



CYBERMATE INFOTEK LIMITED

We win, when you win!
An ISO 9001:2008 Company



18th Annual Report 2011-12

BOARD OF DIRECTORS:

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

AUDITORS:

P.MURALI & CO
Chartered Accountants,
Somajiguda, Hyderabad

BANKERS:

State Bank of Travancore.
ICICI Bank Ltd.
Axis Bank Ltd
Punjab National Bank
Bank of Baroda
IDBI Bank Ltd

**REGISTERED OFFICE &
SOFTWARE DEVELOPMENT CENTRE:**

#11, Sripuri Colony,
Kakaguda, Karkhana,
Secunderabad-500015
e-mail: info@cybermateinfotek.com
Url : www.cybermateinfotek.com

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the shareholders of the company will be held on Saturday, the 29th September 2012 at 10.00. A.M. at Belsons Taj Mahal Hotel, IV th Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad. 500003, 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 31st March 2012 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. Pawan Kumar Kasera 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. K Koteswar Rao 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 M/s P.MURALI & CO, Chartered Accountants, Hyderabad be and are hereby appointed as 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. K.S. Shiva Kumar, as Director (Operations) & Chief Operating Officer with effect from 1st April, 2012 till 31st March, 2017 (both days inclusive) as set out hereunder”.

1. Basic Rs.1,10,000/-per month (in the scale of 1,10,000-10,000-1,50,000 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 3 months 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 included 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 thereof.

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 the provisions of Sections 198, 269, 309, 310,311 and 314 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), subject to the approval of the members of the company, the consent of the Company be and is hereby accorded to the Board of Directors for the appointment and the payment of remuneration of Mr. P Chandra Sekhar, as Director-Finance for the Five years with effect from 1st April 2012 to 31st March 2017 (both days inclusive) as set out hereunder:

1. Salary: Rs.50,000 per month (In the scale of 50,000-10,000-90,000 P.M.).
2. Perquisites:
 - i) Medical Reimbursement: Expenses incurred for the Director and family subject to a ceiling of one month's salary in a year of 3 months salary in a block of 3 years.
 - ii) Leave Travel Concession: For the Director and his family consists of spouse, dependent children and parents once in a year incurred in accordance with the rules specified by the company.
 - iii) Club Fees: Fees of Clubs subject, to a

maximum of two clubs. This will not include admission and life Membership.

- iv) Personal Accident Insurance: Premium not exceeding Rs.2000/- per annum.
- v) Provident Fund, Super Annuation Fund/Annuity Fund: As per Company's rules.
- vi) Gratuity: As per company's rules
- vii) Leaves:
 - Casual Leaves : As per Company Rules.
 - Sickleaves : As per Company Rules.
 - Privilege Leaves : As per Company Rules.
- viii) Leave Encashment: As per Company' Rules.
- ix) Residential Telephone:
 - x) Residential telephone be provided at the expense of the company. The Telephone bill including STD. and Trunk calls for the official business will be paid by the Company.
 - xi) 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 expenses of Rs.4500/- p.m.
3. The following shall not be included 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 Chandra Sekhar will be paid the remuneration as above as minimum remuneration. Mr. P. Chandra Sekhar will not be entitled to any sitting fee for attending meetings of the Board or any committee thereof."

By the order of the Board
For Cybermate Infotek Limited

Sd/-

Place : Secunderabad

P.C. Pantulu

Date : 13th August, 2012

Managing Director

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 THAT 48 HOURS BEFORE THE MEETING.
2. The share transfer books and Register of Members of the Company will remain closed from 25th September 2012 to 29th September, 2012 (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 Aarathi Consultants (p) Ltd,1-2-285,Domalguda, Hyderabad-500029.

6. The Ministry of Corporate Affairs has taken a“Green Initiative in the Corporate” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following :

1. secretarial@cybermateinfotek.com
2. info@aarthiconsultants.com

EXPLANATORY STATEMENT (Pursuant to Section 173 (2) of The Companies Act, 1956)

Item No. 05

Mr. K.S. Shiva Kumar was re-appointed as Director (Operations) & Chief Operating Officer at the Annual General Meeting held on 30th September 2010 with effect from 01st April 2010 for a period of two years. Your Directors consider that the re-appointment of Mr. K.S. Shiva Kumar will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Mr. K.S. Shiva Kumar as Director (Operations) & Chief Operating Officer the of the Company for a further period of five years with effect from April

01st 2012 at remuneration as provided in the resolution.

Your Directors recommend the resolution as set out in Item no. 05 of the Notice for approval of the Members.

No Directors other than Mr. K.S. Shiva Kumar is interested in this resolution.

Item No. 06

Mr. P Chandra Sekhar was re-appointed as Director Finance at the Annual General Meeting held on 30th September 2007 with effect from 01st April 2007 for a period of five years. Your Directors consider that the re-appointment of Mr. P Chandra Sekhar will be in the best interest of the Company and accordingly, it has been proposed to re-appoint Mr. P Chandra Sekhar as Director Finance the of the Company for a further period of five years with effect from April 01st 2012 at remuneration as provided in the resolution.

Your Directors recommend the resolution as set out in Item no. 06 of the Notice for approval of the Members.

Except Mr. P. Chandra Sekhar and Sri P.C. Pantulu, a relative of the director, none of the directors are interested in this resolution.

**ADDITIONAL INFORMATION
(as per Clause 49 of the listing agreement):**

(As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:)

BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM:

Name of Director	Mr. Pawan Kumar Kasera
Expertise in specific functional area	IT AND ITES
Date of Birth	23.09.1956
List of other Companies in which Directorship is held as on 31st March, 2012	7
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr.K.K Rao
Expertise in specific functional area	Finance
Date of Birth	01.11.1946
List of other Companies in which Directorship is held as on 31st March, 2012	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr. K.S. Shiva Kumar
Expertise in specific functional area	IT AND ITES
Date of Birth	02.04.1967
List of other Companies in which Directorship is held as on 31st March, 2012	7
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr. P Chandra Sekhar
Expertise in specific functional area	Finance
Date of Birth	19.03.1975
List of other Companies in which Directorship is held as on 31st March, 2012	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Directors' Report:

To the Members,

Your Directors have pleasure in presenting their 18th Annual Report of the business and operations of your company for the year ended March 31st 2012.

Financial Results:

(Rs. in lakhs)

	2011-12	2010-11
Operational Income	1218.31	1267.39
Other Income	56.41	32.53
Total Revenues	1274.72	1299.92
Incr/(Decr) in Stock	-349.72	45.02
Profit before Depreciation,		
Interest & Tax	296.28	421.10
Depreciation	252.69	242.06
Interest	29.69	47.21
Profit before tax	13.90	131.83
Extra-ordinary Items/Prior Period Adjustment		
Income		
(a) Grant from Govt of Nagaland	10.00	--
(b) Security Deposits	59.43	--
Expenditure		
(a) Deferred tax - Past Years(223.87)	--	--
Profit Before Tax	(140.53)	131.83
Provision for tax	--	44.37
Profit after Tax	(140.53)	87.46

Overview of Operations:

Your company is engaged in the business of providing Custom Built Software development, product development and IT Services to customers in domestic and overseas locations.

During the year the company faced many challenges in terms of liquidity. The company is continuing to make efforts to tide over the working capital issues by raising additional funds either as debt or as equity. The company is now working on several options to retire the debt by restructuring the debt of the company in the first stage there by reducing the interest costs and then to raise additional funds by placing secured debentures etc.

In a sense the company is now gearing up to position itself in the Healthcare IT services and Product space by improved marketing strategies and strategic tie-ups to bundle its product offerings as well as services with third parties.

The turnover of the company has dropped marginally by 3.87 % over the previous year. Profit before Tax dropped by 29.64 %.

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 Pawan Kumar Kasera and Sri. Kanamarkapudi Koteswar Rao are to retire at the conclusion of this annual general meeting and being eligible offer themselves 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:

- The Board of Directors comprises seven members (inclusive of three executive

directors and four Independent directors).
The 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. Shankar Khasnis	Independent Director
6) Mr. Pawan Kumar Kasera	Independent Director
7) 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 constituted as follows.

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

Directors' Responsibility Statement

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

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation related to material departures.
- 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 31st March 2012 and the losses for the year ended on that date.

- 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.
- the directors have prepared the annual accounts on a going concern basis.

Subsidiary Companies

The statement pursuant to Section 212(1) (e) of the companies Act 1956 in respect of the subsidiaries is attached.

The Company has two Wholly Owned Subsidiaries viz

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

The operations of the US Subsidiary remained dormant since the year 2002.

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 economic conditions improve and will be in a position to present its financial statements.

Demerger

The Board of Directors has approved a scheme of Demerger of some of the activities of the company into separate companies. The scheme is being finalized and will be informed to the shareholders at the appropriate time.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Development:

From the market perspective, perhaps the healthcare industry is not taking to IT as fast as it should because of a lack of availability of appropriate solutions.

The healthcare IT vendor landscape here is highly fragmented with small players, no clear leader and no dominant solution. Existing solutions tend to be basic, and hospitals favour custom solutions, which are then tweaked and sold to other customers. How much of an actual need such solutions then address is anyone's guess. As the healthcare sector becomes more receptive to technology, numerous opportunities will open up for existing product companies and new entrants focusing on this space. Further the products can create a niche for themselves in areas like mobile health, embedded systems, developing low cost advanced devices, interface solutions, medical imaging, telemedicine and cloud based solutions. Products with niche solutions can often be used to innovate to fulfil a critical need that cannot be addressed by a large vendor who addresses a wider spectrum and focuses more on services."

Health Care Product companies with a focus and with flexibility, and with ability to try new trends like the cloud and mobile can provide a level playing field, allowing other products and product companies to compete on an equal footing with their larger peers.

- Enterprise mobility: As smart phones, tablets and BBs become ubiquitous and cheaper, product companies will be able to build applications for the mobile at lower costs.
- Cloud: The cloud enables a mid-sized company to develop a technology that can address a large audience, without investing upfront in expensive infrastructure. At the same time the cloud can enable smaller units like nursing homes to access and use technology generally available only to large enterprises.
- New distribution channels: The BlackBerry AppWorld, iTunes Store etc. will offer enormous reach and exposure to any IT provider even the small ones.

Company's Focus and Strategy:

Challenges:

The industries to which we offer our services and solutions have been badly hit by this downturn. Manufacturing industry has been the worst impacted with manufacturers reducing their capacity utilization, cutting down on the overall IT spends and halting the discretionary IT projects.

There is a new challenge as manufacturers need to save costs to protect their financial results, while they also need innovative products and solutions to retain the existing and acquire the new customers.

Opportunities:

It does not mean that the product companies are free from challenges. Going forward, they will need to focus on building world-class innovative

solutions which can compete with larger MNCs and also allow them to generate revenues globally. Another major challenge will be to build credibility and trust, since in healthcare there is no scope for error and vendors will need to convince healthcare providers that their solution is reliable and trustworthy.

The future outlook is bright and the potential, encouraging. The combination of proven Indian IT talent and trustworthy medical and healthcare professionals will give India a clear leadership position. Circumstances and technology are conspiring to give IT in healthcare a boost. Increasing healthcare costs, global economic disruption and the need for healthcare to reach remote areas all these are pushing the demand for a new order where the best healthcare providers will be those armed with technology.

A study of the healthcare space in the country today, with respect to private sector hospitals shows that

- around 2-3% of hospitals have more than 200 beds
- around 6-7% have 100-200 beds
- and a good 80% of the hospitals are very small, with less than 30 beds

Mid-tier hospitals, that is, those with less than 200 beds, handle around 70% of cases in the country and offer the highest scope for growth. It is estimated that 500 such new hospitals are added every year. A tier-I city would typically have between 15 -25 hospitals of this size, with revenues of \$ 1-2 million.

“PE backed companies are opening up specialized hospital chains of smaller size Even existing healthcare groups are opening up

smaller clinics which require fewer investments and can provide faster returns.

Hospitals of this size face some typical challenges they usually lack adequate administrative staff and hence, show glaring weaknesses in the area of hospital administration. Additionally, they suffer from revenue leakage and are not as profitable as they could be. IT has a critical role to play in transforming not just patient care, but also the way that healthcare is delivered in India. Technology can help healthcare reach a larger portion of the population, while enhancing the efficiency and productivity of healthcare delivery. IT finds application in almost every area of healthcare, from remote diagnosis to patient education to insurance. No matter the size and type of care provider, there will be a demand for Electronic Medical Records (EMRs), electronic prescribing, Hospital Information Systems (HIS), telemedicine, and Picture Archiving and Communications Systems (PACS), among others. India has the fastest growing healthcare IT market in Asia, and is expected to be worth more than \$254 million by 2012 (Source: SHS). Industry sources estimate that currently, annual IT spending in hospitals in India is approximately \$191 million and will touch \$1.5 billion by 2020 (Source: Zinnov Management Consulting). A mid-size hospital in India spends between 1 and 1.5% of turnover on IT, while a large hospital spends nearly 2% on the same

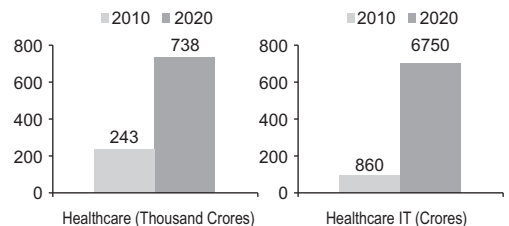


Figure 2: Market size and projections
(Source: SHS)

Reasons for low adoption of IT

Buy-side:

- Doctors are used to manual systems and conventional methods of administration.
- Nurses who need to operate the system are not trained adequately
- Nature of the profession is such that it generates a lot of paper documents
- Sector may not want the transparency brought about by IT

Sell-side:

- Vendor market highly fragmented and unsophisticated; have been unable to present the business benefits of implementing IT
- Most existing products have evolved from custom solutions and many have only basic features
- Implementation and post implementation support not sufficient
- Lack of awareness on how IT can plug revenue leakages, improve profitability
- Lack of modular packages

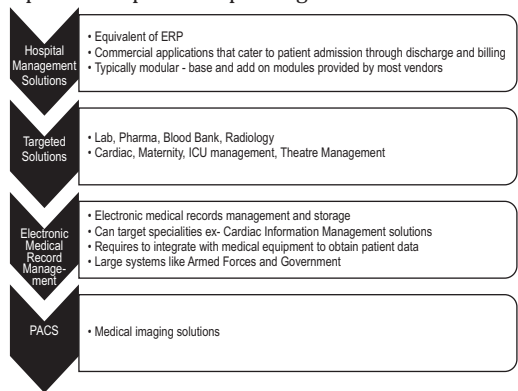
IT spend by hospitals has not been very forthcoming. Across the world, healthcare organizations have been slow adopters of IT and this trend is seen in India as well. Traditionally IT was not seen as a priority in an industry which focuses on curing sickness. A number of experts in the field point out that this mindset is gradually changing with an understanding of how IT can enable healthcare, and “India can quickly leapfrog the initial phases of technology adaptation and move directly into advanced clinical and patient care and health / medical records

Our Focus

We are working continuously to enhance the functionality of the Hospital Management Software HEALSOFT.

HEALSOFT is a web based application and at present has 15 modules which cover 15 departments of a hospital. We are now working on improving the technology aspect as well. We propose to include PACS and other features to provide a 360 degree

Your company proposes to ramp up its presence in the Health Care Practice and is continuously scouting for opportunities through innovations, partnerships and improving its sales channels.



Apart from HEALSOFT your company has about 38 products out of which the following 12 products are receiving higher traction.

- | | |
|------------------------------|------------------------------|
| - Asset Management | - Inventory Management |
| - Human Resource Mgmt | - Pharmacy Management |
| - Recruitment Management | - Corporate Information Mgmt |
| - Customer Relationship Mgmt | - Online Billing |
| - Contract Management | - Purchase Management |
| - Food Court Mgmt | - ERP for Small Business |

Further your company is also strengthening its presence in the consulting space in the domestic markets which is showing signs of improvement.

Safe Harbour Statement

Certain statements in this Annual Report concerning our company's growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earning, intense competition in IT services and general economic conditions affecting industry.

Financial /operational performance:

1. Revenues

Revenue for the year ended 31st March, 2012 is Rs 1218.31 lacs as compared to 1267.39 lacs the same period last year.

2. Operating Expenses

The ratio of operating expenditure to total income has decreased by 21.04 % over the same period last year.

3. EBIDT

The EBIDT was at 23.24 % for the year ended 31st March, 2012 as compared to 33.39% for the same period last year.

4. Profit after Tax

The company has not made a tax provision in the current year due to loss incurred for the year ended 31st March 2012 as compared to 6.73% for the same period last year.

5. Interest and Borrowings

During the year the Company has incurred interest cost of Rs 29.69. 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, 2012 was 0.53% as compared to 0.84% for the same period last year.

7. Net Worth

The Return on Average Net worth (RONW) for the year ended 31st March, 2012 was 0.53 % as compared to 0.84% for the same period last year.

8. Fixed Assets

The Company has not made any additions to its fixed assets during the year.

9. Cash Generation

Cash generated from operations was Rs (1553.64) lacs for the year ended 31st March, 2012

10. Manpower

The total employee strength as on 31st March, 2012 was 29 as against 74 as on 31st March, 2011.

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. Despite, there was a dispute with some of the employees during January 2012 and it was resolved amicably.

Auditors:

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

Auditors Observations Explanation of the Management.

- (a) Interest Free Advances from parties listed under register maintained u/s 301 of Companies Act.

During the year the promoters of the company have advanced amounts to the company from time to time as interest free advances to meet short term financial requirements of the company.

- (b) Dues to Financial Institutions

Due to the adverse liquidity conditions prevailing in the market and also due to the uncertainties prevailing in the state of Andhra Pradesh, the company was not able to realize its dues sometimes due to the delays/deliveries etc. As a result, the company could not meet its commitments to the institutional creditors like State Bank of Travancore.

As due to these reasons the company's property situated at Cyber Towers remained vacant for several months, dues to M/s Dewan Housing Finance Limited could not be met in time. These issues are being addressed on priority by discussing with the institutions and a solution is expected to be reached amicably.

Wherever legal steps were initiated, the same are being addressed in accordance with the law.

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 .

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.

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

1	Name of the Subsidiary	Cybermate Infotek Limited Inc, USA	Cybermate Infotek Limited FZE, UAE
2	Financial Year ended	31st December 2011	31st December 2011
3	Holding Company's Interest	100 % in Equity Share Capital	100 % in Equity Share Capital
4	Shares held by the holding company in the subsidiary company	5000 Shares	1 Share
5	The net aggregate of profits or losses for the above financial year of Subsidiary so far as it concerns the members of the holding company		
	(a) Dealt with or provided for in the accounts of the Holding Company	NIL	NIL
	(b) not dealt with or provided for in the accounts of the Holding Company	NIL	NIL
6	The net aggregate of profits or losses for the previous financial year of Subsidiary so far as it concerns the members of the holding company		
	(a) Dealt with or provided for in the accounts of the Holding Company	NIL	NIL
	(b) not dealt with or provided for in the accounts of the Holding Company	NIL	NIL

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

Place: Secunderabad
Date: 13th August 2012

Sd/-
P. C. Pantulu
Managing Director

Sd/-
K.S.Shiva Kumar
Director & COO

Sd/-
P Chandra Sekhar
Director Finance.

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. The company is conserving energy by using energy efficient computer terminals and equipment and electrical fittings. 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 features for existing products are explored continuously during the course of software design and development that enhances productivity to users.

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.

3. Technology absorption, adaptation and Innovation

Your company has taken steps to improvise on existing technologies and

enhancing the same to emerging technologies.

4. Foreign Exchange earnings and outgo

Your company has over the past period, set up communication facilities and marketing offices situated in North America. Your company is continuously making efforts to establish new relationships to improvise the operations of the company.

Foreign Exchange inflow and outflow for the year ended

	(Rs. in Lacs)	
	2011-12	2010-11
Foreign Exchange inflow	33.78	76.43
Foreign Exchange Outgo	--	1.50

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 7 members comprising:

3 Executive Directors:

4 Independent & Non-Executive Directors

Attendance Record 2011-12

S.No	Name of the Director	Category	Meetings Attendance	Attended at last AGM on 30.09.2011
1	Sri P.C. Pantulu	Executive	6	Yes
2	Sri K.S. Shiva Kumar	Executive	6	Yes
3	Sri K.K. Rao	Independent	3	Yes
4	Sri Shankar Khasnis	Independent	4	No
5	Sri.PawanKumar Kasera	Independent	2	No
6	Sri P Chandra Sekhar	Executive	5	Yes
7	Sri D J Reddy	Independent	4	Yes

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

SLNo	Name of the Director	Other Directorship	Committee Membership	Committee Chairmanship
1	Sri P.C. Pantulu	2	1	1
2	Sri K.S. Shiva Kumar	1	1	Nil
3	Sri K.K. Rao	None	1	Nil
4	Sri Shankar Khasnis	None	2	1
5	Sri Pawan Kumar Kasera	7	2	1
6	Sri P.Chandra Sekhar	5	Nil	Nil
7	Sri D J Reddy	None	2	Nil

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

Six 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 3 months at any time.

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

S.No	Date	Time
1	31.05.2011	11.00 A.M
2	20.07.2011	10.00 A.M
3	30.08.2011	10.00 A.M
4	30.09.2011	10.30 A.M
5	15.11.2011	10.00 A.M
6	14.02.2012	10.00 A.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. KK 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.P.C.Pantulu - Chairman
 - 2) Mr. Pawan Kumar Kasera - Member
 - 3) Mr. Shankar Khasnis - 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. Shankar Khasnis (Chairman) Mr. D.J.Reddy 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 31st March 2012.

6. General Body Meetings:

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

Year	Location	Date	Time
2008-09	1-8-1/B/25/A Sundaraya Vignan Kendra, Baghlingampally, Hyderabad-44	29.09.2009	3.00 P.M.
2009-10	1-8-1/B/25/A Sundaraya Vignan Kendra, Baghlingampally, Hyderabad-44.	24.09.2010	10.00 A.M
2010-11	Belsons Taj Mahal Hotel, IV Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad. 500003	30.09.2011	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, and strictures imposed on the Company by the Stock Exchanges or The Securities and Exchange Board of India(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 were intimated to the Stock Exchanges and were published in Business Standard and Andhra Prabha. Management Discussion and Analysis Report forms part of Annual Report.

General Shareholders Information:

Annual General Meeting	:	Date :29.09.2012 Time: 10.00 A.M. Venue: Belsons Taj Mahal Hotel, IV Floor; 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad - 500003, A.P, India
Financial Calendar	:	01.04.2011 to 31.03.2012
Date of Book Closure	:	25-09-2012 To 29-09-2012 (Both days inclusive)
Listing on Stock Exchanges	:	1. The Bombay Stock Exchange Ltd 2. The Bangalore Stock Exchange Ltd 3. Luxembourg Stock Exchange
Stock Code	:	532271 on BSE

Market Price Date:

Month	High (Rs)	Low (Rs)
Apr-11	1.66	1.20
May-11	1.42	1.15
Jun-11	1.34	1.17
Jul-11	1.37	1.16
Aug-11	1.32	0.90
Sep-11	1.31	0.94
Oct-11	1.09	0.91
Nov-11	1.04	0.73
Dec-11	0.90	0.70
Jan-12	0.93	0.70
Feb-12	1.32	0.90
Mar-12	0.99	0.81

Source : www.bseindia.com

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@aarthicconsultants.com
Url:www.aarthicconsultants.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 2010 was as follows:

Category	No. Of Shares	Percentage(%)
Promoters	8,23,515	1.32
Financial Institutions & Banks	200	0.00
FII's/FCBs	4300	0.00
Bodies Corporate	89,91,076	14.38
NRIs/ OCBs	27,98,214	4.48
Clearing Members	1,52,946	0.24
Resident Individuals	4,97,71,711	79.58
Total	6,25,41,962	100.00

Dematerialization of shares as on 31.03.2012:

Particulars	Number of Shares	% Of Share Capital
NNSDL	4,15,59,389	66.45
CDSL	2,03,63,959	32.56
Physical	6,18,614	0.99
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. Pawan Kumar Kasera
Expertise in specific functional area	IT AND ITES
Date of Birth	23.09.1956
List of other Companies in which Directorship is held as on 31st March, 2012	7
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

Name of Director	Mr.K.K Rao
Expertise in specific functional area	Finanace
Date of Birth	01.11.1946
List of other Companies in which Directorship is held as on 31st March, 2012	None
Chairman/member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	2

**AUDITORS' CERTIFICATE REGARDING
CORPORATE GOVERNANCE**

To
The Members of Cybermate Infotek Ltd,
Secunderabad.

We have examined the compliance of conditions of corporate governance by Cybermate Infotek Limited for the year ended on 31.03.2012 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 an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN NO: 007257S

Sd/-
P.MURALI MOHANA RAO
PARTNER
M.No.23412

DATE: 31st August 2012
PLACE: Hyderabad

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 and Directors Report for the year ended 31st March, 2012 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, 2012 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: 13.08.2012

AUDITORS' REPORT

To
The Members,
Cybermate Infotek Limited.

1. We have audited the attached Balance Sheet of **M/S Cybermate Infotek Limited** as at 31st March, 2012 and also the Profit and Loss Account for the period ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 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.
4. 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 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 those books.
 - c) The Balance Sheet & Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet & Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956;
 - e) In our opinion and to the best of our information and according to the explanations given to us, said Accounts give the information required by the Companies Act, 1956 in the manner so required 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, 2012;
 - ii) In the case of the Profit & Loss Account, of the Loss for the period ended on that date;
- And
- iii) In the case of the Cash Flow, of the cash flows for the period ended on that date;

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN NO: 007257S

Sd/-
P.MURALI MOHANA RAO
PARTNER
M.No.23412

Place : Hyderabad
Date : 31.08.2012

ANNEXURE TO THE AUDITOR'S REPORT

- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- b) As explained to us, the fixed assets have been physically verified by the management reasonable intervals and no discrepancies between the book records and the physical inventory have been noticed on such verification.
- c) During the year, the Company has not disposed off major fixed assets.
- II. The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- III. a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- e) The Company has taken Interest Free unsecured loans from Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- f) The Company is not regular in repayment of the Loans taken from the parties mentioned in register maintained U/s.301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanation given to us, there are generally adequate internal controls commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for sale of goods and services. There is no continuing failure by the Company to correct any major weaknesses in internal control.
- V. a) In our opinion and according to the information and explanations given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the Company in respect of any party in the financial year, the entry in the register U/s. 301 of the Companies Act, 1956.
- b) According to the information and explanations given to us, as no such contracts or arrangements made by the Company, the applicability of the clause of charging the reasonable price having

regards to the prevailing market prices at the relevant time does not arise.

VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.

VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.

VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956.

IX. a) The Company is not regular in depositing following statutory dues with the appropriate authorities and at the end of last financial year.

Statutory Dues as of 31st March 2012	Rs.
Provident fund	2,85,000/-
Professional tax	31,680/-
TDS	<u>6,38,150/-</u>
Total	<u>9,54,830/-</u>

b) According to the information and explanations given to us, there are undisputed amounts are payable in

respect of Income Tax as at the end of the period, for a period more than six months from the date they became payable.

X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.

XI. According to information and explanations given to us, the Company has defaulted in repayment of dues to financial Institutions or banks.

Dues to Financial Institutions as of 31st March 2012	Rs.
State Bank of Travancore - Term loan	74,49,206/-
Dewan Housing Finance LTD - lease rent discounting	47,38,138/-
ICICI- hire purchase	10,50,000/-
Orix Auto Infrastructure LTD - hire purchase	2,50,000/-
TOTAL	<u>1,34,87,344/-</u>

XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.

XIII. This clause is not applicable to this Company as the Company is not covered by the provision of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.

XIV. According to the information and explanations given to us, the Company is not dealing or trading in shares securities, Debentures and other investments and hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

XV. According to the information explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the Company does not arise. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

XVI. According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the company.

XVII. According to the information and explanations given to us, the Company has not used short term funds for long term Investment.

XVIII. According to the information and explanation given to us, the Company has not made preferential allotment to parties covered in the Register maintained Under Section 301 of the Companies Act, 1956. Hence this clause is not applicable.

XIX. According to the information and explanations given to us, the Company has not issued debentures and hence the

applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.

XX. According to information and explanations given to us, the Company has not raised any money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.

XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN NO: 007257S

Sd/-
P. MURALI MOHANA RAO
PARTNER
M.No.23412

DATE : 31st August 2012
PLACE: Hyderabad

BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	Schedule	31.03.2012	31.03.2011
	No.	Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	625,419,620	625,419,620
(b) Reserves and Surplus	2	404,447,999	413,463,602
(2) Share application money pending allotment	3	99,000,000	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	34,918,485	43,087,828
(b) Defferred Tax Liabilities (Net)	5	17,349,054	-
(4) Current Liabilities			
(a) Short-term Borrowings	6	7,000,000	1,066,200
(b) Trade Payables	7	27,390,483	74,368,048
(c) Other Current Liabilities	8	3,704,697	57,265,697
(d) Short-Term Provisions	9	-	10,523,003
TOTAL		<u>1,219,230,339</u>	<u>1,225,193,998</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	10	26,549,910	52,259,048
(ii) Intangible Assets	11	49,581,295	60,759,090
(iii) Capital work-in-progress		367,399,890	367,399,890
(iv) Intangible assets under development		11,617,904	
(b) Non-Current Investments	12	261,126,524	303,483,986
(c) Other Non-Current Assets	13	28,278,933	31,421,037
(2) Current assets			
(b) Inventories	14	267,886,500	302,858,856
(c) Trade Receivables	15	174,756,000	71,867,880
(d) Cash and Cash Equivalents	16	700,724	317,664
(e) Other Current Assets	17	31,332,659	34,826,547
TOTAL		<u>1,219,230,339</u>	<u>1,225,193,998</u>

The Accompanying Notes are an Integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For: P.Murali & Co.,
Firm Regn. No. 007257S
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
P.C Pantulu
Managing Director

Sd/-
K.S.Shiva Kumar
Director

Sd/-
P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-
P.Chandra Sekhar
Director

Place: Hyderabad
Date : 13-08-2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	Schedule No.	31.03.2012 Rs.	31.03.2011 Rs.
INCOME			
Revenue from operations	18	121,831,000	126,739,365
Other Income	19	5,641,000	3,253,622
Total Revenue		<u>127,472,000</u>	<u>129,992,987</u>
EXPENSES			
Purchase of Stock-in-Trade	20	-	902,037
Changes in Inventories	21	34,972,356	(4,502,353)
Employee Benefit Expenses	22	8,616,000	17,687,748
Administrative & Other Operative Expenses	23	54,254,599	73,794,366
Financial costs	24	2,969,562	4,721,289
Depreciation and Amortization Expenses	10 & 11	25,269,031	24,206,311
Total Expenses		<u>126,081,548</u>	<u>116,809,398</u>
Profit before Exceptional and Extraordinary items and Tax		1,390,452	13,183,589
Extraordinary Items / prior period adjustment		(15,444,378)	-
Profit Before Tax		(14,053,926)	13,183,589
Tax Expense:			
(1) Current tax		-	4,437,596
(2) Deferred tax		(5,038,323)	-
Profit/(Loss) After Tax		<u>(9,015,603)</u>	<u>8,745,993</u>
Earning per Share:			
(1) Basic		-	0.12
(2) Diluted		-	0.12

The Accompanying Notes are an Integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For: P.Murali & Co.,
Firm Regn. No. 007257S
Chartered Accountants

Sd/-

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date : 13-08-2012

For and on behalf of the Board of Directors

Sd/-
P.C Pantulu
Managing Director

Sd/-
P.Chandra Sekhar
Director

Sd/-
K.S.Shiva Kumar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

Particulars	Current Year Amount in Rs.	Previous Year Amount in Rs.
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(14,053,926)	13,183,589
Adjustments for : -		
Depreciation	25,269,031	24,206,311
Financial Cost	2,969,562	8,068,778
Loss on Sale of Fixed Assets	-	-
Operating cash flow before working capital changes	14,184,667	45,458,678
(Increase) / Decrease in Inventory	34,972,356	(4,502,353)
(Increase) / Decrease in Trade Receivables	(102,888,120)	(9,878,778)
(Increase) / Decrease in Short Term Loans & Advances	-	(11,466,770)
(Increase) / Decrease in Other current Assets	3,493,888	-
Increase / (Decrease) in Short Term Borrowing	5,933,800	-
Increase / (Decrease) in Trade Payables	(46,977,565)	-
Increase / (Decrease) in Other Current Liabilities	(53,561,000)	45,438,358
Increase / (Decrease) in Short Term Provisions	(10,523,003)	-
Misc Exps	-	-
CASH GENERATED FROM OPERATIONS	(155,364,977)	65,049,135
Less : Income Tax Paid		
CASH GENERATED FROM OPERATING ACTIVITIES	(155,364,977)	65,049,135
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets		(14,748,233)
Intangible asset Under development		
Investment	42,357,462	(62,903,046)
(Increase) / Decrease in Other Non -current Assets	3,142,104	
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	45,499,566	(77,651,279)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	
Increase / Repayment of Loan	(8,169,343)	11,479,887
Long term Provisions	22,387,378	
Interest Paid	(2,969,562)	
Share Application Money pending allotment	99,000,000	
NET CASH USED IN FINANCING ACTIVITIES	110,248,473	11,479,887
NET INCREASE IN CASH AND CASH EQUIVALENTS	383,062	(1,122,257)
Add : Opening balance of Cash & Cash equivalents	317,664	1,439,920
Closing balance of Cash & Cash equivalents	700,726	317,664
For and on behalf of the board of Directors		
Sd/- P.C.PANTULU MANAGING DIRECTOR	Sd/- K.S.SHIVA KUMAR DIRECTOR-OPERATIONS	Sd/- P.CHANDRA SEKHAR 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 2012. 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 August 2012 to the members of the Company.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN NO: 0072575

DATE: 31st August 2012
PLACE: Hyderabad

Sd/-
P.MURALI MOHANA RAO
PARTNER
M.No.23412

Significant Accounting Policies

1. Basis of preparation of financial statements:

The financial statements have been prepared to comply in all material respects in with the Indian Generally Accepted Accounting Principles (IGAAP) in India under the historical cost basis. IGAAP comprises mandatory accounting standards as specified in Companies Accounting Standards notified under Companies (Accounting Standards) Rules, 2006, (as amended), and relevant provisions of Companies Act, 1956. The financial statements are prepared under the historical cost convention and accrual basis as a going concern i.e with revenues and expenses recognized on accrual basis with the exception of insurance claims, export incentives, interest on calls in arrears and interest on overdue receivables which are accounted for on cash basis.

2. Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Practices requires Management to make estimates and assumptions that affect the reported Assets and Liabilities and disclosures relating to contingent assets and liabilities as at the date of the Financial Statements and reported amounts of Income and Expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Revenue recognition

Revenue from the software development on time and material contracts is recognized based on the software developed and billed in accordance with the terms and 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.

4. 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 pro rata basis.

An intangible asset is recognized, when it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The company frequently expends resources, and incurs liabilities, on the acquisition, development, maintenance and enhancement of intangible resources such as scientific or technical knowledge, design and implementation of new process or systems, license, intellectual property, market knowledge and trademarks in order to make software's and brands. Intangible assets are recorded as per AS26 of IGAAP.

Notes to Financial Statements

Note No 1 : SHARE CAPITAL

S.No.	Particulars	31-03-2012	31-03-2011
a	Equity Share Capital		
	(a) Authorised	-	-
	(No. of Shares 8,50,00,000 - Current Year)	850,000,000	
	(No. of Shares 8,50,00,000 - Preious Year)		850,000,000
	(b) Issued	-	-
	(No. of Shares 6,25,41,962 - Current Year)	625,419,620	
	(No. of Shares 6,25,41,962 - Previous Year)		625,419,620
	(c) Subscribed & Fully Paid Up	-	-
	(No. of Shares 6,25,41,962 - Current Year)	625,419,620	
	(No. of Shares 6,25,41,962 - Previous Year)		625,419,620
	Total Equity Share capital	625,419,620	625,419,620
b	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u>		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	62,541,962	62,541,962
	Issued during the year - Cash Issue	-	
	Forfeited / Bought Back during the year	-	
	At the end	62,541,962	62,541,962
c	<u>Details of Shareholder holding more than 5% shares of the company:</u>		
	Equity Shares of Rs. 10 each Held By		
		% of Share Holding	
		Nil	Nil

Note No 2 : RESERVES AND SURPLUS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	RESERVES AND SURPLUS		
a)	Securities Premium Reserve		
	As at the commencement of the year	85,710,000	85,710,000
		85,710,000	85,710,000
b)	General Reserves		
	As at the commencement of the year	35,006,187	33,687,828
	Add: Additions during the year	-	1,318,359
	Less: Utilised during the year	-	-
		35,006,187	35,006,187
c)	Surplus :		
	Opening Balance - Profit and Loss Account	292,747,415	285,319,781
	Add: Transfer from Profit & Loss Account	(9,015,603)	7,427,634
	Less: Transfer To General Reserve	-	-
		283,731,812	292,747,415
	Total Reserves and Surplus	404,447,999	413,463,602

Note No. 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
	I Share Application Money	99,000,000	-
		99,000,000	-

Note No 4 : LONG TERM BORROWINGS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
	I Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured - (Refer Note No. 25)	15,718,485	36,144,828
	From other parties:		
	Secured	19,200,000	-
	b) Security Deposit		5,943,000
	c) Subsidy from Govt of Nagland		1,000,000
	Total long term borrowings	34,918,485	43,087,828

Note No 5 : DEFERRED TAX LIABILITY (NET)

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Opening Deferred tax Liability	-	-
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	17,349,054	
	Gross Deferred tax Liability	17,349,054	-
	Deferred Tax Liability/ (Asset) - Net	17,349,054	-

Note No 6 : SHORT TERM BORROWINGS.

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Short term borrowings		
	a) Loans and advances from Related parties		
	Unsecured	7,000,000	1,066,200
	Notes :		
	Total short term borrowings	7,000,000	1,066,200

Note No 7 : TRADE PAYABLES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	a) Trade Payables	27,390,483	74,368,048
	Total Trade Payables	27,390,483	74,368,048

Note No 8 : OTHER CURRENT LIABILITES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	a) Current maturities of finance lease obligation	-	-
	b) Other Payables	3,704,697	57,265,697
	Total other current liabilities	3,704,697	57,265,697

Note No 9 : SHORT TERM PROVISIONS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	a) Provision for Tax	-	10,523,003
	Total short term provisions	-	10,523,003

Note No 12 : NON- CURRENT INVESTMENTS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Non- Current Assets		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	- Cybermate Infotech Limited USA	218,441,682	256,990,215
	- Cybermate Infotech , FZE	42,584,842	46,393,771
		261,026,524	303,383,986
	h) Other non- current Investments		
	- Twin Cities Investments and Finances Ltd	100,000	100,000
	Total Non Current Investments	261,126,524	303,483,986
	Total Non - Current Assets (Net)	261,126,524	303,483,986
	Notes :		

Note No 13 : OTHER NON - CURRENT ASSETS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Unamortised Expenses	28,278,933	31,421,037
	Total Non - Current Assets	28,278,933	31,421,037

**NOTE NO : 10 & 11
FIXED ASSETS AS ON 31st MARCH, 2012**

Name of Asset	Gross Block		Gross Block		As on 31.03.11 Rs.	Depreciation		Net Block		Net Block As on 31.03.11 Rs.
	On 01.04.10 Rs.	Additions Rs.	Deletions Rs.	Rs.		Upto The year Rs.	During The year Rs.	Total Rs.	As on 31.03.10 Rs.	
1 LAND	-	-	-	-	0.00%	-	-	-	-	-
2 BUILDING	2,41,31,497	-	2,41,31,497	5,6,97,616	1.63%	3,93,343	60,90,959	1,80,40,538	1,84,33,881	
3 PLANT & MACHINERY	-	-	-	-	4.75%	-	-	-	-	-
4 ELECTRICAL EQUIPMENT	53,13,777	-	53,13,777	23,38,010	7.07%	3,75,684	27,13,694	26,00,083	29,75,767	
5 LABORATORY EQUIPMENT	-	-	-	-	4.75%	-	-	-	-	-
6 OFFICE EQUIPMENT	18,70,453	-	18,70,453	9,92,518	6.33%	95,335	10,87,853	7,82,600	8,77,935	
7 COMPUTERS	4,36,80,832	-	4,36,80,832	4,17,79,435	16.21%	6,70,106	4,24,49,541	12,31,291	19,01,397	
8 FURNITURE	93,66,547	-	93,66,547	49,38,110	6.33%	5,92,902	55,31,012	38,35,535	44,28,437	
9 VEHICLES	11,53,862	-	11,53,862	10,84,554	9.50%	9,444	10,93,998	59,864	69,308	
10 INTANGIBLE FIXED ASSETS	11,17,77,945	-	11,17,77,945	5,10,18,856	10.00%	1,11,77,795	6,21,96,651	4,95,81,295	6,07,59,089	
11 WEB DEVELOPMENT EXPENSES	11,95,44,216	-	11,95,44,216	9,59,71,890	25.00%	1,19,54,422	10,79,26,312	1,16,17,904	2,35,72,326	
TOTAL	31,68,39,129	-	31,68,39,129	20,38,20,989	2,52,69,031	22,90,90,020	8,77,49,109	11,30,18,140		

Note No 14 : INVENTORIES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
	a) Work - in - Progress	267,886,500	302,858,856
	Total Inventories	267,886,500	302,858,856

Note No 15 : TRADE RECEIVABLES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	79,702,000	69,702,300
		79,702,000	69,702,300
	Other Receivables:		
	Unsecured, Considered Good	95,054,000	2,165,580
		95,054,000	2,165,580
	Total Trade Receivables(net)	174,756,000	71,867,880

Note No 16 : CASH AND BANK BALANCES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	227,507	293,680
	b) Cash on hand	473,217	23,984
	Total Cash and Cash Equivalents	700,724	317,664

Note No 17: OTHER CURRENT ASSETS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Advances Recoverable in cash or kind	19,839,906	20,007,727
	Inter Corporate Deposits	10,522,643	10,522,643
	Deposits with others	715,110	715,110
	Advance tax paid	-	1,186,023
	Tax deducted at source	255,000	2,395,044
	Total Short Term Loans & Advances	31,332,659	34,826,547

Note No 18 : REVENUE FROM OPERATIONS

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Revenue from operations		
	Exports	101,864,000	103,209,090
	Domestic	19,967,000	23,530,275
		121,831,000	126,739,365
	Total Revenue from Operations	121,831,000	126,739,365

Note No 19 : OTHER INCOME

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	(a) Other non-operating income	5,641,000.00	3,253,622.00
	Total Other Income	5,641,000.00	3,253,622

Note No 20 : PURCHASE OF STOCK IN TRADE

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Software Purchases	-	902,037.00
		-	-
	Total Trade Purchases	-	902,037

Note No 21 : CHANGE IN INVENTORIES & WIP.

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	Work in Progress		
	Work in progress at the beginning of the year	302,858,856	298,356,503
	Less : work in progress at the end of the year	267,886,500	302,858,856
	Sub Total (B)	34,972,356	(4,502,353)
	(Increase) / Decrease in Inventories	34,972,356	(4,502,353)

Note No 22 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	(a) Salaries & Wages	8,616,000	17,687,748
	Total Employee Benefit Expenses	8,616,000	17,687,748

Note No 23 : ADMINSTRATIVE & OTHER OPERATING EXPENSES

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	(a) Telephone, Postage and Others	317,156	835,000
	(b) Business Promotion Expenses	200,219	813,570
	(c) Travelling & Conveyance	529,302	4,560,000
	(d) Office Maintenance	272,613	2,368,000
	(e) Printing & Stationery Expenses	281,985	1,845,000
	(f) Security Charges	132,360	140,081
	(g) Rent	660,000	1,134,656
	(h) Managerial Remuneration	4,740,000	4,740,000
	(i) Electricity & Water	749,804	-
	(j) RTA & Secretarial Expenses	300,061	-
	(k) Professional Consultancy fee	285,105	2,010,938
	(l) Director Sitting Fee	27,500	-
	(m) Miscellaneous Expenses W/off	3,142,104	8,068,778
	(n) AGM Expenses	10,985	231,724
	(o) Insurance	946	73,146
	(p) Audit Fee	224,720	100,000
	(q) Bank Charges	23,141	481,721
	(r) Overseas Marketing Expenses	-	4,650,003
	(s) Investment Written off	42,356,598	36,072,141
	(t) Other Admin Expenses	-	5,669,608
	Total Administrative Expenses	54,254,599	73,794,366

Note No. 24 : FINANCE COST

S.No.	Particulars	31-03-2012 Rs.	31-03-2011 Rs.
I	(a) Interest Expenses :		
	-Interest on secured Loans	2,969,562	4,521,989
	- Interest on Unsecured Loan	-	199,300
	Total Finance Cost	2,969,562	4,721,289

(All Figures are reported in rupees except data relating to shares or unless stated otherwise)

25. Secured Loans:

(i) State Bank of Travancore:

The term loan availed from the bank is secured by the following :

Primary Security:

Rupee Term Loan from State Bank of Travancore is secured by a first charge on the unencumbered fixed assets of the Company viz Computers, laptops, regular servers, dot net servers, oracle servers, UPS, Batteries, Windows Operating System, Oracle Software Licence, Communication Equipments, Office Equipment, Furniture and Fixtures etc, existing and proposed to be acquired for the expansion of the project.

Collateral Security:

1. Equitable Mortgage of property of Sri P.C.Pantulu, Managing director of the Company.
2. Personal Guarantee of Mr. P.C.Pantulu, M.D and Mr. P.Chandra Sekhar, Director.

(ii) DHFL (Dewan Housing Finance Corporation Limited)

Rupee Lease Rental Finance from DHFL is primarily secured by the assignment of the Rent receivables, collateral security by first charge on the property of the Company.

(iii) Hire Purchase Loans from M/s ICICI Bank Ltd and M/s Orix Auto Infrastructure Services Ltd

Hire Purchase loans for purchase of Computers are secured by underlying assets acquired under the Hire Purchase Agreement.

26. Prior Period Items:

a) Deferred Taxes

The company has not been compliant with AS22 on Deferred Taxes till the previous accounting period. The company has commenced the compliance with the AS 22 and hence the deferred tax liability upto previous year is included as a prior period adjustment.

b) Subsidy from Govt of Nagaland

The company had received an amount of Rs.10 lakhs as a capital contribution for setting up of a training centre at Dimapur. The amount has been spent towards setting up of infrastructure for the training centre. Hence the carried forward balance is been transferred to revenue as prior period revenue as matching expenses were recognised in profit and loss account earlier.

c) Security Deposit from Trainees

The security deposits received from employees in 2000-01 under a bond were transferrable to revenue in earlier period as the trainees could not satisfy the terms and conditions of the employment bond. They had filed a petition in the High Court of Andhra Pradesh for the refunds. In accordance with the high court order dated 15th March 2010, the company has transferred the amounts to revenue as a prior period income.

27. The Company was inconsistent with requirements of the Accounting Standard 21 issued by the Institute of Chartered Accountants of India as the Overseas Subsidiary is not having any operations hence the Company is not preparing the consolidated Financial Statements.

28. Segment Reporting:

The entire operations of the company relate only to one segment i.e., Computer Segment.

29. Remuneration to Statutory Auditors

Particulars	31-Mar -2012	31-Mar -2011
As Auditors	2,00,000	1,00,000
Service Tax	24,720	12,360
Total	2,24,720	1,12,360

30. Earnings per Share

(Rupees)

Particulars	31-Mar -2012	31-Mar -2011
Net Profit for the year	(1,40,53,926)	1,31,83,589
Weighted average No of shares outstanding during the year	6,25,41,962	6,25,41,962
Earnings per share (Rs.)	--	0.12
Nominal Value of the Share (Rs.)	10/-	10/-

31. (a) Related Party Disclosures

SLNo	Name	Relationship
1	Mr.P.C.Pantulu	Promoter & Managing Director
2	Mr.K.S.Shiva Kumar	Promoter and Director
3	Mr.P.Chandra Sekhar	Director
4.	M/S Cybermate Infotek Ltd Inc	Wholly Owned Subsidiary In USA
5.	M/S Cybermate Infotek Ltd FZE	Wholly Owned Subsidiary In USA

(b) Entities in which Key Management Personnel and their Relatives have control

S.No	Name of the Related Party	Nature of Relationship
	Orchasp Energy (P) Ltd	P. Chandra Sekhar Director
	Orchasp Securities Ltd	P. Chandra Sekhar Director

(c) Transactions with Related Parties /Subsidiary companies

(Amount Rs)

S.No	Name	31-Mar -2012	31-Mar -2011	Nature of transaction
1	Orchasp Energy (P) Ltd	Nil	Nil	None
2	Orchasp Securities (P) Ltd	20 Lakhs	Nil	ICD received

(d) Key Managerial Personnel

(Amount Rs.)

S No	Name	31-Mar -2012	31-Mar -2011
1	Mr.P.C.Pantulu	21,60,000	21,60,000
2	Mr.K.S.Shiva Kumar	15,00,000	13,20,000
3	Mr.P.Chandra Sekhar	10,80,000	10,80,000
TOTAL		47,40,000	45,60,000

32. Share Application Money Pending Allotment

The promoters of the company have advanced amounts to the company over the years and also have other receivables from the company. The promoters have offered to convert these dues to equity shares at par in the previous accounting period. The company has passed the resolution in the general meeting held on the 30th September 2011. The company has made an application to the stock exchange for allotment of these shares and the same is pending. Hence the amounts due are transferred to Share Application Money pending allotment in the current period.

33. Investment Written off

The company was recognising diminution in value of investments in subsidiary by charging off the amounts to revenue in a systematic manner over five years. The amounts represents share application money pending allotment which has arisen on capitalising export receivables.

34. Inter Corporate Deposit

The balances lying in Inter corporate Deposit have not been recovered for a long period. The company has filed a winding up petition and also criminal proceedings on the debtor. The Honorable High Court of Andhra Pradesh has ordered for the winding up. The company could not recover any part of its dues so far. The Company is confident that the principal would be recovered and hence has not made any provision for non recovery of these amounts.

35. Miscellaneous Expenses

Miscellaneous Expenses were being written off over a period of five years commencing 2006-07. However there was an addition to Miscellaneous Expenses in the year 2008-09 and hence the balance is being written over off over the extended period.

36. Statutory and other Claims against the Company and Appeals

(a) Income Tax

For the assessment year 2009-10, the Assessing Officer has passed an order making additions of Rs. 12.88 crores and raised a tax demand for Rs. 6.43 Crores. The company has preferred an appeal before the CIT (Appeals) against the additions made.

The company has fair chances of winning the case and hence no provision is made toward demand raised.

(b) Bank Guarantees

The Company has issued performance bank guarantee to M/s APGENCo under contractual obligations and has fulfilled the same to their satisfaction. There are no claims against the company. Hence no provisions arise in this regard.

The company has issued a guarantee to the Assistant Commissioner of Customs for a CPWB warehouse license. There are no claims on the company on account of the same and hence no provision needs to be made.

37. Foreign Exchange Inflows and Outflows

S.No	2011-12 (Rs.)	2010-11 (Rs.)
Inflow	33,78,724	76,42,285
Outflow	---	---

Gain/Loss on foreign Exchange contracts

The company has overdue receivables in convertible foreign exchange. The company has not revalued the same at the balance sheet date which is not consistent with the principles laid down in AS 11. The company intends to recognize gain/loss on these receivable only on actual realization.

38. Micro, Small and Medium Enterprise.

There are no Micro, Small and Medium Enterprise, to whom the Company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis.

Dues to S.S.I:

There are no dues to S.S.I units in respect of sundry creditors.

39. Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation.
40. Previous Year figures have been regrouped wherever necessary.
41. Figures are rounded off to nearest rupee.
42. The accounts for the year are prepared for the period of 12 months from 1st April 2011 to 31st March 2012.

Notes forming part of Accounts

For P.Murali & CO. For and on behalf of the Board of Directors
Chartered Accountants

Sd/-
P.Murali Mohana Rao
Partner
M.No.: 023412
FRN No: 007257S

Sd/-
P.C.Pantulu
Managing Director

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

Sd/-
P.Chandra Sekhar
Director

Date: 13th August 2012
Place: Hyderabad.

Balance Sheet Abstract and Company's General Business Profile

1. Registration No

1	7	4	8	5
---	---	---	---	---

Company Identification No

L	7	2	2	0	0	A	P	1	9	9	4	P	L	C	0	1	7	4	8	5
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

0	1
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Balance Sheet Date

3	1	0	3	2	0	1	2
---	---	---	---	---	---	---	---

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

Accumulated Losses

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

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

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

GDR Issue

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

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

Total Liabilities

1	2	1	9	2	3	0
---	---	---	---	---	---	---

Total Assets

1	2	1	9	2	3	0
---	---	---	---	---	---	---

Sources of Funds

Paid up Capital

6	2	5	4	1	9
---	---	---	---	---	---

Reserves and Surplus

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

Secured Loans Unsecured Loans

3 4 9 1 8

7 0 0 0

Application of Funds

Net Fixed Assets

7 6 1 3 1

Investments

2 6 1 1 2 6

Net Current Assets

4 3 6 5 8 1

Misc. Expenditure

2 8 2 7 9

Accumulated Losses

N I L

4. Performance of the Company (Amount in Rs. Thousands)

Turnover Incl Other Income

1 2 7 4 7 2

Total Expenditure

1 2 6 0 8 1

Profit/(Loss) Before Tax

- 1 4 0 5 3

Profit/(Loss) after Tax E.P.S

- 1 4 0 5 3

Dividend Rate

N I L

N I L

11. 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



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 18th Annual General Meeting of the Company to be held at **Belsons Taj Mahal Hotel, IV Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad - 500003, A.P, India, on Saturday the 29th September 2012 at 10.00 A.M. and at any adjournment thereof.**

Signed this day of 2012

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 18th Annual General Meeting of the company at **Belsons Taj Mahal Hotel, IV Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad - 500003, A.P, India, on Saturday the 29th September 2012 at 10.00 A.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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**CYBERMATE
INFOTEK LIMITED**

We win, when you win!
An ISO 9001:2008 Company

11, Sripuri Colony, Kakaguda, Karkhana, Secunderabad-500 015. A.P. INDIA
Tel: +91-40-66326447/8, Fax: +91-40-66486446
email: info@cybermateinfotek.com url: <http://www.cybermateinfotek.com>