "Learning is the Success to work."

### **Directors :**

In terms of section 255 and 256 of the Companies Act, 1956 Shri K.K. Rao, Director on the board will be retire at the ensuing General

Meeting, and being eligible offer himself for re-appointment.

During the year under review Mr. Rajiv Goyal, and Dr. J.V. Rao were appointed as additional Directors on the Board, they will hold office till the conclusion of this AGM. Notices have been received in terms of section 257, of the Companies Act, 1956, together with a deposit of Rs. 500/-.

At the Board meeting held on 12.08.1999, Mr. B.K.Sharma and Mr. Ch. Laxmi Narayana, have been appointed as alternate directors to Mr. Rajiv Goyal and Dr. J.V. Rao respectively.

**Auditors :**

The Auditors M/s. B. Rama Rao & Co., Chartered Accountants, Hyderabad retired at this Annual General Meeting and being eligible offer themselves for re-appointment.

**Our Employees :**

We have a team of dedicated & skilled Software Professional who have spent every man-hour for attaining the Corporate Objective. We hope their continuous efforts will be gratuitously accepted by our Clients. The Employees Stock Option Scheme implemented during 1998 was continued in our recent Public Issue by Firm allotment to them. This has been acclaimed by our Employees as a step towards bringing a better Organisational Culture.

**Corporate Goals :**

Our sole aim is making this Company a Success by increasing Shareholder's Wealth & increase the value addition. We want our shareholders to be the backbone of our business & success. This sole confidence conferred on the Management will make us reach a much greater target in Global Scenario. Our Motto of "We Win When You Win" will be accomplished when you shareholders win our confidence.

**Conservation of Energy, Technology, Absorption, Foreign Exchange earnings and Outgo :**

The particulars as prescribed under sub section (1) (e) of section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1998, relating to conservation of energy, technology, absorption and foreign exchange earnings and outgo are annexed with this report.

**Particulars Of Employees :**

None of the Employees are covered under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 1999.

**Acknowledgements :**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Business Partners and Customers in India and Abroad and also Government Organisations.

Your Directors place on record their appreciation for the services rendered by the Employees which has helped the Company to scale new heights and thank the esteemed Shareholders for their continued confidence and support.

For and on behalf of the Board

**P.C.PANTULU**  
Managing Director

Place: Secunderabad  
Date : 6th Sept., 1999

**K.S.SHIVA KUMAR**  
Director (Operations)

## *Fifth Annual Report 1998-99*

---

### **ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

- A. Conservation of Energy** : Not Applicable
- B. Technology Absorption, Research, Adaptation and Innovation :**
1. Specific area in which R & D work has carried out been done by the Company : Research & Development is being in E-Services and Web Technologies & Web Technologies & Web Commerce.
  2. Benefits expected from the R& D work : These Technologies will help the Company in focussing on Web enabled services and client interactive.
  3. Future Plan of action : To improve on the technologies adapted for Web Development in area of E-Services & Web Commerce with Quality Tools & Methodology.
  4. Expenditure on R& D : We are in the process of setting aside an amount towards R & D expenditure.
- C. Foreign Exchange Earning & Outgo** :

	(Rs. In Lacs)	
	1998-99	1997-98
Foreign Exchange Earnings	47.44	6.80
Foreign Exchange Outgo	16.02	3.61

For and on behalf of the Board

Place : Secunderabad  
Date : 6th Sept., 1999

**P.C.PANTULU**  
Managing Director

**K.S.SHIVA KUMAR**  
Director (Operations)

---

## AUDITORS' REPORT

To

The Members of  
**M/s. CYBERMATE INFOTEK LIMITED**  
SECUNDERABAD

We have audited the attached Balance Sheet of M/s. CYBERMATE INFOTEK LIMITED as at 31st March, 1999 and Profit and Loss Account of the Company for the year ended on that date annexed thereto, and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board 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 and to the extent relevant and applicable.
2. We further report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and to the best of our knowledge and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account and read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;

i) In the case of the Balance Sheet, of the State of Affairs of the company as at 31st March, 1999; and

ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **B.RAMA RAO & CO.,**  
Chartered Accountants

Place : Hyderabad,  
Date : 31st July, 1999

**G.V.RANGA BABU**  
Partner

**Annexure referred in paragraph 1 of our Report of even date :**

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets. Fixed Assets have been physically verified by the management periodically during the year and no material discrepancies were noticed on such verification.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. The Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
4. The Company has not made any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
5. According to the information and explanations given to us the company has not given any loans or advances in the nature of loans.
6. In our opinion and according to the information and explanation given to us there are adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of Plant & Machinery, Equipment and other assets. However, in respect of services rendered, we are informed that the Company is further streamlining its procedures and controls thereon.
7. As the Company has not accepted deposits from the public, provisions of Section 58A of the Companies Act, 1956, and the rules framed thereunder as also directives issued by Reserve Bank of India are not applicable. However, the Company has accepted security deposits to the tune of Rs. 38.00 lakhs from the students, who have been trained in the development of software by the company.
8. We are informed that the Company is in the process of installing internal audit system commensurate with the size and nature of its business.
9. The Central Government has not prescribed rules for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
10. According to the records of the Company, Provident Fund and Employees' State Insurance dues, where applicable, have been regularly deposited during the year, with the appropriate authorities.
11. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.
12. According to the information and explanations given to us and the records of the Company verified by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
13. In our opinion and according to the information and explanations given to us the Company has not sold or purchased goods and services exceeding Rs. 50,000/- in value to companies in which directors are interested as listed in the Register maintained under Section 301 of the Companies Act, 1956.

14. The company is not a sick industrial company within the meaning of clause (O) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
15. The Company allocated required manpower to specific jobs. In our opinion, and according to the information and explanations given to us, such allocation is reasonable considering the size of the Company and the nature of its business.
16. In our opinion, and according to the information and explanation given to us there is a reasonable system of authorisation at proper levels and an adequate system of internal control for allocation of manpower to jobs, commensurate with the size of the Company and nature of its business.
17. Items (iii), (iv), (v), (vi), (xii), (xiv) of clause A of paragraph 4 of the aforesaid order are not applicable to the Company, being service oriented.

For **B.RAMARAO & CO.,**  
Chartered Accountants

Place: Hyderabad  
Date : 31st July, 1999

**G.V.RANGA BABU**  
Partner



# Fifth Annual Report 1998-99

## BALANCE SHEET AS AT 31ST MARCH, 1999

(Rs. in lakhs)

	Schedule No.	31.03.1999 Rs.		31.03.1998 Rs.
<b>SOURCES OF FUNDS</b>				
1. SHAREHOLDERS' FUNDS				
(a) Capital	1	<b>819.93</b>		175.43
(b) Reserves and Surplus	2	<b>71.07</b>		19.54
2. LOAN FUNDS				
(a) Secured Loans	3	<b>130.05</b>		72.64
(b) Unsecured Loans	4	<b>38.00</b>		71.73
TOTAL		<b><u>1059.05</u></b>		<b><u>339.34</u></b>
<b>APPLICATION OF FUNDS</b>				
1. A. Fixed Assets	5			
Gross Block		<b>211.70</b>	169.10	
Less : Depreciation		<b>53.45</b>	25.68	
Net Block		<b>158.25</b>		143.42
B. Capital work in progress		<b>296.02</b>		80.83
2. Investments	6	<b>1.00</b>		—
3. Current Assets, Loans & Advances	7			
(a) Work-in-Progress		<b>93.25</b>	82.05	
(b) Sundry Debtors		<b>82.17</b>	19.64	
(c) Cash and Bank balances		<b>292.34</b>	4.49	
(d) Loans and Advances		<b>117.00</b>	21.07	
TOTAL		<b>584.76</b>	127.25	
Less : Current Liabilities & Provisions				
i. Liabilities	8 (a)	<b>12.54</b>	8.24	
ii. Provisions	8 (b)	<b>13.64</b>	4.07	
		<b>26.18</b>	12.31	
Net Current Assets		<b>558.58</b>		114.94
4. Miscellaneous Expenditure (to the extent not written off)	9	<b>45.20</b>		0.15
TOTAL		<b><u>1059.05</u></b>		<b><u>339.34</u></b>

Schedules 1 to 13, Notes on Accounts and the Cash Flow Statement annexed here to form part of these accounts.

As per our report of even date

For **B.RAMA RAO & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

**G.V.RANGA BABU**  
Partner

**P.C.PANTULU**  
Managing Director

**K.S.SHIVA KUMAR**  
Director (Operations)

**P.S.MURTY**  
Director (Technical)

Place : Secunderabad  
Date : 31-07-1999

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999**  
(Rs. in lakhs)

PARTICULARS	Schedule No.	31.03.1999 Rs.	31.03.1998 Rs.
<b>INCOME</b>			
Revenue	10	274.90	89.22
Increase/ (Decrease) in Stock	11	11.20	73.20
Other Income	—	25.73	—
TOTAL		<u>311.83</u>	<u>162.42</u>
<b>EXPENDITURE</b>			
Operating Expenses	12	211.42	113.84
Financial Charges	13	14.37	14.10
Depreciation		27.77	20.36
TOTAL		<u>253.56</u>	<u>148.30</u>
Profit for the year		58.27	14.12
Provision for tax		6.74	1.50
Profit after tax		51.53	12.62
Balance brought forward from the previous year		18.54	7.41
Profit available for appropriation		70.07	20.03
Appropriations :			
Provisions for Dividends		—	0.49
Transfer to General Reserve		8.77	1.00
Balance carried to Balance Sheet		61.30	18.54

Schedules 1 to 13, Notes on Accounts and the Cash Flow Statement annexed here to form part of these accounts.

As per our report of even date

For **B.RAMA RAO & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

**G.V.RANGA BABU**  
Partner

**P.C.PANTULU**  
Managing Director

**K.S.SHIVA KUMAR**  
Director (Operations)

**P.S.MURTY**  
Director (Technical)

Place : Secunderabad  
Date : 31-07-1999

## *Fifth Annual Report 1998-99*

	(Rs. in lakhs)	
	31.03.1999	31.03.1998
	Rs.	Rs.
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
90,00,000 Shares of Rs.10 each	<b>900.00</b>	900.00
<b>Subscribed &amp; Paid Up</b>		
81,99,300 Equity Shares of Rs. 10/- each fully paid up (97,475 Equity Shares of Rs.10/- each fully paid up)	<b>819.93</b>	9.75
Share Application Money	—	165.68
TOTAL	<u><b>819.93</b></u>	<u>175.43</u>
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve	<b>9.77</b>	1.00
Balance in Profit and Loss Account	<b>61.30</b>	18.54
TOTAL	<u><b>71.07</b></u>	<u>19.54</u>
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
Hire Purchase (Secured by a first charge on the assets procured out of the said loan and further secured by personal guarantees of Directors of the Company)	<b>130.05</b>	41.40
Canara Bank (Working capital facilities by way of clean Packing Credit on Hypothecation of Machines, Vehicles of the Company)	—	31.24
TOTAL	<u><b>130.05</b></u>	<u>72.64</u>
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
Caution Deposits	<b>38.00</b>	67.63
Short Term Borrowings	—	4.10
TOTAL	<u><b>38.00</b></u>	<u>71.73</u>

**SCHEDULE - 5****FIXED ASSETS**

(Rs. in lakhs)

Assets	Gross Block	Additions /	Gross Block	Depreciation		Total	Net Block	Net Block
	as on 1.4.98	(Deletions)	as on	Upto	During		as on	as on
	Rs.	Rs.	31.3.99	the Year	the Year	Rs.	31.03.98	31.03.99
			Rs.	Rs.	Rs.		Rs.	Rs.
1) Motor Vehicles	2.71	5.80	<b>8.51</b>	0.48	<b>0.33</b>	0.81	2.23	<b>7.70</b>
2) Computers & Peripherals	138.72	33.00	<b>171.72</b>	23.96	<b>25.77</b>	49.73	114.76	<b>121.99</b>
3) Office Equipment	6.91	—	<b>6.91</b>	0.39	<b>0.43</b>	0.82	6.52	<b>6.09</b>
4) Furniture	13.11	3.80	<b>16.91</b>	0.55	<b>0.84</b>	1.39	12.56	<b>15.52</b>
5) Electrical Equipment	7.61	—	<b>7.61</b>	0.26	<b>0.40</b>	0.66	7.35	<b>6.95</b>
6) Library Books	0.04	—	<b>0.04</b>	0.04	<b>0.00</b>	0.04	—	—
<b>TOTAL</b>	<b>Rs. 169.10</b>	<b>42.60</b>	<b>211.70</b>	<b>25.68</b>	<b>27.77</b>	<b>53.45</b>	<b>143.42</b>	<b>158.25</b>

Capital Work In Progress (Including Advances on capital account)

**296.02****(80.83)**

# Fifth Annual Report 1998-99

	(Rs. in lakhs)	
	31.03.1999	31.03.1998
	Rs.	Rs.
<b>SCHEDULE-6</b>		
<b>INVESTMENTS</b>		
<b>Non-Trade-Unquoted ( At Cost)</b>		
Twin Cities Investments and Finances Ltd (10,000 Equity Shares of Rs. 10/- each)	1.00	—
TOTAL	<u>1.00</u>	<u>—</u>
<b>SCHEDULE-7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>CURRENT ASSETS</b>		
a) Sundry Debtors	82.13	19.64
b) Cash & Bank Balances		
i. Cash on hand	0.17	4.45
ii. Balance with Scheduled Banks	292.17	0.04
TOTAL	<u>292.34</u>	<u>4.49</u>
<b>LOANS AND ADVANCES</b>		
Advances Recoverable in cash or kind or for value to be received	117.00	21.07
Deposits	—	—
TOTAL	<u>117.00</u>	<u>21.07</u>
<b>SCHEDULE-8</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) CURRENT LIABILITIES</b>		
Sundry Creditors	11.04	8.24
Income Tax Deducted at Source	1.50	—
TOTAL	<u>12.54</u>	<u>8.24</u>
<b>(b) PROVISIONS</b>		
Provision for Tax	6.74	1.50
Proposed Dividend	—	0.50
Other Provisions	6.90	2.07
TOTAL	<u>13.64</u>	<u>4.07</u>

(Rs. in lakhs)

	31.03.1999	31.03.1998
	Rs.	Rs.

**SCHEDULE-9**

**MISCELLANEOUS EXPENSES  
to the extent not written off**

Preliminary Expenses	0.00	0.15
Public Issue Expenses	20.56	—
Product Development Expenses	24.64	—
<b>TOTAL</b>	<u>45.20</u>	<u>0.15</u>

**SCHEDULE-10**

**REVENUE**

(a) Domestic	227.46	82.42
(b) Exports	47.44	6.80
<b>TOTAL</b>	<u>274.90</u>	<u>89.22</u>

**SCHEDULE-11**

**INCREASE/(DECREASE) IN STOCK**

Opening Stock		
In Process	82.05	8.85
	<u>82.05</u>	<u>8.85</u>
Less :		
Closing Stock		
In Process	93.25	82.05
	<u>93.25</u>	<u>82.05</u>
<b>TOTAL</b>	<u>11.20</u>	<u>73.20</u>

# Fifth Annual Report 1998-99

	(Rs. in lakhs)	
	31.03.1999	31.03.1998
	Rs.	Rs.
<b>SCHEDULE - 12</b>		
<b>OPERATING AND OTHER EXPENDITURE</b>		
Salaries	59.19	14.13
Contribution to Provident Fund	1.77	—
Staff Welfare	6.15	3.21
Directors Remuneration	8.23	5.80
Communication Costs	11.18	3.12
Travelling Expenses	23.10	14.18
Repairs & Maintenance	9.95	3.40
Power and Fuel	2.09	0.54
Vehicle Maintenance	3.04	—
Consultancy & Professional Fee	6.16	4.64
Rent	3.84	3.12
Rates & Taxes	3.12	0.61
Conveyance	6.62	2.83
Business Promotion Expenses	5.51	—
Auditor's Remuneration		
a. Audit Fee	0.40	0.20
b. Tax Audit Fee	0.10	0.10
c. Certification Fee	0.25	—
Advertisement Expenses	1.85	2.73
Postage & Courier	3.16	0.75
Printing & Stationery	6.29	3.98
Insurance	0.49	0.34
Bank Charges	0.43	—
Membership Fee	0.63	0.20
Office Maintenance	10.61	9.33
Books & Periodicals	0.13	0.07
Staff Training Expenses	8.00	12.74
General Expenses	3.42	0.97
Board Meeting Expenses	0.85	0.08
Overseas Marketing Expenses	19.70	26.76
Miscellaneous Expenses Written off	5.16	0.01
TOTAL	<u>211.42</u>	<u>113.84</u>
<b>SCHEDULE - 13</b>		
<b>FINANCIAL CHARGES</b>		
a) Interest on packing credit facilities	4.00	1.57
b) Interest Hire Purchase loans	8.00	8.91
c) Interest - others	2.37	3.62
TOTAL	<u>14.37</u>	<u>14.10</u>

## **SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

### **A. SIGNIFICANT ACCOUNTING POLICIES**

#### **i. Basis of Accounting**

Financial statements are prepared under the historical cost convention on the basis of a going concern with revenues and expenses recognised 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. 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.

Capital Work in Progress includes all direct and indirect expenditure incurred in connection with creation of infrastructure.

#### **iii. Investments**

Investments are stated at cost

#### **iv. 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.

#### **v. Sales**

Sales represent billing for software development services rendered by the Company and are accounted for under proportionate contract completion basis.

#### **vi. Foreign currency transactions**

Foreign Exchange transactions are accounted at the prevailing rates on the date of the transaction and exchange fluctuations are accounted at the time of realisation. Gains/Losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account.



## *Fifth Annual Report 1998-99*

### B. NOTES ON ACCOUNTS

#### i. Expenditure in Foreign Currency

	(Rs. in lakhs)	
	31.03.99	31.03.98
Travel	16.02	3.61
<b>TOTAL</b>	<b>16.02</b>	<b>3.61</b>

#### ii. Earnings in Foreign currency

	(Rs. in lakhs)	
	31.03.99	31.03.99
Sales	47.44	6.80
<b>TOTAL</b>	<b>13.48</b>	<b>6.80</b>

#### iii. Amounts paid/payable to Auditors

	(Rs. in lakhs)	
	31.03.99	31.03.98
Audit Fees	0.40	0.20
Tax Audit Fee	0.05	0.10
Certification Fee	0.25	—
<b>TOTAL</b>	<b>0.70</b>	<b>0.30</b>

#### iv. Managerial Remuneration

	(Rs. in lakhs)	
	31.03.99	31.03.98
Salaries	8.95	5.67
<b>TOTAL</b>	<b>8.95</b>	<b>5.67</b>

v. Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation.

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

As per our report of even date

For **B.RAMA RAO & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

**G.V.RANGA BABU**  
Partner

**P.C.PANTULU**  
Managing Director

**K.S.SHIVA KUMAR**  
Director (Operations)

**P.S.MURTY**  
Director (Technical)

Place : Secunderabad

Date : 31-07-1999

## 16. Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No.    1 7 4 8 5 State Code :  0 1  
 Balance Sheet  3 1  0 3  9 9  
 Date Month Year

### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue     2 0 5 5 Right Issue     N I L  
 Bonus Issue     N I L Private Placement    2 9 1 5

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities   1 0 5 9 0 5 Total Assets   1 0 5 9 0 5

#### Sources of Funds

Paid-up Capital    8 1 9 9 3 Reserves & Surplus    7 1 0 7  
 Secured Loans    1 3 0 5 0 Unsecured Loans    3 8 0 0

#### Application of Funds

Net Fixed Assets    1 5 8 2 5 Investments     1 0 0  
 Net Current Assets    5 5 8 5 8 Misc. Expenditure    4 5 2 0  
 Accumulated Losses     N I L

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

Turnover    3 1 1 8 3 Total Expenditure    2 5 3 5 6

+ -	Profit Before Tax	+ -	Profit After Tax
<input checked="" type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> 5 8 2 7	<input checked="" type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> 5 1 5 3

Earning Per Share in Rs. (Annualised)    0 . 6 2 Dividend Rate %     N I L

### V. Generic Name of Three Principal Products / Services of the Company

Item Code No. (ITC Code)  8 5 2 4 9 0 0 9 . 1 0  
 Product Description  C O M P U T E R  S O F T W A R E

## *Fifth Annual Report 1998-99*

### **CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999**

	Rs. in lakhs
	Year ended 31.03.1999
<b>Cash flow from operating activities :</b>	
Net profit before Tax and extra ordinary items	58.27
Depreciation	27.77
Miscellaneous Expenses written off	5.16
Operating Profit before working capital changes	<u>91.20</u>
Changes in working capital	
Increase/(Decrease) in Sundry Debtors	(62.53)
Increase/(Decrease) in Inventories	(11.20)
Increase/(Decrease) in Loans and Advances	(95.93)
Increase/(Decrease) in Current Liabilities	7.13
Cash generated from operations	<u>(162.53)</u>
Net Cash from operating activities	(71.33)
<b>Cash flow from investing activities :</b>	
Purchase of fixed Assets	(42.60)
Purchase of Investments	(1.00)
Increase in Advances	(215.19)
Net Cash from investing activities	<u>(258.79)</u>
<b>Cash flow from financing activities :</b>	
Proceeds from issuance of share capital	644.50
Proceeds from long term borrowings	57.41
Repayment of Unsecured Loans	(33.73)
Public Issue Expenses	(50.21)
Net Cash used in financing activities	<u>617.97</u>
Net increase in Cash and Cash equivalents	287.85
Cash and Cash equivalents at the beginning of the period	4.49
Cash and Cash equivalents at the end of the period	<u>292.34</u>
	<u>292.34</u>

For and on behalf of the Board of Directors

Place : Secunderabad

**P.C. PANTULU**

**K.S. SHIVA KUMAR**

**P.S. MURTY**

Date : 31.07.1999

Managing Director

Director (Operations)

Director (Technical)

#### **AUDITORS' CERTIFICATE**

To  
The Board of Directors  
M/s. Cybermate Infotek Limited  
Secunderabad

We have examined the attached Cash Flow Statement of M/s. Cybermate Infotek Limited, for the period ended 31st March, 1999. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Hyderabad and Bangalore Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 31.07.1999 to the members of the Company.

For **B. RAMA RAO & CO.,**  
Chartered Accountants

Place : Secunderabad

Date : 31.07.1999

**G.V. RANGA BABU**  
Partner

**PRINTED MATTER  
BOOK POST**



**We win, when you win!**

Regd. Off : 11, Sripuri Colony, Kakaguda, Karkhana,  
Secunderabad - 500 015. A.P. India.

Tel. : +91-40-774 6447/8. Fax : +91-40-774 5395