

FORM-A
(Pursuant to Clause 31(a) of Listing Agreement)

S.No	Particulars	Details
1	Name of the Company	Cybermate Infotek Limited
2	Annual Financial Standalone Statements for the year ended	31 st March 2014
3	Type of Audit Observation	Un-Qualified
4	Draw attention to relevant notes in the Annual Financial Statements and management response to the qualification in the directors' report	None
5	Additional Comments from the Board/ Audit Committee Chairman	None
6	To be signed by	
	<ul style="list-style-type: none"> Managing Director & C.E.O 	<p>For Cybermate Infotek Ltd.</p> <p><i>[Signature]</i></p> <p>Managing Director</p> <p>Mr.P.C.Pantulu</p>
	<ul style="list-style-type: none"> Director Finance & C.F.O 	<p>For Cybermate Infotek Ltd.</p> <p><i>[Signature]</i></p> <p>Director</p> <p>Mr.P.Chandra Sekhar</p>
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p>For Cybermate Infotek Ltd.</p> <p><i>[Signature]</i></p> <p>Director</p> <p>Dr.D.Jayarami Reddy</p>
	<ul style="list-style-type: none"> Auditor of the Company 	<p>Refer our Audit Report Dated 30th May 2014 on the Stand Alone Financial Statements of the Company</p> <p>For P.Murali & Co.,</p> <p>Chartered Accountants</p> <p>Firm Regn. No. 007257S.</p> <p><i>[Signature]</i></p> <p>P.Murali Mohan Rao.</p> <p>Partner</p> <p>M.No 023412</p>



Gearing up business with technology



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

ICICI Bank Ltd.

Regd Office & Software Development Centre.

Plot No. 4, Rail Enclave,
Sikh Road, Bowenpally,
Secunderabad - 500015,
Telangana, INDIA.
Phone :+91-40-6632-6447/ 8
Fax :+91-40-6648-6446
Email:info@cybermateinfotek.com
Visit us: www.cybermateinfotek.com

CONTENTS

	Page No.
Notice.....	04
Director's Report.....	09
Report on Corporate Governance.....	16
Auditor's Report.....	26
Balance Sheet.....	30
Statement of Profit and Loss.....	31
Cash Flow Statement.....	32
Notes.....	35

A Trail Blazing Past

It was a path less travelled, a move which needed boldness and a step that could Transform millions of lives. Cybermate Infotek Limited a BSE listed Company is a offshore software development company executing projects on Web & Web related technologies, with a single minded pursuit and determination dared and achieved it all. Little wonder it has grown from strength to strength and today, Cybermate Infotek Limited is not just another name in the IT horizon but a strong force that is competing against renowned global giants in Health Care IT Services



Since its inception in the year 1994, the company promoted by a team of qualified & experienced professionals has been consistently employing effective strategies and setting new standards to deliver quality that is nothing less than world class. Backed by our strong quality processes and rich experience managing global clients across various business vertical, we align IT strategies to your business goals. From simple changes in process to innovative solutions, we help our customers harness the power of IT to achieve profitable growth. And our mission says it all “ We Win When You Win”



As a technology solutions and services provider, our mission is threefold:

- Be a Global Service provider.
- Design and deliver technologically challenging solutions.
- Offer cost effective solutions to the customer.

A Rapid-fire Growth

Cybermate Infotek Limited (CIL) has been building and deploying end-to-end IT solutions for a wide range of companies globally. Indian Health Management Information System (HMIS) is an essential part of any hospital in India that has more than 50 beds it is not possible to manage large hospitals without an effective Health management system, the west focused HMIS had its own limitations of acceptance level in the complex health care regulatory environment in India. CIL grabbed this opportunity and has range of Product and Solutions that address the intricate requirement of Indian health care market.

CIL pre-packaged solutions have found acceptance across various other industry segments. The modular and component based solutions integrate well with various domain-specific software applications of other vendors.

Cybermate Infotek Ltd has been successful in transforming idea into reality and carving a niche in the global markets offering IT solutions. Analyzing our technical strengths, our focus is to consistently deliver solutions that maximize value for our customers. Supported by our strong Offshore Development Methodology and Global presence we provide cost and time benefits to our customers.

The vibrant and highly skilled workforce, its global presence (India and USA), and twenty years of industry experience give Cybermate an edge over its competitors



Products- Own

- (a) Hospital Management Software
- (b) Asset management Software
- (c) Payroll Management
- (d) Purchase Management

Service offerings

- (a) IT Services
- (b) Network implementation and maintenance
- (c) Surveillance Systems
- (d) Staff Augmentation
- (e) BPO

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the shareholders of the company will be held on Monday the 30th September 2014 at 10.00. A.M. at HOTEL TAJTRISTAR, AT "SAFFRON", 1-1-40, SEVEN HILLS, SAROJINI DEVI ROAD. SECUNDERABAD. 500003, A.P India to transact the following business:

ASORDINARY 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 2014 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 Sri 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 Sri Koteswar Rao Kanamarlapudi 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."

By the Order of the Board
For Cybermate Infotek Limited


P.C.Pantulu

Managing Director.

Place: Secunderabad

Date 11th August 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE MEETING.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 % of the total share capital of the company carrying voting rights. A member holding more than 10 % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on behalf at the meeting
3. The details of directors in respect of Items 2 and 3 pursuant to clause 49 of the listing agreement with the Bombay Stock Exchange limited are annexed hereto.
4. The register of beneficial owners, register of members and share transfer books of the Company will remain closed from Thursday 25th September 2014 to Tuesday 30th September 2014 (both days inclusive).
5. 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.
6. 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.
7. Members holding shares in physical form are requested to de-materialize the shares in electronic form to facilitate faster transfer and avoid rejections for bad deliveries. The Share Certificates may be sent to Aarthi Consultants (P) Ltd, 1-2-285, Domalguda, Hyderabad -500029.
8. Members seeking any information or clarifications on the Annual Report are requested to send in their written queries to the company at least one week before the meeting to enable the company compile the information and provide replies at the meeting.
9. 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

Members may also note that the aforesaid documents can be downloaded from the company website :- www.cybermateinfotek.com

NOTES:

10. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is pleased to offer e-voting facilities to the members to cast their votes electronically on all resolutions set forth in this notice.

Members who do not have e-voting facility can take the benefit of ballot form enclosed herewith.

Complete instructions on e-voting and ballot are annexed herewith and forms part of this notice

Instructions for e-voting

- (a) The shareholders should log on to the e-voting website www.evotingindia.com.
- (b) Click on "Shareholders" tab.
- (c) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, For CDSL: 16 digits beneficiary ID,	Folio Number registered with the Company

- (d) Next enter the Image Verification as displayed and Click on Login.
- (e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (f) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/ c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA 12345678'.

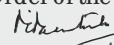
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/ mm/ yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/ client id.</p>

- (g) After entering these details appropriately, click on “SUBMIT” tab.
- (h) Members holding shares in Physical form will then reach directly to the voting screen.
- (i) Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (j) Click on the relevant EVSN for the “CYBERMATE INFOTEK LIMITED” on which you choose to vote.
- (k) On the voting page, you will see Resolution Description and against the same the option ‘YES/ NO’ for voting. Enter the number of shares (which represents number of votes) under YES/ NO.
- (l) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Notice of the Annual General Meeting.
- (m) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (n) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- (o) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (p) Note for Non-Individual Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.com](https://www.evotingindia.com) and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- (q) Evoting Period begins on Wednesday the 24th September 2014 at 10.00 am and ends on Friday the 26th September 2014 at 6.00 pm. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut off date (record date Friday August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.9
- (r) Members have an option to vote either electronically (availing services provided by CDSL) or by using the poll slips to be distributed at the meeting. If the members have cast their vote electronically, then they should not cast their vote at the meeting. However if a member has voted electronically and has again voted at the meeting, then the voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.
- (s) Shri . Y.Koteswar Rao, Practising Company Secretary (Membership No: ACSNo 3785, CP No 7427) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (t) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Hyderabad
11th August 2014

By Order of the Board



P.C.Pantulu

Managing Director

Details of the Directors seeking appointment/ re-appointment at the Twentieth Annual General Meeting (pursuant to Clause 49 iv(g) of the listing agreement)

Name of Director	Sri. Pawan Kumar Kasera
Expertise in specific functional area	Telecom Industry
Date of Birth	23-09-1956
List of other Companies in which	5
Directorship is held as on 31st March, 2013	
Chairman/ member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2014	2

Name of Director	Sri. Koteswara Rao Kanamarlapudi
Expertise in specific functional area	Chartered Accountant, Presently engaged in Construction, Mining and Trading activities in Qatar and Indonesia.
Date of Birth	01-11-1946
List of other Companies in which	
Directorship is held as on 31st March, 2014	1
Chairman/ member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2014	

Directors' Report:

To the Members,

Your Directors have pleasure in presenting their 20th Annual Report of the business and operations of your company for the year ended March 31st 2014.

Financial Results	₹-LAKHS	
	2013-14	2012-13
Operational Income	1004.29	1239.73
Other Income	11.95	72.89
Total Revenues	1016.25	1312.62
Incr/(Decr) in Stock	(48.50)	--
Profit before Depreciation ,Interest & Tax	207.75	336.96
Depreciation	140.09	255.67
Interest	63.89	75.51
Profit before tax	3.76	5.78
Extra-ordinary Items/Prior Period Adjustment		
Profit Before Tax	3.76	5.78
Provision for tax	11.39	60.77
Deferred Tax-Current Year	-10.23	-60.89
Profit after Tax	2.59	5.90

Overview of Operations:

During the previous year the company continued its efforts to improve up the operations by identifying new technology areas such which are less dependent on working capital. There was a marginal improvement in the Software development and allied services and Staff Augmentation services but a notable drop in the products revenues. Further the company was receiving better traction in the networking, telecom engineering and related areas. The company is putting its best efforts to compete with players in the health care products and services and is confident of turning around the product revenue stream once the working capital position of the company improves.

The turnover of the company has dropped by 18.89 % over the previous year. Profit before Tax dropped by 34.95 %.

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 2014 and the Profits 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.

Information Pursuant to Section 217 of the Companies Act 1956.

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.

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 Koteswar Rao Kanamarlapudi 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.

Auditors:

The auditors, M/ s. P.Murali & Co., Chartered Accountants, Hyderabad (Firm Registration No 023412) retire at this Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment.

Auditors Observations – Explanation of the Management.

Dues to Financial Institutions & Statutory Dues

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. This issue is being addressed on priority by discussing with the institution and a solution is expected to be reached amicably.

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

During the Previous year the company was irregular in remitting of Tax Deducted at Source.

Employees

The Board records its sincere appreciation for the significant contributions made by employees across the company through their continued commitment and dedication.

Subsidiary Companies

The Company has two Wholly Owned Subsidiaries viz

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

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 economy improves and will be in a position to present its financial statements.

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

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.

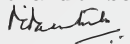
Report on Corporate Governance, Management Discussion and Analysis.

A report on Corporate Governance along with certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as also a Management Discussion and Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto.

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



P. C. Pantulu
Managing Director



K.S. Shiva Kumar
Director & COO



P Chandra Sekhar
Director Finance

Place: Secunderabad

Date: 11th August 2014

Annexure to the Directors' Report

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

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 2013	31st December 2013
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

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

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 lookout 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.

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 inflow and outflow for the year ended (₹. in Lacs)

	2013-14	2012-13
Foreign Exchange inflow	50.48	214.83
Foreign Exchange Outgo	--	0.05

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development

The Information Technology (IT) – Business Process Management (BPM) industry in India is now a US\$ 100 Billion + industry with NASSCOM estimating FY 14 volume to be around ~US\$ 118 Billion. The IT-BPM industry has not only gained a Global brand identity as a knowledge economy, but also has been the highest 23 impact sector for the Indian Economy as per the Industry body - The National Association of Software and Services Companies (NASSCOM)

The Indian IT Industry has been contributing ~8% to the India's national Gross Domestic Product (GDP) has added approx 1,60,000 employees in FY 2014, thus emerging as largest private sector employer with over 3.1 Million direct and ~10 Million indirect employment.

It has the largest share in the services sector in India viz around 38% Has been 4th largest Urban Women employer and The sector help's India offset almost half (45%) of its Oil import bill According to NASSCOM, the IT–BPM sector in India had generated revenues of US\$ 109 Billion in FY 2013. Exports have dominated the IT–BPM industry, and constituted about 70% of the total industry revenue. Though the IT–BPM sector is export driven, the domestic market is also significant with a robust revenue growth. The industry's share of total Indian exports (merchandise plus services) increased from less than 4% in FY1998 to about 25% in FY2012.

Global IT spending recorded a growth of 4.5% in 2013. Packaged software, IT services and BPM continued to lead accounting for 55% of the total spend. Cloud based delivery models, virtualization and automation are some of the factors driving growth in the IT services segment. The adoption of SMAC technologies is expected to drive growth in all the segments. In India, the IT and BPM sectors has accounted for ~90% of the incremental industrial growth. With its contribution to the country's exports, foreign exchange earnings and employment generation the sector has, it is one of the most significant growth catalysts for India. As a proportion of national GDP, the sector revenues have grown over to 8.1% in FY 2014. Exports are estimated to cross US\$ 86 Billion during FY 2014, indicating a YoY growth of 13% with signs of recovery from the US and Euro zone and return of discretionary spending. IT services could record a growth of ~14% while BPM exports could record a growth of ~11.4% in FY15. Domestic IT spends in India have been impacted upon political uncertainties, decline in manufacturing, slowdown in GDP growth, inflation, rupee volatility and lower foreign investment and is expected to grow ~10% in FY 2014. However, a rapidly growing economy, emergence of digital technologies, new business and pricing models tailored to meet specific needs of customers are driving adoption of IT in India.

Technology has journeyed from hardware to enterprise software to SMAC. Going digital is the top priority to all the enterprises and India is emerging as one of the fastest growing digital economies. The Indian IT, BPM industry is transitioning to a different level through the advent of technology and extensive use of digitization. Emerging technologies are redefining the future of the IT industry. Social media, Mobility, Analytics and Cloud (SMAC) are redefining the traditional business models and offer the opportunity to shift to new digital ways of working.

India is a home for new breeds of start-up firms focused on high growth areas such as ecommerce and SMAC. These firms are creating new markets and driving innovation. These changing business models, emergence of new technologies, buyer segments and solutions for emerging markets will help India retain its position as the global sourcing leader and an emerging trustworthy innovation hub.

The year can be characterized as the year of rapid transition and transformation leading the industry to expanding into newer verticals and geographies, attracting new customers and transforming from technology partners to strategic business partners. Outlook Growth of Indian IT-BPM industry has a high correlation with the global economic growth especially with the developed regions of United States, UK and Europe.

Global activity and world trade did see some pick up in the second half of Calendar Year (CY) 2013. The growth Momentum is expected to improve further in CY 2014 largely on account of recovery of advanced economies. Global growth is now projected to be slightly higher in CY 2014, at around 3.7%, rising to 3.9% in 2015, as predicted by World Economic Forum (WEF). United States is expected to be 2.8% in 2014, up from 1.9% in 2013. The growth in CY 2014 will be carried by firm domestic demand, supported in part by a reduction in the fiscal drag due to recent corrective steps of the government. The euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1% in 2014 and 1.4% in CY 2015, but the recovery may be uneven. Activity in the United Kingdom has been buoyed by easier credit conditions and increased confidence. Growth is expected to average 2.25% in 2014-15, but economic slack may remain high. Emerging markets and developing economies are expected to grow strongly at 5.5% in 2014. As per Industry body NASSCOM; driven by an improvement in the global economic climate and rise in the technology spend, next year is expected to be optimistic for the Indian IT-BPM industry. In FY 2015, NASSCOM expects the industry to add overall revenues of USD 13-14 Billion to existing industry revenues of USD 118 Billion. Export revenues for FY 2015 are projected to grow by 13-15% to reach USD 97-99 Billion. Domestic revenues for the same period will grow at a rate of 9-12% and is expected to reach 1250 - 1280 Billion during this year. Strong buyers confidence, increased volumes for global outsourcing, better Global IT spends, Disruptive technologies, digitization and entrepreneurship is expected to fuel growth for Indian IT-BPM industry in FY 2015.

Gartner, one of world's leading information technology research and advisory company, in its recent forecast has stated that the global economy is showing signs of a gradual recovery and it expects the worldwide IT spending to total \$3.8 trillion in CY 2014, a 3.2% increase from 2013 spending. The Gartner Worldwide IT Spending Forecast is the leading indicator of major technology trends across the hardware, software, IT services and telecom markets.

Company's Focus and Strategy:

Cybermate proposes to improve its product offerings and create visibility for its products in domestic and overseas markets. The Company also intends to ramp up its operations in BPO and, Staff Augmentation segments.

The company has successfully implemented projects in network implementation, maintenance, and fiber optic connectivity for Telecom Domain. The company is receiving sizeable opportunities in this segment and is likely to be a new service area in the current financial year.

The company has also identified opportunities in the Geographic Information system (GIS) which it had a track record in the past. The company proposes to take up GIS projects in collaboration with partners initially and ramp up once opportunities crystallize.

The company is evaluating opportunities in the Power Generation segment. Initial opportunities arose in the form of Project Management Consultancy and the company has taken them up seriously and is likely to report some traction in the current financial year 2014-15.

Challenges:

The company has been facing working capital shortage to withstand the long sales cycles and prolonged delivery cycles. The company proposes to raise long term working capital funds either as debt or as equity to fill the shortfall in working capital.

Opportunities:

India with its US\$ 118 Billion IT-BPM industry, remains the favoured global software services destination. The Country serves ~78 countries and has ~50 pan India delivery centres. The Flexible services model, low cost destination, a large multi-cultural and highly aspirational workforce and good technical and English speaking skill set have enabled India to continue to remain as preferred destinations for software services delivery with very little competition from any other country globally. Further Indian Companies have emerged as global players with a good portion of its delivery and workforce being global. Revival from US and European economies should help Indian IT industry to leverage opportunities not only in the traditional IT spends but also in to the new age spends focused on Digital Enterprise. Discretionary spends are expected to show improvement at back of improved outlook in FY 2015.

Cybermate sees opportunities of growth at back of reviving global economies, better offshore IT spends in most industry vertical, on-going renewals cycles of IT Services spends, demand for “value for money” services, positive outlook on discretionary spends, adoption of Digital enterprises (SMAC) being the new imperative, acceptance of new business models and platforms, stronger balance-sheet size post-demerger, cross selling opportunities in to wider client base, availability of qualified and skilled workforce etc thus auguring well for it.

Some of the other technological key growth drivers that are expected to open new opportunities for the industry are smart computing, anything-as-a-service, technology enablement in the emerging markets and the Small and Medium Businesses (SMB) market. SMBs are emerging as key stakeholders for India's IT, BPM industry are seeing rapid IT adoption. With the advent of cloud, the next big opportunity is India's SMBs. Emerging technologies like SMAC are leading to new possibilities for consumers, enterprises and technology firms. As these technology trends continue, firms are becoming more innovative and are looking to provide superior customer experience in the digital world. Key client investments and client spending will be driven by value, technology, innovation and cost optimization.

Demand for System Integration (SI) and IT consulting driven by enterprises shifting to customer-centric solutions are seeking new growth avenues.

Safe Harbour Statement

Certain information pertaining to industry outlook and growth have been extracted from publicly available information and the same has been provided therein.

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, 2014 is Rs 1004.29 as compared to 1239.73 lacs the same period last year.

2. Operating Expenses

The ratio of operating expenditure to total income has increased by 5.3 % over the same period last year.

3. EBIDT

The EBIDT was at 20.44 % for the year ended 31st March, 2014 as compared to 25.67% for the same period last year.

4. Profit after Tax

The Company has made a tax provision of Rs.-- lacs for the year ended 31st March, 2014 as compared to Rs. 60.89 for the previous year ended 31st March 2013.

5. Interest and Borrowing

During the year the Company has incurred interest cost of Rs 63.89 Lacs 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, 2014 was 0.03% as compared to (0.05)% for the same period last year.

7. Net Worth

The Return on Average Net worth (RONW) for the year ended 31st March, 2014 was 0.03% as compared to (0.06)% for the same period last year.

8. Fixed Assets

The Company has made addition of Rs. 154.74 lacs as hardware and Rs. 96.14 lacs as hardware designing in the year.

9. Cash Generation

Cash generated from operations was Rs (164.62) lacs for the year ended 31st March, 2014

10. Manpower

The total employee strength as on 31st March, 2014 was 23 as against 22 as on 31st March, 2013.

11. 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.

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 are 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 2012-13

S.No	Name of the Director	Category	Meetings Attended	Attendance at Last AGM on 30-09-2013
1	Sri.P.C.Pantulu	Executive	6	Yes
2	Sri.K.S.Shiva Kumar	Executive	6	Yes
3	Sri.P.Chandra Sekhar	Executive	6	Yes
4	Sri K.Koteswara Rao	Independent	3	No
5	Sri.K.Shankar	Independent	3	No
6	Sri.Pawan Kumar Kasera	Independent	2	No
7	Dr.D.Jayarami Reddy	Independent	0	No

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

Sl.No	Name of the Director	Other Directorship	Committee Membership	Committee Chairmanship
1	Sri P.C. Pantulu	2	1	1
2	Sri K.S. Shiva Kumar	1	1	Nil
3	Sri K.K. Rao	1	1	Nil
4	Sri Shankar Khasnis	None	2	1
5	Sri Pawan Kumar Kasera	5	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	Place
1	04-05-2013	10.00 am	Corporate Office
2	29-05-2013	11.00 am	Corporate Office
3	09-08-2013	10.00 am	Corporate Office
4	29-08-2013	10.00 am	Corporate Office
5	12-11-2013	10.00 am	Corporate Office
6	14-02-2014	10.00 am	Corporate Office

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 4 meetings of the Committee took place the Audit Committee comprises of the following Directors.

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

The Board at its meeting held on May 30, 2014, revised the terms of reference of the Committee to meet with the requirements of the Companies Act, 2013.

The revised and enhanced scope of the Committee is as follows

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b) Changes, if any in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to the financial statements.
 - f) Disclosure of Related party transactions.
 - g) Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant endings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends and creditors);
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

The Committee also reviews various information prescribed under Clause 49(II)(E) of the Listing Agreement with the Bombay Stock Exchange Limited.

The Chief Financial Officer remains present at the meetings. The Statutory and Internal Auditors are also invited to the Committee meetings, as and when required.

Mr. Pawan Kumar Kasera, the Chairman of the Audit Committee did not attend the Annual General Meeting held on September 30, 2013.

4. Nomination and 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 Note 23.

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 twice during the year and all the members of the Committee were present at the meeting.

The composition, role terms of reference as well as powers of the Nomination and Remuneration committee of the company meets the requirements of section 178 of the companies Act, 2013.

Composition

The Board in compliance with the requirements of section 178 of the Companies Act, 2013, renamed the Remuneration Committee as “Nomination and Remuneration Committee”.

The Committee comprises 2 Independent Directors and 1 Executive Directors.

Scope:

The Board at its meeting held on May 30, 2014, revised the terms of reference of the Committee to meet with the requirements of the Companies Act, 2013.

The revised and enhanced scope of the Committee is as follows:

Nomination Duties :

The Role of the Committee in relation to nomination matters include:

- Determining the appropriate size and composition of the Board;
- Formulating criteria for identifying suitable candidates for Directors and Senior Management.
- Identifying persons who are qualified to become Directors and appointed as the Senior Management in accordance with criteria laid down;
- Formulating the criteria for determining the qualifications, positive attributes and Independence of a director;
- Devising policy on the diversity of the Board;
- Making recommendation to the Board on the appointment and removal of Directors and senior Management Personnel;
- Developing a plan for identifying, assessing and enhancing Directors' competencies;
- Developing a succession plan for the Board and regularly reviewing the plan;
- Formulating the criteria for evaluation of Independent Directors and the Board and evaluating the performance of the Board;

- Ensuring that there is an appropriate induction programme in place for new directors and reviewing its effectiveness;
 - Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment committee service and involvement outside the Board Meetings;
 - Identifying and recommending Directors who are to be put forward for retirement by rotation;
 - Before appointment is made by the Board, evaluating the balance of the skill, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment and To consider candidates from a wide range of backgrounds; and
- ii). To consider candidates on merit and against objective criteria, taking care that
- Appointees have enough time available to devote to the position;
 - Delegating any of its powers to one or more of its Members of the secretary of the Committee;
 - Considering any other matters as may be requested by the Board; and
 - Making available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

Remuneration Duties

The duties of the committee in relation to remuneration matters include:

- To consider and determine, based on their performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the board and such other factors as the committee shall deem appropriate all elements of the remuneration of the members of the Board and Executive directors, namely,
 - i) Base salary (the Committee shall also consider the pension consequences if basic salary increases);
 - ii) Bonuses and performance-related payments (including profit-sharing schemes);
 - iii) Discretionary payments;
 - iv) Pension contributions;
 - v) Benefits in kind; and
 - vi) Share options and their equivalents;
- To approve the remuneration of Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and considering any other connection that they may have with the Company;
- In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company.
- To determine the Company's recruitment, retention and termination policies and procedures; and
- Professional indemnity and liability insurance for Directors and Senior Management.
- To delegate any of its powers to one or more of its Members or the Secretary of the Committee;
- To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board;
- To consider any other matters as may be requested by the Board.

Meetings:

During the period under review, the Committee met twice on the following dates : August 09, 2013 and February 14, 2014.

Remuneration of Directors

(a) Executive Directors

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Companies Act, 1956 with the approval of the Board of Directors, Shareholders and Central Government, wherever required.

Details of remuneration and perquisites paid to the Executive Directors during the period April 1, 2013 to March 31, 2014 are as follows:

	Remuneration ₹ per Annum
Mr.P.C.Pantulu	15,00,000
Mr.K.Shiva Kumar	9 60,000
Mr.P.Chandra Sekhar	10,80,000

Total	35,40,000

(b) Non-Executive Directors

MR.K.Koteswara Rao, Mr Shankar Khasnis, Mr.Pawan Kumar Kasera and Dr.D.Jayarami Reddy were paid sitting fee to attend the board meeting., for attending Board meetings and various Committee meetings held during the period under review.

None of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company other than the sitting fees received by them.

3. Stakeholders Relationship Committee

The composition, role terms of reference as well as powers of the Stakeholders Relationship Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013.

Composition:

The Board, in compliance with the requirements of Section 178 of the Companies Act, 2013, renamed the Investors' / Shareholders' Grievance Committee as "Stakeholders Relationship Committee" and also changed its constitution effective May 28, 2014.

The Committee comprises of 2 Independent Directors, 1 Executive Director.

Shankar Khasnis (Chairman)

Dr. D.J.Reddy

Mr.K.S.Shiva Kumar,

Scope:

The Board at its meeting held on May 30, 2014, revised the terms of reference of the Committee to meet with the requirements of the Companies Act, 2013.

The revised and enhanced scope of the Committee is as follows:

- To respond to the grievances in general and relating to transfer, transmission and transportation of shares, non-receipt of declared dividends, interest, non-receipt of balance sheet, duplicate share certificate, etc. of all shareholders in a time bound manner;
- To monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels for shareholders;
- To ensure quick redressal of the complaints of all shareholders;
- To maintain cordial relations with the shareholders and other security holders;
- To address such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee;
- To monitor the number of grievances received, resolved or pending at the end of the quarter.

Meetings:

During the period under review the Committee met 3 times on the following dates: August 9 2013, November 12, 2013 and February 14, 2014

Summary of Grievances:

The company did not receive any complaints from shareholders/ Investors during the period 1st April 2013 to 31st March 2014.

As on March 31, 2014, there were no pending share transfers,

6. General Body Meetings:

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

Year	Location	Date	Time
2010-11	Belsons Taj Mahal Hotel, IV Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad. 500003	30.09.2012	10.00 A.M.
2011-12	Belsons Taj Mahal Hotel, IV Floor, 82, Main Guard Road, Behind MCH Swimming Pool, Secunderabad. 500003	30.09.2013	10.00 A.M
2012-13	Hotel TAJ TRISTAR, at "SAFFRON", 1-1-40, Seven Hills, Sarojini Devi Road. Secunderabad. 500003	30.09.2011	10.00 A.M

7. Disclosures:

- There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the period under review, that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 41 forming part of the Accounts in this Annual Report.
- Pursuant to the disclosures received from the Senior Management Personnel of the company to the Board, there were no material, financial and commercial transaction, which could have potential conflict with the interest of the company at large.
- There were no instances of non compliance by the company, no penalties/ strictures imposed on the company by the stock exchange or SEBI or any statutory authority on any matters related to the capital markets during the last 3 financial years
- In terms of requirements of Clause 49 (V) of the listing Agreement, the MANAGING Director (CEO) and Chief Financial Officer (CFO) have made a certification to the board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board.
- The Board of Directors of the Company has a Code of Business Conduct which lays down various principles of ethics and compliance. The Code has been posted on the Company's website.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

Compliance with Non Mandatory requirements;

- The code of Business conduct adopted by the Company provides a mechanism for employees to report to the Management about unethical behavior, actual or suspected fraud or violation of the Code, Copies of the Code are provided to each employee and also available on the Company's intranet site.
- There is no audit qualification in the Company's financial statement for 12 period ended on March 31, 2014. The Company continues to adopt best practices to ensure the regime of unqualified financial statements. However the comments in the CARO Report have been explained elsewhere in the directors report.

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 : 30-09-2014 Time: 10.00 A.M. Venue: Hotel Taj Tristar, “SAFFRON”, 1-1-40, Seven Hills, Sarojini Devi Road. Secunderabad. 500003
Financial Calendar	:	01.04.2013 to 31.03.2014
Date of Book Closure	:	25-09-2014 To 30-09-2014 (Both days inclusive)
Listing on Stock Exchanges	:	1. The Bombay Stock Exchange Limited 2. The Bangalore Stock Exchange Limited 3. Luxembourg Stock Exchange
Stock Code	:	532271 on BSE

Market Price Date:

Month	High -Price`	Low-Price
Apr-13	0.63	0.48
May-13	0.90	0.60
Jun-13	0.74	0.53
Jul-13	0.69	0.51
Aug-13	0.72	0.49
Sep-13	0.59	0.49
Oct-13	0.67	0.50
Nov-13	0.81	0.54
Dec-13	0.73	0.54
Jan-14	0.79	0.57
Feb-14	0.70	0.57
Mar-14	0.65	0.50

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@aarathiconsultants.com
url:www.aarathiconsultants.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 2014 was as follows:

Category	No of Shares	Percentage
Promoters	1,07,23,713	14.80
Financial Institutions & Banks	200	--
FII's/ FCBs	--	--
Bodies Corporate	33,66,217	4.65
NRIs	28,25,593	3.90
Overseas Corporate Bodies	15,300	0.02
Trusts	100	--
Clearing Members	8,33,273	1.15
Resident Individuals	5,46,77,566	75.48
Total	7,24,41,962	100.00

Dematerialization of shares as on 31.03.2014:

Particulars	Number of Shares	% of Share Capital
CDSL	1,87,79,414	25.92
NSDL	5,30,61,084	73.24
PHYSICAL	6,01,464	0.83
TOTAL	7,24,41,962	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.

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, 2014 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, 2014 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.



P.C.PANTULU
MANAGING DIRECTOR & CEO

Place: Hyderabad

Date: 30.05.2014



P.CHANDRA SEKHAR
DIRECTOR FINANCE & CFO

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 31.03.2014 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.

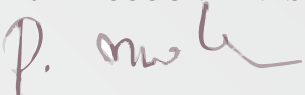
**For P. MURALI & CO.,
CHARTERED ACCOUNTANTS**

FRN NO: 007257S

DATE: 30th May 2014

PLACE: Hyderabad

M.No.23412



**P.MURALI MOHANA RAO
PARTNER**

Independent Auditor's Report

To the Members of **CYBERMATE INFOTEK LIMITED**

Report on the Financial Statements:

We have audited the accompanying financial statements of CYBERMATE INFOTEK LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section(3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

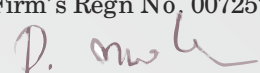
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- © In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section(3C) of Section 211 of the Companies Act, 1956 ('the Act') read with the General circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Hyderabad

Date: 30.05.2014

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

P. Murali Mohana Rao
Partner
Membership No. 023412

ANNEXURE TO THE AUDITORS' REPORT

- I.** (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year,
- II.** The Company is a service company, rendering software related services. The Company's products, prima-facie, include developed software product. The inventory of software work-in-progress, being intangible, could not be physically verified; hence this clause is not applicable.
- III.** (a) The Company has granted advances to Parties covered in the register maintained U/ s. 301 of the Companies Act, 1956, and the year end balance of advances to such parties was Rs. 63,41,862/-
- (b) In our opinion terms and conditions on which advances have been granted to parties listed in the register maintained under section 301 is not prejudicial to the interest of company.
- (c) According to the information and explanation given to us, no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount does not arise.
- (d) There is no overdue amount in excess of Rs. 1 Lakh in respect of advances granted to parties covered under section 301 of the Companies Act, 1956 since repayment schedule is not stipulated.
- (e) The Company has taken advances/ loans from the parties covered in the register maintained U/ s.301 of the Companies Act, 1956 and the balance amount outstanding as on the last day of the financial year is Rs.3,37,88,158/-.
- (f) According to the information and explanation given to us, the interest & other terms and conditions on which advances have been taken from parties listed in the register maintained under section 301 were not prima facie prejudicial to the interest of company.
- IV.** In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to software development services and fixed assets. 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 explanation 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 does not arise.
- 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 regard 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 Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has 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 (I) of section 209 of the Companies Act, 1956.
- IX.** a) The Company is not regular in depositing statutory dues with the appropriate authorities and at the end of the financial year the following amounts were outstanding from the date they became payable :

Nature of Due	Amount`.
VAT payable	1,34,948
TDS payable	12,37,780

b) According to the information and explanations given to us, there are disputed amounts which are payable in respect of Income Tax which are outstanding for more than 6 months from the date they became payable.


Name of the Statute	Assessment year	Amount `.	Forum where dispute is pending
Income Tax	2009-10	6,43,94,600	ITAT, Hyderabad
Income Tax	2011-12	1,70,34,842	CIT - Appeals

- X.** The Company has been registered for a period of not less than 5 years, and there are 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 2014	Amount ₹.
Dewan Housing Finance Limited	2,43,64,956

- 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 provisions 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 and 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.
- XVI.** The Company has not obtained any Term Loan during the previous year and hence the clause of whether the long term proceeds is utilized for the purpose of short term or not, does not arise and hence this clause is not applicable.
- XVII.** According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII.** According to the information and explanations given to us, the Company has made preferential allotment of 9,90,000 Shares to parties covered in the Register maintained under section 301 of the Companies Act, 1956 amounting to Rs.9,90,00,000. The price at which shares have been issued is not prejudicial to the interest of the Company.
- XIX.** According to the information and explanations given to us, the company does not have any 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 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.

Place: Hyderabad
DATE: 30-05-2014

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

P.Murali Mohana Rao
Partner
Membership No. 023412

BALANCE SHEET as at 31st March 2014

BALANCE SHEET As at 31st MARCH, 2014

	Note		2014 ₹	2013 ₹
EQUITY AND LIABILITIES				
SHAREHOLDERS FUNDS				
Share Capital	2		724,419,620	625,419,620
Reserves and Surplus	3		405,298,376	405,038,504
			1,129,717,996	1,030,458,124
Share application money pending allotment	4		-	99,000,000
			1,129,717,996	1,129,458,124
NON-CURRENT LIABILITIES				
Long-Term borrowings	5		24,364,956	30,763,297
Deferred Tax Liabilities (Net)	6		10,236,095	11,259,874
			34,601,051	42,023,171
CURRENT LIABILITIES				
Short-term borrowings	7		8,493,319	
Trade Payables	8		25,218,133	34,293,540
Other current liabilities	9		45,728,982	12,112,405
Short-term provisions	10		7,217,197	8,623,807
			86,657,631	55,551,132
Total			1,250,976,679	1,227,032,427
ASSETS				
NON CURRENT ASSETS				
Fixed Assets				
Tangible Assets	11		36,745,937	23,778,422
Intangible Assets	12		36,439,134	38,403,500
Capital work-in-progress			356,892,745	367,399,890
			430,077,815	429,581,812
NON--CURRENT INVESTMENTS	13		156,715,915	208,921,219
Other Non-Current Assets	14		16,967,359	22,623,146
			603,761,089	661,126,177
CURRENT ASSETS				
Current Investments	15		31,372	34,435
Inventories	16		263,036,500	267,886,500
Trade Receivables	17		356,447,879	270,792,509
Cash and Bank Balances	18		217,510	2,775,831
Short-term loans and advances	19		27,482,328	24,416,975
			647,215,589	565,906,250
Total			1,250,976,679	1,227,032,427

Summary of Significant Accounting Policies

1

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

P. Murali
P.Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date : 30th May 2014

For and on behalf of the Board

P.C. Pantulu *K.S. Shiva Kumar*
P.C Pantulu K.S.Shiva Kumar
Managing Director Director

P. Chandra Sekhar
P.Chandra Sekhar
Director
Place: Hyderabad
Date : 30th May 2014

Statement of Profit and Loss for the Year Ended 31st March 2014

	Note	2014	2013
		₹	₹
Revenue from operations			
Software development and allied services		18,360,605	27,762,926
Product revenue		3,385,715	87,220
Finders Fee		78,683,443	96,123,454
		100,429,763	123,973,600
Other income		1,195,769	7,289,327
Total revenue		101,625,532	131,262,926
Expenses			
Purchases of network and Security products	20	873,552	-
Increase/ Decrease in inventories	21	4,850,000	-
Employee Benefit Expenses	22	7,441,970	31,832,103
Other Expenses	23	67,684,334	65,733,838
Depreciation and Amortization Expenses	11&12	14,009,650	25,567,187
Finance costs	24	6,389,945	7,551,266
Total expenses		101,249,451	130,684,394
PROFIT BEFORE TAXATION		376,081	578,532
Tax Expense:			
Current tax		1,139,988	6,077,208
Deferred tax()		(1,023,779)	6,089,180)
PROFIT AFTER TAXATION		259,872	590,504

Summary of Significant Accounting Policies

1

The Accompanying Notes are an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE

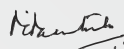
For. P.Murali & Co.,
Firm Regn. No. 007257S
Chartered Accountants



P,Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad

For and on behalf of the Board



P.C Pantulu
Managing Director



P.Chandra Sekhar

Director

Place: Hyderabad



K.S.Shiva Kumar
Director

Cash Flow Statement For The Year Ended 31st March 2014

Particulars	Current Year Amount in ₹	Previous Year Amount in ₹
A. Cash Flow from Operating Activities:		
Profit before taxation	376,081	578,532
Adjustments for :-		
Depreciation	14,009,650	25,567,187
Interest Expense	6,109,068	7,352,966
Amortisation of Product Development Cost	5,655,787	5,655,787
Diminution in value of investment	52,208,367	52,205,305
Interest Income	(17,614)	
Dividend Income	(2,581)	
Operating Profit before working capital changes	78,338,758	91,359,777
(Increase) / Decrease in Inventory	4,850,000	-
(Increase) / Decrease in Trade Receivables	(85,655,369)	(96,036,509)
(Increase) / Decrease in Short Term Loans and Advances	(3,065,353)	6,915,684
Increase / (Decrease) in Trade Payables	(9,075,407)	6,903,057
Increase / (Decrease) in Other Current Liabilities	33,616,577	8,407,708
Increase / (Decrease) in Short Term Provisions	(2,546,598)	2,546,599
Cash generated from Operations	16,462,607	20,096,317
Taxes Paid	-	-
Net Cash Generated from Operating activities (A)	16,462,607	20,096,317
B. Cash Flow from Investing Activities :		
Purchase of tangible assets/ intangible assets (net) including transfer from CWIP	(25,092,799)	-
Sale of Fixed Assets	80,000	
Decrease in Capital Work In Progress	10,507,145	
Interest Income	17,614	
Dividend Income	2,581	
(Increase) in Current Investments	(34,435)	
Net Cash Flow from Investing Activities (B)	(14,485,459)	(34,435)
C. Cash Flow from Financing Activities :		
Repayment of Long Term Loans	(6,398,341)	(4,155,188)
Increase in Short Term Borrowings	7,971,940	(6,478,621)
Interest Paid	(6,109,068)	(7,352,966)
Net Cash from Financing Activities (C)	(4,535,469)	(17,986,775)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,558,320)	2,075,107
Cash & Cash Equivalents at the beginning of the year	2,775,830	700,724
Cash & Cash Equivalents at the end of the year	217,510	2,775,830

Notes

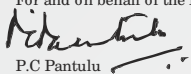
- 1.The Accompanying Notes are an Integral part of the Financial Statements
- 2.The above Cash Flow Statement has been prepared under indirect method as set out in AS 3 issued by ICAI
3. Previous Year figures have been regrouped and rearranged where ever necessary to conform to this year's classification
4. Cash and Cash Equivalents Comprise


Cash on hand	1000	22,297
Balances with Banks	216,510	2,753,534
	<u>217,510</u>	<u>2,775,831</u>

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

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date : 30th May 2014

For and on behalf of the Board

P.C Pantulu
Managing Director


P.Chandra Sekhar
Director
Place: Hyderabad
Date : 30th May 2014


K.S.Shiva Kumar
Director

Significant Accounting Policies

1. Basis of Preparation:

The financial statements are prepared in accordance with generally accepted principles under the historical cost convention on the accrual basis with exception to insurance claims, export incentives, interest on calls in arrears and interest on overdue receivables which are accounted for on cash basis, and applicable accounting standards notified under Section 211(3C), Companies (Accounting Standards) Rules 2006, as amended, and other relevant provisions of the Companies Act 1956.

All the assets and liabilities have been classified as Current or Non Current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act 1956.

2. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Revenue Recognition:

Revenue from software development and allied services comprises of revenues earned from time and material and fixed price contracts. Revenue from time and material contracts is recognized as the related services are performed. Revenue from fixed price contracts are recognized using the proportionate completion method of accounting.

Revenue from the sale of user licenses for software applications is recognized on transfer of title in the user license.

Revenue from resale of network and security products and related third party maintenance contracts are recognized upon despatch..

4. Tangible Fixed Assets:

Tangible assets are stated at acquisition cost less depreciation. Cost of tangible assets comprises purchase price, duties, levies and other directly attributable costs of bringing the asset to its working condition less CENVAT credit.

Capital Work-in-Progress includes the costs of Fixed Assets that are not ready for their intended use at the Balance Sheet Date.

Depreciation on Fixed Assets is provided on the Straight Line Method over their useful lives at rates prescribed in Schedule XIV of the Companies Act, 1956.

5. Intangible Assets:

An intangible asset is recognized when it is probable that future economic benefits attributable to the assets will flow to the enterprise and where its costs can be reliably measured.

The estimated useful life and rates of depreciation for various fixed assets are as follows:

Class of Asset	Useful Life	Depreciation
Intangible Assets	10 years	10%
Web Development	4 years	25%

6. Investments:

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long – term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

7. Inventories:

Software products/ projects in process are stated at cost.

8. Employee Benefits:

Contribution to provident and other funds accruing during the accounting period are charged to the Statement of Profit and Loss. Provision for liabilities in respect of gratuity are accrued and provided at the end of each accounting period.

9. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the yearend are restarted at year-end rates. In case of items which are covered by Forward Exchange contracts the difference and the premium paid on forward contracts is recognized over the life of the contract.

Non Monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the profit and loss account.

10. Taxes on Income:

The provision for taxation is based on the assessable profits determined under the Income Tax Act, 1961. Deferred tax is accounted for by computing tax effect of timing differences, which arose during the year and is reversed in subsequent periods.

11. Earnings per Share:

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

12. Impairment of Assets:

The company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

13. Provisions, Contingent Liabilities and Contingent Assets:

Probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of the resources is remote, no provision or disclosure is made.

Notes to Financial Statements for the Year ended 31st March, 2014

2. Share Capital

		2014		2013	
		₹		₹	
	Authorised 8,50,00,000(previous year: 8,50,00,000) Equity shares of Rs.10 each)			850,000,000	850,000,000
	Issued,Subscribed and fully paid up 7,24,41,962(previous year: 6,25,41,962) Equity shares of Rs.10 each fully paid up -				-
				724,419,620	625,419,620
				724,419,620	625,419,620
a	Reconciliation of the shares at the beginning and at the end of the year At the Beginning of the year Add: shares issued for cash Outstanding at the end of the year	2014 Nos Rs 62541962 62541962 990000 9900000 72441962 62541962	2013 Nos Rs 625419620 625419620 - - 724419620 625419620		
b	Terms/ Rights attached to Equity shares The Company has only one class of equity shares having a par value of Rs.10 per share.Each holder of equity shares is entitled to one vote per share. In the event of Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.				
c	Details of Shares held by shareholders holding more than 5% shares of the aggregate shares in the company:				
	Mr.P.C.Pantulu	2014 Nos 9315820	% 12.86	2013 Nos ----	% ----

3 Reserves and Surplus

	2014	2013
	₹	₹
Securities Premium Account	85,710,000	85,710,000
General Reserve	35,006,187	35,006,187
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	284,322,317	283,731,813
Add: Profit for the year	259,872	590,504
Balance as at the end of the year	284,582,189	284,322,317
	405,298,376	405,038,504

4 Share Application pending allotment

	2014	2013
	₹	₹
Share Application Money	-	99,000,000
During the year the company has received in-principle approval for preferential allotment of 99,00,000 Equity Shares of Rs.10/- each to the promoters of the company from BSE Limited on 30th April 2013 and accordingly 99,00,000 equity shares of Rs.10/- each have been allotted on 4th May 2013.		
	-	99,000,000

5 Borrowings

	2014	2013
	₹	₹
Secured		
Long term borrowings	-	8,310,006
Term Loan from Bank		
Term Loan from Finance Company	24,364,956	22,453,291
	24,364,956	30,763,297

5.1. Rupee Lease Rental Finance from Finance Company is secured by assignment of Rent Receivables, and secured collaterally by a first charge on the immovable property of the Company.

6. Deferred Tax Liability

	2014	2013
	₹	₹
Deferred tax Liability		
Difference between book depreciation and Tax depreciation	11,259,874	17,349,054
Deferred Tax Asset		
Difference between book depreciation and Tax depreciation	1,023,779	6,089,180
	10,236,095	11,259,874

7. Short Term Borrowings

	2014	2013
	₹	₹
Short term borrowings		
From Related parties	8,493,319	521,379
From Others		
	8,493,319	521,379

8. Trade Payables

	2014	2013
	₹	₹
Dues to Micro and Small enterprises	-	-
Dues to other than Micro and small enterprises	25,218,133	34,293,540
	25,218,133	34,293,540

8.1. The Company has compiled the information of dues to Micro and small enterprises based on the possession of this information with the company as on date.

9. Other Current Liabilities

	2014	2013
	₹	₹
a) Other Payables	45,728,982	12,112,405
Accrued Salaries and Benefits Rs.155 Lacs		
Withholding and Other Taxes Rs.24.29 Lacs		
Advances from Others Rs. 277 Lacs		
Other Payables Rs.0.99 Lacs		
	45,728,982	12,112,405

10. Short Term Provisions

Particulars	2014	2013
	₹	₹
Taxation Net of Payments	7,217,197	8,623,807
	7,217,197	8,623,807

11 Tangible Assets

Assets	Gross Block					Depreciation/Amortization					Net Block as on 31.03.2014	Net Block as on 31.03.2013	
	As on 01.04.2013	Additions during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2014	Rate of Depreciation	Dep. As on 01.04.2013	Dep. For the Period	Impairment Loss / Reversal of Impairment Loss for the Year			Total Depreciation
Tangible Assets													
Buildings	2,41,31,497	-	-	-	-	2,41,31,497	1.63%	64,84,303	3,93,343	-	68,77,646	1,72,53,851	1,76,47,194
Electrical Equipment	53,13,777	-	-	-	-	53,13,777	7.07%	30,89,378	3,75,684	-	34,65,062	18,48,715	22,24,399
Office Equipment	18,70,453	-	-	-	-	18,70,453	6.33%	12,06,253	1,18,400	-	13,24,652	5,45,801	6,64,200
Computers	-	1,39,60,787	-	-	80,000	1,38,80,787	16.21%	-	-	-	-	1,38,80,787	-
Furniture	93,66,547	15,18,000	-	-	-	1,08,84,547	6.33%	61,23,919	6,00,910	-	67,24,829	41,59,718	32,42,628
TOTAL	4,06,82,274	1,54,78,787	-	-	80,000	5,60,81,061	0.38	1,69,03,852	14,88,337	-	1,83,92,189	3,76,88,872	2,37,78,422
Previous year	8,55,16,968	-	-	-	-	8,55,16,968		5,89,67,057	27,71,488	-	6,17,38,545	2,37,78,424	2,65,49,910

12 Intangible Assets

Intangible Assets	Gross Block					Rate of Depreciation	Depreciation/Amortization				Net Block as on 31.03.2014	Net Block as on 31.03.2013
	As on 01.04.2013	Additions during the year	Additions through	Capitalised during the	Sale/ Deletions		Dep. As on 01.04.2013	Dep. For the Period	Impairment Loss / Reversal of	Total Depreciation		
Software	11,17,77,945	96,14,012	-	-	-	10.00%	7,33,74,445	-	-	7,33,74,445	4,80,17,512	3,84,03,500
TOTAL	11,17,77,945	96,14,012	-	-	-	-	7,33,74,445	-	-	7,33,74,445	4,80,17,512	3,84,03,500
Previous year	23,13,22,161	-	-	-	-		17,01,22,963	2,27,95,699	-	19,29,18,662	3,84,03,500	6,11,99,199

13. Investments

Particulars	2014	2013
	₹	₹
Non- Current Investments		
Non-Trade: In Equity instruments		
Of Subsidiaries-Unquoted		
i) Cybermate Infotek Limited Inc.USA		
5000 Equity Shares of USD 1 each and Share Application Money Pending Allotment	131,065,009	174,753,345
ii) Cybermate Infotek Ltd FZE.		
5000 equity shares of USD 1 each and Share Application Money Pending Allotment	25,550,906	34,067,874
Of other companies-unquoted	156,615,915	208,821,219
- Twin Cities Investments and Finances Ltd		
10,000 equity shares of Rs.10/- each	100,000	100,000
	156,715,915	208,921,219

14. Other Non-Current Assets

Particulars	2014	2013
	₹	₹
Unamortised Product Development Expenses	16,967,359	22,623,146
	16,967,359	22,623,146

15. Current Investments

	2014	2013
	₹	₹
Trade-Equity instruments		
Of other companies-Quoted		
Tech Mahindra Ltd(5 equity shares of Rs.10/-each)	5,900	5,900
HCL Infosystems Ltd (100 Equity Shares of Rs. 2/- each)	3,665	3,665
Syndicate Bank Ltd (100 Equity Shares of Rs.10/- each)	10,112	13,175
HCL Technologies Ltd 10 Equity Shares of Rs.2/- each)	6,726	6,726
APTECH LTD (25 Equity Shares of Rs.2/- each)	1,941	1,941
ITC Ltd (10 Equity Shares of Rs.1/- each)	3,028	3,028
	31,372	34,435
Total investments		
a. Aggregate amount of quoted investments	31,372	34,435
b. Aggregate amount of unquoted investments	156,715,915	208,921,219
	156,747,287	208,955,654

Note 16 : Inventories

	2014	2013
	₹	₹
Software Products under development	263,036,500	267,886,500
Total	263,036,500	67,886,500

Note 17 : Trade Receivables

Particulars	2014	2013
	₹	₹
I Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	229,995,478	-
Other Receivables:		
Unsecured, Considered Good	126,452,400	270,792,509
	356,447,879	270,792,509

Note 18 : CASH AND BANK BALANCES

	2014	2013
	₹	₹
a) Balances with banks :		
1) On Current Accounts	124,482	69,071
2) On Fixed Deposit Accounts	92,028	2,684,463
b) Cash on hand	1,000	22,297
	217,510	2,775,831

Note 19 : Short term Loans and Advances

	2014	2013
	₹	₹
Advances Recoverable in cash or kind	16,050,030	13,024,222
Inter Corporate Deposits	10,522,643	10,522,643
Deposits with others	640,965	615,110
Tax deducted at source	268,690	255,000
	27,482,328	24,416,975

20 Purchases

	2014	2013
	₹	₹
Purchase of Components	873,551.58	-
	873,551.58	-

21 Change in Inventories

	2014	2013
	₹	₹
Software Products under development		
Product Development Cost at the beginning of the year	267,886,500	267,886,500
Less : Product Development Cost at the end of the year	263,036,500	267,886,500
(Increase) / Decrease in Inventories	4,850,000	-

22 : Employee Benefit Expenses

	2014	2013
	₹	₹
Salaries & Wages	7,261,421	31,832,103
Contribution to Provident Fund	42,024	-
Staff Welfare Expenses	138,525	-
Total Employee Benefit Expenses	7,441,970	31,832,103

23 : Administrative & Other Operating Expenses

	2014	2013
	₹	₹
Telephone, Postage and Others	123,463	197,597
Business Promotion Expenses	121,832	33,055
Travelling & Conveyance	440,215	696,961
Office Maintenance	2,694,796	806,292
Printing & Stationery Expenses	99,820	105,749
Security Charges	-	77,449
Rent	810,000	660,000
Managerial Remuneration	3,540,000	,540,000
Electricity & Water	407,055	350,549
RTA & Secretarial Expenses	504,995	529,523
Professional Consultancy fee	613,600	73,875
Board Meeting Expenses	25,215	-
Amortisation of Product Development	5,655,787	,655,787
AGM Expenses	31,750	26,700
Insurance	69,868	17,869
Auditors Remuneration	200,000	200,000
Bank Charges	112,322	47,821
Investment Written off	52,208,367	52,205,305
Donation	201	-
Prior Period Expenses	25,047	309,306
Total Administrative Expenses	67,684,334	65,733,838

24 : Finance Costs

S. No.	Particulars	2014	2013
		₹	₹
	(a) Interest Expenses :		
	- Interest on secured Loans	6,109,068	7,352,966
	- Interest - Others	280,877	198,300
	Total Finance Cost	6,389,945	7,551,266

Notes to Accounts

25. Investment Written off

The company is 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.

26. Inter Corporate Deposits.

The balances lying in Inter corporate Deposits have not been recovered for a long period.

The company has filed a winding up petition and also criminal proceedings on one corporate. The Hon'ble High Court of Andhra Pradesh has ordered for the winding up of the corporate.

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.

27. 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.

28. 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 and Cybermate Infotek Ltd F.Z.E at U.A.E. The operations of the Subsidiary in U.S.A. remained dormant since the year 2002. Further, in respect of the subsidiary in UAE no business has been conducted since its inception. In view of the above the preparation and presentation of consolidated financial statements could not be made.

29. Segment Reporting

In accordance with the requirement of AS-17 on Segment reporting, the company has determined its business segment as Computer Software Services. Power Division is yet to commence operations. Since all of the company's business is from computer software services, there are no other primary reportable segments. Thus the segment revenue , segment result , total carrying amount of segment liabilities, total cost incurred to acquire segment assets , the total amount of charge for depreciation during the year are all reflected in the financial statement of and for the year ended 31st March 2014.

There are no secondary reportable segments (Geographical Segments) since most of the turnover is from outside India.

30. The company has overdue receivables in convertible foreign exchange. The Company has not restated these balances at the balance sheet date as per AS-11-The Effects of Changes in Foreign Exchange Rates since the company intends to recognize gain/ loss on these receivable only on actual realization since these balances are overdue.

31 : Earning Per Share(EPS)

S. No	Particulars	2014	2013
		₹	₹
(a)	Profits attributable to equity shareholders	259,872	590,504
b)	Weighted Average No . Of Equity Shares outstanding during the year for calculating Basic and Diluted EPS (Nos)	72,441,962	62,541,962
	Basic & Diluted EPS (Rs.)	0.004	0.009

32 : Related Party Disclosures

Parties where Control Exists

(a) Wholly Owned Subsidiaries

Cybermate Infotek Ltd Inc

Cybermate Infotek Ltd FZE

(b) Parties having control (directly or indirectly)

Orchasp Energy (P) Ltd

Orchasp Securities (P) Ltd

CIL Infoserve Ltd

Kanti Rekha Power Ltd

II. Key Management Personnel

Mr.P.C.Pantulu - Managing Director

Mr.K.S.Shiva Kumar - Director

Mr.P.Chandra Sekhar - Director

III. Relatives of Key Management Personnel

Mrs.P.Rajeswari, Wife of P.C.Pantulu

Mrs.K.Sirisha, Wife of Mr.P.Chandra Sekhar

Mrs.Sirisha Pattapurathi, Daughter of Mr.P.C.Pantulu

Volume of transactions during the year

Aggregated Related party Disclosures					₹. In Lacs
Nature of Transaction	Associate	Key Management Personnel	Relatives of Key Management Personnel	Enterprises controlled by relatives of Key Management Personnel	Total
Remuneration	-	35.40 (35.40)	-	-	35.40 (35.40)
Advances/ Loans/ ICDs Received	- (5.21)	296.40 (NIL)	34.01 (117.32)	0.07 (5.21)	330.41
Advances/ Loans/ ICDs Repaid	-	8.56 (NIL)	13.14 (NIL)	20.45 (NIL)	42.15 (NIL)
Balances Outstanding as on 31-03-2014					
Receivable	-	0.41 (0.60)	64.09	64.51 (70.66)	(71.26)
Payable	-	425.38 (101.57)		NIL (117.32)	425.38 (218.89)

33 : Payments to Auditor

	Particulars	2014	2013
		₹	₹
	As Auditor		
	For Statutory Audit	150,000	150,000
	For Tax Audit	25,000	25,000
	For Limited Review	25,000	25,000
	Total	200,000	200,000

34 : Expenditure in Foreign Currency

	Particulars	2014	2013
		₹ In Lacs	₹ In Lacs
	Travel	-	0.05
	Others	-	-
	Total	-	0.05

35 : Earnings in Foreign Currency

	Particulars	2014	2013
		₹ In Lacs	₹ In Lacs
	Export Earnings	50.48	214.83
		-	-
	Total	50.48	214.83

36 : Contingent Liabilities

a

Income Tax Matters on which the company is in appeal

b Bank Guarantee in favour of Assistant Commissioner of Customs for a CPWB warehouse license.

2014	2013
₹ In Lacs	₹ In Lacs
814.28	643.94

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

38. Previous year figures have been regrouped and rearranged wherever necessary to conform to this years' classification.

AS PER OUR REPORT OF EVEN DATE

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

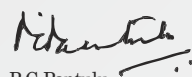


P.Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad

Date : 30th May 2014

For and on behalf of the Board



P.C Pantulu
Managing Director



P.Chandra Sekhar
Director

Place: Hyderabad

Date : 30th May 2014



K.S.Shiva Kumar
Director



CIN : L72200TG1994PLC017485

Regd. Office : Plot No 4 ,Rail Enclave, Sikh Road, Boinpally, Secunderabad. – 500 009

PROXY FORM

Folio No.: _____

I/ We..... of.....in the
district ofbeing a Member/ Members of the above named Company,
hereby appoint Mr/ Mrs/ Kum.....in the
District ofas my/ our proxy to attend and vote for me/ us on my/ our
behalf at the 20th Annual General Meeting of the Company to be held on Tuesday the 30th September 2014 at 10.00 am at HOTEL TAJTRISTAR, AT
“SAFFRON”, 1-1-40, SEVEN HILLS, SARAJINI DEVI ROAD. SECUNDERABAD. 500003, A.P, India, and at any adjournment thereof.

Signed _____ this ____ day of _____ 2013

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 No. 4, Rail Enclave, Sikh Road, Bowenpally, Secunderabad - 500015, Telangana, INDIA.. Not less than 48 Hrs. before the time for holding the meeting. A proxy need not be Member.



CIN : L72200TG1994PLC017485

Regd. Office : Plot No 4 ,Rail Enclave, Sikh Road, Boinpally, Secunderabad. – 500 009

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting of the Company to be held on Tuesday the 30th September 2014 at 10.00 am at HOTEL TAJTRISTAR, AT “SAFFRON”, 1-1-40, SEVEN HILLS, SARAJINI DEVI ROAD. SECUNDERABAD. 500003, A.P, India

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)

Resolution No	Matter of Resolution	For	Against
1	To Consider and adopt the Audited Balance Sheet as at 31st March 2014 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.		
2	To Consider and adopt the resolution appointing Sri Pawan Kumar Kasera, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment		
3	To Consider and adopt the resolution appointing Sri Koteswara Rao Kanamarlapudi, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment		
4	To Consider and adopt the resolution appointing M/ s P.MURALI & CO, Chartered Accountants, Hyderabad 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		

Signed thisday of2014

Signature _____

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