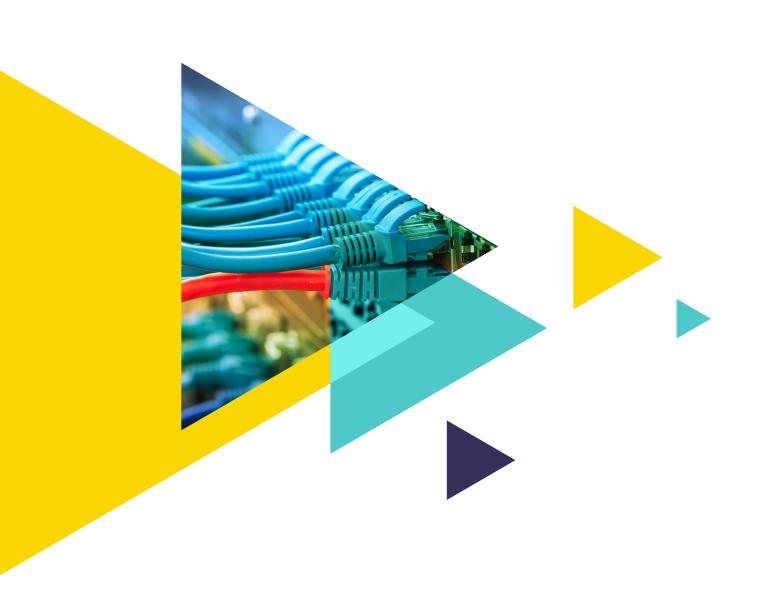




## **23<sup>RD</sup> ANNUAL REPORT** 2016-2017







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#### BOARD OF DIRECTORS





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#### Mr. P.C. Pantulu (DIN 01583136) Promoter, Chairman, Managing Director, CEO Committee Membership:

- None

2

Mr. K.S. Shiva Kumar (DIN 02103299) Promoter, Director -Operations, COO Committee Membership: - None 3

Mr. K. Koteswara Rao (DIN 06401491) Promoter, Non-Executive Director Committee Membership:

- Stakeholders Relationship Committee 4

Mr. P. Chandra Sekhar (DIN 01647212) Promoter, Director -Finance, CFO Committee Membership: - None

#### **BOARD OF DIRECTORS**











#### Mr. V. S. Roop Kumar (DIN 05317482) Independent Director Committee Membership:

- Audit Committee (Chairperson)
- Nomination and Remuneration Committee

#### Mr. B. Srinivasa Reddy (DIN 01384074) Independent Director

Committee Membership:

- Stakeholders Relationship Committee (Chairperson)
- Nomination and Remuneration Committee

#### Dr. D. Jayarami Reddy

(DIN 02079731) Independent Director Committee Membership:

- Audit Committee
- Stakeholders Relationship Committee



#### Ms C. Kamakshi Bharathi

(DIN 07144611) Independent Director Committee Membership:

- Nomination & Remuneration Committee (Chairperson)
- Audit Committee



# The smartest way to secure your health record!

Never let a missing health record become the last record of you. Subscribe to cyber1health to secure your health record!



#### FEATURES

(a)

**Secure:** Store all reports, prescriptions, etc. in a cloud database!



**Family Health Records:** Maintain health records of family members online, too!



**Cloud Service:** Access reports and records anytime, from anywhere!



**Share:** Share reports with doctors by mail or through the app - all it takes is a few seconds!



**24 x 7 x 365 support:** Access electronic health records anytime with no disruption whatsoever!

Cyber1health is the smartest solution that one can use to upload and maintain your personal health records online!

www.cyber1health.com



## Welcome to the future of logistics!

The fully integrated, automated transportation exchange connecting carriers, brokers and shippers to move and track freight in real-time.











**Business:** For operator, national carrier or private fleets.

**Truckload shipping:** For companies who ship a large amount of their products. Full, half and parcel truckloads, all available!

**Transport Vendor Scorecard:** Customized data mining helps pick the BEST partners according to customer performance scorecards!

**Online Booking:** Integrated with the complete transportation management process, Bharat Cargo eliminates time wasted in the entire transportation process!

**GPS Tracking:** The logistics site offers real-time mapping and on-time status reporting of cargo.





## Complete Hospital Information Solution

Meant for mid-size hospitals, aimed towards the reduction of work and increased productivity.



**Front Office** - the first point of interaction for anybody coming to the hospital! Contains data about patients, doctors, departments and services offered.

**Investigation -** provides details of all the investigations carried out for In-patients and Out-patients.

**Billing -** provides detailed billing of In-paitent and Outpatient services.

**Ward Management** - takes care of lab and drug requisitions, critical care readings, ICU orders and reviews of patients.

**Administration** - includes information about rooms, tariffs, critical care equipment, packages and administrative facilities.

**Pharmacy -** deals with the sales and issue of medicine to patients.

**Accounts -** includes financial setup, groups, ledgers, vouchers, trail balance, profit and loss accounts, balance sheet, journal report, cashbook, sales register, debit and credit notes.

**HRMS** - used for overall resource management, like employee details, payroll, and departments.

**Marketing -** takes care of reference doctors, corporate marketing and advertising

**EDP** - exclusively for granting privileges to the employees in the different departments.

HMS by Cybermate Infotek enables the customer to achieve greater productivity, reduce costs and even increase profitability! It also helps decision makers to be more proactive with market dynamics.



## Online Indian Handicrafts Store

Ethnic Indian handicrafts... from the hands of the maker to the collector.



India's diverse art and culture finds distinctive expression in a wide range of handicrafts. Indycrafts provides a virtual platform for creative craftsmen of such artwork to directly connect with buyers around the world online. As an online store for Indian handicrafts we aim to empower local artists and craftsmen, globalize their reach, and provide buyers an experience of unique and exquisite art.

#### **IT OFFERINGS**



#### Heal Soft (HMS)

A complete Enterprise Hospital Management Software Suite (18 modules) for Clinics, Small, Medium and Large Hospitals at multi locations in multiple technologies which can be integrated to an ERP.



#### **PMS**

A complete web based application for the automation of Payroll Process.



#### **Purchase and Contract Management**

A specialized application for vendor management which facilitates procurement specification through tender processes and contract execution.



#### **HRMS**

An application to cater to the Human Resource record maintenance of multi Geographical operations of Public Sector Units



#### **Electronic Health Record (EHR)**

An Electronic Health Record is a digital version of a patient's medical records.



#### **Document Management System (DMS)**

Work flow application for paperless operations for Note generation, Correspondence, Approval and Archival for Government Departments.



#### E-Billing

A highly technical product to facilitate enterprise billing for power generation units.



#### **Asset Management Application (AMS)**

An application for tracking the location, operation and movement of active and passive components of remote assets.



#### **RCMS**

A comprehensive retail & wholesale distribution management software package, uniquely designed to suite a single outlet or a multiple / chain of retail stores viz., Super markets and the likes



#### **Cinfotek CARDS**

A complete print order management solution for the print industry.



#### **Corporate Information System (CIS)**

An intranet application of project management for handling project documentation, teams and resources, interact with employees.



#### **Top Access**

Comprehensive suite of solutions for Counter Top manufacturing & retail.



#### **eTearsheet**

Digital distribution of proof of publication of advertisements & tearsheet management.



#### Fleetplus

Realtime vehicle monitoring & fleet management in companies with large fleets.



#### **EZDMS**

Simplified low cost Document Management System



#### Medrep

A product for Pharmaceutical companies to manage & communicate the effectiveness of the medical representatives in the field.



#### **Content Management System (CMS)**

The Application, comprehensive content management software solution for publishing an online Business News Portal, Breaking News, Budget, Business Interviews or other information resource

#### INDUSTRY SOLUTIONS



#### **INSURANCE**

#### **Virtual Premium**

It is our constant endeavor to offer our clients in the tourism sector, a high quality portals. The scope of work encompasses the varied range of services including e-commerce, several downloadable applications, payment gateway and GIS services for effective Town mapping

#### **FINANCE**

Investor Communication: Configurable Solution to manage large volumes personalized investor account performance reporting Credit Card Management: This web based system provides integrated solution for registration of bank customers namely, Cardholder, Merchants, Marketing Agents, Recovery Agents.





#### **MANUFACTURING**

**Sales Commission Automation System (SCAS):** Is a Web-based solution, to simplify the commission calculation procedure of sales representatives. **Sugar ERP:** Provides a customizable ERP for the Sugar industries in India.

#### **TOURISM**

CIL provides a solution for a Client engaged in Travel and Tourism Domain.

The solution comprises a Tourism Web Portal facilitating global tourists to plan and book their tours on-line which include, air tickets, hotel accommodation, local transport, travel guide, visa regulations and other allied services through payment gateways





#### **EDUCATION**

**Pupilsoft:** Geared towards the US public schools the "scholastic incident reporting system" provides early signals of violence & other anti-social events that may occur in the schools.

**Online University Computer Shop:** A configurable B2C solution for Universities, sale of computers and accessories to students via a preferred reseller.

#### **BUSINESS PROCESS OUTSOURCING (BPO)**

CIL has set up operational processes for sales, support, procurement, accounting and compliance for telecom and vendor management for cargo/logistics businesses.



### REBUILD | REFORM | REINVENT

#### **PROFIT BEFORE TAX**



#### **PROFIT AFTER TAX**



#### **GROSS BLOCK**



#### **NET WORTH**



## RETURN ON CAPITAL EMPLOYED%



#### **EBITDA**



## MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



#### Dear Members,

On behalf of the Board of Cybermate Infotek Limited, I thank each of our stakeholders for having reposed confidence on the management of the Company through 'thick and thin' journey during the financial year 2016-17. Your faith and trust in the Company has given a scope for the Directors to put in their best abilities and steer the Company through better decisions.

FY2016-17 witnessed many disruptions in business across the globe due to protectionist stance in developed countries, geo political instability, continued weakening of commodity prices, currency fluctuations and recession in certain large market economies, thereby causing a general down trend in overall business scenario. Further, Indian business has witnessed several upheavals during the last fiscal, including a massive, first of its kind demonetization there by triggering a paradigm shift to Digital economy. However, your company had an exciting and growth oriented financial year as we could achieve close to 400% increase in revenue from operations compared to the last year. Your company is continuously working on the motto "Rebuild, Reform, & Reinvent" to meet the new business challenges in the evolving Digital world economy.

I assure all the stakeholders that your Company has always laid emphasis on honoring its statutory obligations and has followed all procedures, both statutory and mandatory in nature.

The Board of your company looks forward for your support in the coming years to enable us steer the company to the next level thereby making our relationship rewarding.

With warm regards & best wishes,

\_\_\_\_

P.C. Pantulu

Chairman and Managing Director



### NOTICE



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NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF CYBERMATE INFOTEK LIMITED WILL BE HELD ON MONDAY, THE 11TH SEPTEMBER, 2017 AT 10:00 A.M. AT MOKSH BANQUETS, 221, TIVOLI ROAD, SECUNDERABAD – 500 003, TELANGANA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

1.To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, the Profit and Loss Account for the year ended 31st March, 2017 together with Schedules and Notes attached thereto, along with the Reports of the Directors and Auditors thereon.

## 2.To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of Companies Act 2013 read with Rule 3(7) of Companies (Audit and Auditor) Rules, 2014, as amended from time to time, M/s. P. Murali & Co., Chartered Accountants, (bearing Firm Reg No.: 023412) having their office at 6-3-655/2/3, Somajiguda, Hyderabad. 500082. Telangana., be and is hereby re-appointed as Statutory Auditors of the Company so as to hold the said office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 24th Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor."

#### SPECIAL BUSINESS

## 3. TO RE-APPOINT MR. P.C. PANTULU AS MANAGING DIRECTOR AND CEO OF THE COMPANY:

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the reappointment of Mr. P.C.PANTULU (DIN 01583136) as Managing Director and CEO of the Company for a period with effect from 10th May 2017 until completion of 24th Annual General Meeting of the Company and to his receiving remuneration, benefits and amenities as Managing Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. P.C.Pantulu, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting."

"RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. P.C. Pantulu as remuneration for any financial year subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

## 4. TO RE-APPOINT MR. K.S. SHIVA KUMAR (DIN: 02103299) AS DIRECTOR (OPERATIONS) AND COO OF THE COMPANY.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act,

2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. K.S. SHIVA KUMAR (DIN: 02103299) as the Director (Operations) of the Company for the period with effect from 1st April 2017 until completion of 24th Annual General Meeting of the Company."

"RESOVLED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. K.S. Shiva Kumar as remuneration for any financial year subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

#### 5. TO CONSIDER AND ADOPT THE RESOLUTION FOR RAISING FUNDS BY ISSUE OF FURTHER EQUITY BY WAY OF ADR/GDR/FCCB/QIP OR OTHER CONVERTIBLE INSTRUMENT:

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

"RESOLVED THAT pursuant to the provisions of Section 23 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to

time (including any statutory modification(s) or reenactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended up to date, Regulations for Qualified Institutions Placement contained in Chapter VIII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), the Companies (Issue of Global Depository Receipts) Rules, 2014, the notifications, rules, regulations, guidelines, circulars and clarifications issued by Government of India, Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI") and/or any other competent authorities and other applicable laws, listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, Articles of Association and subject to all other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) of the Government of India, RBI, Securities and Exchange Board of India ("SEBI") and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorized to create, issue, offer and allot equity shares and/or securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the

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course of international and/or domestic offering(s) in one or more foreign market(s), for a value of up to USD 20 Million (US Dollar Twenty Million only) including Equity Shares and/or Other Financial Instruments ("OFIs") through Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers ("QIB"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism and/or convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument or security including any financial instruments convertible into Equity Shares (including warrants or otherwise in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities without detachable warrants with rights exercisable by the warrant holders to convert or subscribe to Equity Shares or securities including Global Depository Receipts and American Depository Receipts representing Equity Shares (hereinafter collectively referred to as the "Securities") or any combination of Equity Shares with or without premium, to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident/ foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/Foreign Institutional Investors ("FIIs")/Mutual Funds/Pension Funds/Venture Capital Funds/Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/ or other letter or circular ("Offer Document"), from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead

Manager(s) and/or Underwriters and/or other Advisors, with authority to retain over subscription up to such percentage as may be permitted by the Appropriate Authorities, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/ prepayment, number of further equity shares, to be allotted on conversion/ redemption/extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), the Merchant Banker(s) and/or Lead Manager(s) and/or Underwriter(s) and/or Advisor(s) and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force."

"RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations as may be amended from time to time and the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment. except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations."

"RESOLVED FURTHER THAT the Board may at its absolute discretion issue Securities at a discount of not more than 5% or such other discount permitted under the applicable SEBI ICDR Regulations to the QIP Floor Price as determined in accordance with the SEBI ICDR Regulations."

"RESOLVED FURTHER THAT that if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations a minimum of 10% of the Securities issued pursuant to said regulations shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIB(s) or otherwise."

"RESOLVED FURTHER THAT the Relevant Date for determining the pricing of the securities on Qualified Institutions Placement to QIBs as per the provisions of Chapter VIII of SEBI ICDR Regulations (Issue of Capital & Disclosure Requirements) Regulations, 2009 is the date of the meeting in which the Board decides to open the proposed issue or such date, if any, as may be notified by SEBI from time to time."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of any Securities, shall be as per the regulations/ guidelines prescribed by SEBI, Ministry of Finance, RBI, Government of India or any Appropriate Authority, or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and incompliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/ statutory provisions."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to allot further shares up to 15 (fifteen) percent of its issue size to the Stabilization Agent by availing the Green Shoe Option subject to the provisions of relevant SEBI ICDR Regulations and enter into and execute all such agreements and arrangements with any Merchant Banker or Book

Runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/expenses as may be mutually agreed between the Company and the said Stabilization Agent."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilization Agent, Banker/Escrow Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/International Stock Exchanges."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the draft as well as final offer document(s) determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/ conversion of the Securities, if any, rate of interest, execution of various transaction documents, creation of mortgage/charge in accordance with Section 180(1)(a) and other applicable provisions, if any of the Companies Act 2013 as well as applicable provisions of the Companies Act, 1956, if any, in respect of any Securities as may be required either on pari passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

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"RESOLVED FURTHER THAT the Board and/or an agency or body authorized by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and under the norms and practices prevalent in the Indian/ International Markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of further equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such further equity shares ranking paripassu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document."

"RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/Foreign Institutional Investors ("FIIs")/Qualified Institutional Buyers ("QIBs")/Mutual Funds/Pension Funds/ Venture Capital Funds/Banks and/or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized on behalf of the Company to agree

to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT to the extent permissible under Law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

By Order of the Board of Directors

P.C. Pantulu

Managing Director

DIN: 01583136

Place: Hyderabad Date: 11.08.2017



#### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE
AT THE MEETING IS ENTITLED TO APPOINT A
PROXY AND VOTE INSTEAD OF HIMSELF AND
THE PROXY NEED NOT BE A MEMBER. THE
PROXY IN ORDER TO BE EFFECTIVE SHOULD
BE DULY STAMPED, COMPLETED AND SIGNED
AND MUST BE DEPOSITED AT THE
REGISTERED OFFICE OF THE COMPANY, NOT
LATER THAT 48 HOURS BEFORE THE MEETING.

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 register of beneficial owners, register of members and share transfer books of the Company will remain closed from Tuesday, 05th September, 2017 to Monday, 11th September, 2017 (both days inclusive).
- 4. Members/ Proxies and authorised representatives should bring the Attendance slip enclosed herewith 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.
- 5. Members are requested to notify immediately, of any change in their address, to the Company in case their shares are held in dematerialized form; this information should be passed on so that the updated information as required can be made available at the meeting.

- 6. 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 Original Share Certificates be sent to Aarthi Consultants (P) Ltd, 1-2-285, Domalguda, Hyderabad-500029.
- 7. 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.
- 8. 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 are available for download from the company's website: - www.cybermateinfotek.com

9. 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. 20 Annual Report 2017 Notes to Notice

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

#### 10. 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	Folio Number registered with the Company
For CDSL: 16 digits beneficiary ID	

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

(1) It you are a first time user, follow the steps given below.						
	For Members holding shares in Demat Form and Physical Form					
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)					
	1. 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					
	2. 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 'Ra12345678'.					
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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.					
	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.					

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- (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. Here, 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 to take utmost care to keep your password confidential.
  - If Demat account holder has forgotten the changedpassword, 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 can find "Resolution Description" against which the option 'YES/NO' for voting is provided. 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 "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 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) E-voting Period begins on Friday, 08th September, 2017 at 10.00 am and ends on Sunday, the 10th September at 5.00 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 is Monday, 04th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (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.

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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) Mr. Sidharth C A, Practicing Company Secretary (Membership No: ACS 26843, CP No. 12161), Partner of M/s CAS & Associates having their office at Hyderabad 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 evoting, 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

The Results shall be declared on or after the Annual General Meeting (AGM). The results declared along with the scrutinizers report shall be placed on the company's website www.cybermateinfotek.com and on the website of CDSL within two (2) working days of passing the resolutions at the AGM of the company and communicated to the Bombay Stock Exchange Limited on which the shares of the company are listed.

STATEMENT ANNEXED TO THE NOTICE AND SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013.

#### ITEM NO 3:

Mr. P.C. Pantulu was appointed as a Managing Director of the Company for a period ending on 10th May 2017.

The Members of the Company had, by a resolution passed at the General Meeting held on 04th April,2016, approved his re-appointment as Managing Director and Chief Executive Officer for a further period.

The Board of Directors has, by a resolution passed at its meeting held on 29th May 2017, re-appointed him as Managing Director and Chief Executive Officer (CEO) for a further term concluding on the completion of the 24th Annual General Meeting of the Company.

The remuneration proposed to be paid to Mr. P.C. Pantulu and the perquisites proposed to be provided to him are set out below:

- I) Salary Rs. 2,50,000/- per month
- Increments Such increments as may be fixed by the Board of Directors from time to time
- iii) Performance Bonus as may be determined by the Board of Directors.
- iv) Provident Fund Company's contribution not to exceed 12% of salary.
- v) Housing The Company to provide rent free partially furnished, air-conditioned, residential accommodation with telephone, gas and electricity, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vi) Medical Aid Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company be within the limits as



- prescribed by Income Tax Act.
- vii) Free use of the Company's car and fuel expenses for use on the Company's business as well as for own use. If car is leased from an external agency or from spouse, lease rental and fuel expenses will be paid as per rules of the Company.
- viii) Reimbursement of salary of driver as per rules of the Company.
- ix) The Company to pay the premium for the Personal Accident Insurance Policy taken for Rs. 1 Crore for Mr. P.C. Pantulu.
- x) The Company to pay the premium for the Group Insurance Policy taken for Mr. P.C. Pantulu as per rules of the Company.
- xi) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- xii) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xiii) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xiv) Reimbursement of expenses on mobile phone and landline phone at residence as per rules of the Company. (All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

#### OTHER TERMS AND CONDITIONS:

- a) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) He shall not become interested or otherwise

- concerned directly or through his wife and/or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. P.C. Pantulu by giving not less than three months' prior notice in writing. The Directors are of the opinion that Mr. P.C. Pantulu's knowledge and experience will be of immense value to the Company. The Board, therefore, recommends the acceptance of the Resolution set out at Item No. 3 of the Notice convening the Meeting.

The said draft Agreement referred to in the Resolution is available for inspection to the Members at the Registered Office of the Company on any working day (Monday to Friday) between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

The Special resolution proposed to be passed is an enabling resolution in compliance with Section 197 read with Schedule V to the Companies Act, 2013, permitting the Company to appoint and pay remuneration to Mr. P.C. Pantulu who has attained an age of 70 years.

Mr. P.C. Pantulu and Mr. P. Chandra Sekhar are interested in this resolution.

#### ITEM NO. 4

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed Mr. K S Shiva Kumar as an Director (Operations) and Chief Operating Officer (COO) of the Company to hold office for a period commencing from 01st April 2017 until conclusion of the 24th Annual General meeting of the Company for the financial year 2017-18, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM") for a total remuneration of Rs. 80,000/-per month.

As Director (Operations), Mr. K.S. Shiva Kumar holds office till the date of the AGM and is eligible for being

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appointed Director and is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

He has more than Twenty six (26) years of experience in Software Development, Training and Heading MIS Departments. He has been instrumental in launching various corporate training programs for Universities, banks, and other training establishments. He promoted Cybermate Infotek Limited in the year 1994. He has made significant contribution in setting up of the operations of the company since inception and has also been instrumental in providing a marketing base to the company and for delivering solutions in emerging technologies in yester years.

A copy of the draft letter of appointment for Director, setting out the terms and conditions for appointment is available for inspection by the Members at the registered office of the Company during business hours on any working day.

Mr. K.S. Shiva Kumar is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. K.S. Shiva Kumar is concerned or interested in the said resolution.

The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval.

#### ITEM NO. 5

#### Further Issue of Capital

Section 23 of the Companies Act, 2013 provides for any increase in subscribed capital by issue of further shares by any company. For issuance of further shares that may be offered to any person, prior permission of shareholders is required to be obtained by way of passing of a special resolution. The Company has been pursuing organic and inorganic opportunities for its growth. This would require sufficient resources including funds to be

available and to be allocated, from time to time. This Special Resolution proposed is an enabling resolution to facilitate and meet the fund requirements of its organic and/or inorganic growth, the capital expenditure needs of the ongoing or new projects and/or offices/ factory buildings of the Company, enhancing the IT & ITES facilities, working capital requirements, refinancing borrowings if any, focus on research & development activities, improved energy conservation techniques, to meet any exigencies including pursuing new opportunities, issue expenses etc.

The resolutions contained in the attached Notice pertain to a proposal by the Company to create, offer, issue and allot equity shares or other securities as stated therein or a combination of such securities in one or more tranches (referred to as "Securities"). The intention is to raise additional capital to meet the funding requirements and business objectives of the Company. For this purpose, the Company seeks your approval as per the resolution stated in the Notice. The members may please note that the appended resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the Securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the Issue. Furthermore, as per the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR), Regulations, 2009) and various regulations under Foreign Exchange Management Act, 1999 (FEMA), approval of shareholders by way of special resolution is required to be obtained for issuance of further shares by way of Qualified Institutions Placement (QIP), Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Debentures or any other securities convertible into equity shares by any listed company. As per Regulation 88 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, allotment pursuant to the special resolution approving the QIP issue passed by the shareholders shall be completed within a period of twelve months from the date of passing of the resolution. The Company seeks to position itself into the emerging Digital IT space and also expand its services band into setting up of Data Centres and IT Infrastructure., and to enable the Company to raise equity funds depending upon its business needs and as may be advised, approval of shareholders is being sought for issue of equity shares and/or any other financial instruments convertible into equity shares through Qualified Institutional Placement (QIP) under SEBI (ICDR) Regulations, 2009 and/or through issuance of securities in the international markets by way of GDRs/ ADRs/ FCCBs etc. in one or more tranches, up to an amount not exceeding USD 20 Million(US Dollar Twenty Million Only). As per the provisions of regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date. The said Regulations also provide that the issuer may offer a discount of not more than 5% on the price so calculated for the qualified institutions placement, subject to approval of shareholders as specified in clause (a) of Regulation 82 of the SEBI ICDR Regulations. The relevant date for the purpose of regulation 85 means the date of meeting in which the Board or any Committee of Directors duly authorized by the Board of the Company decides to open the proposed issue. Further, pursuant to the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the

Notes to Notice

aggregate of the proposed Qualified Institutional Placements and all previous Qualified Institutions Placements made by the Company in the same financial year shall not exceed 5 (five) times the net worth of the Company as per the audited Balance Sheet of the previous financial year. The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/ conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap. Therefore, the Board of your Company has recommended the Resolution contained in Item No. 1 to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities which will include issue on QIP basis.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 5 of the Notice.

None of the Directors are interested in this Resolution.

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By Order of the Board of Directors

P.C. Pantulu Managing Director DIN: 01583136

Place: Hyderabad Date: 11.08.2017

#### Registered & Corporate Office

CYBERMATE INFOTEK LIMITED (CIN: L72200TG1994PLC017485)

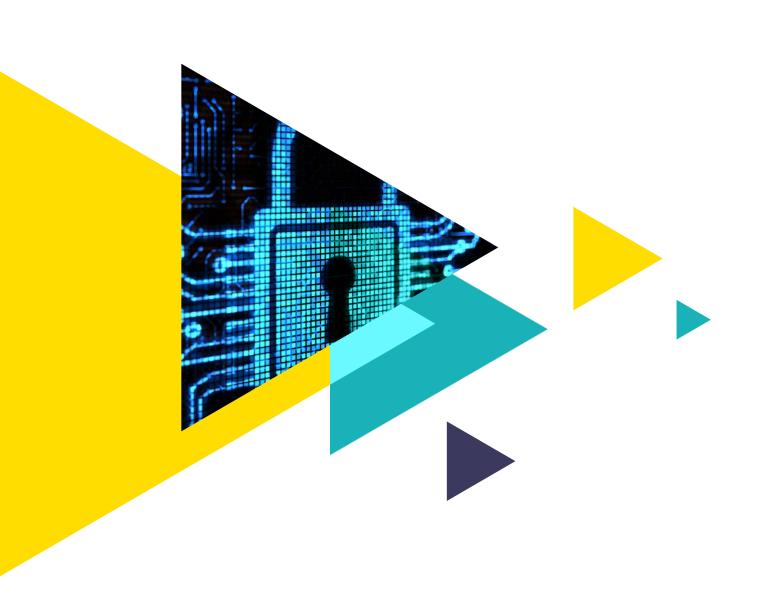
19 & 20, Moti Valley

Trimulgherry, Secunderabad. 500015

TELANGANA.

Tel: +914047766123/4 Fax: +914047766143

E-mail: secretarial@cybermateinfotek.com Website: www.cybermateinfotek.com



### **BOARD'S REPORT**



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Dear Members,

#### Greetings!!!

Your Company, Cybermate Infotek Limited was listed under 331 suspected shell companies identified by SEBI in consultation with the Ministry of Corporate affairs vide its letter to SEBI dated 09th June 2017. Subsequent to which, the Company's trading was suspended for a brief period on 08th August 2017, thereafter, the Company was shifted to Stage VI of graded surveillance measure as identified by SEBI.

Here, We bring to your notice and also affirm that Cybermate Infotek Limited has been maintaining its track record of ensuring compliance in both, letter and spirit and the Company has also obtained various approvals from regulatory authorities in the recent past which includes the approval in process of reduction of share capital of the Company from the Honourable High Court of Telangana, The Stock Exchange and the Registrar of Companies and approvals in the process of current issue of FCCBs. We understand that the regulatory authorities have taken due care in such process of granting approvals. Further, the promoters have invested their funds in the Company in the recent process of allotment of 1,14,00,000 equity share warrants by the Company.

This warrants the fact that the Company is not a shell Company and works in the best interest and enhancement of the value of its stakeholders.

Your Company has received instructions from the Bombay Stock Exchange for submission of various documents filed with the Stock Exchange, the Registrar of Companies and such other documents filed during the preceding three financial years along with certificate from the Auditor. Cybermate Infotek Limited is cooperating with the regulatory authorities in making our position clear.

The Board of your Company with conviction hopes that CIL will have an ease in getting a clean chit from SEBI soon upon submission of the documents called for by the Bombay Stock Exchange.

Now, We have pleasure in presenting the report on our business and operations for the year ended 31st March 2017.

#### 1. Financial Results

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

war at the second of the secon	For the year ended	For the year ended
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Net Sales/Income from Business Operations	5,34,878	1,34,957
Other Income	2	5
Total Income	5,34,880	1,34,962
Less Interest	-	-
Profit/(Loss) before Depreciation & Exceptional Items	44,906	(39,942)
Less Exceptional Items	-	5,97,043
Profit before Depreciation	44,906	(6,36,985)
Less Depreciation	21,012	35,778
Profit after Depreciation and Interest	23,894	(6,72,763)
Less Current Income Tax	5,698	-
Less Previous Year Adjustment of Income Tax	-	-
Less Deferred tax	(5,025)	(682)
Net Profit after Tax	23,221	(6,72,081)
Dividend	-	-
Net Profit after dividend and Tax	23,221	(6,72,081)
Amount transferred to General Reserve	-	-
Balance Carried to Balance Sheet	23,221	(6,72,081)
Earning per Share(Basic)	0.32	(9.28)
Earning per Share(Diluted)	0.32	(9.28)



#### Financial highlights

#### Revenues-Standalone

Revenue for the year ended 31st March 2017 is Rs 5348.79 lacs as compared to 1349.57 lacs the same period last year. The Company's earnings improved by about 296 % over the previous year.

#### Revenues-Consolidated

The subsidiary of the company at USA is dormant hence on account of consolidation there is no addition of revenues.

#### **Profits-Standalone**

The Company had earned a net profit of Rs. 238.94 Lakhs as against a loss of Rs. 6727.62 in the previous year.

#### Profits-Consolidated

There are no additions to the Profits of the company on consolidated results as there were no operations in the Subsidiary.

#### Capital Expenditure on Tangible Assets-Standalone

During the year, additions to fixed assets were marginal i.e Rs. 6.36 lacs as against NIL in the previous year.

#### Liquidity

The working capital position of the company showed signs of improvement due to increase in business activity and improved realisations.

However, to improve service offerings and to position the company better, the company needs infusion of funds both in terms of marketing and also new platform rollout.

The shareholders of the company have approved raising of additional funds by way of ADR/GDR/FCCB at the Extra-ordinary General Meeting held on the 14th November 2016.

The Company has also received the Inprinciple approval from BSE vide Letter No DCS/FCCB/AC/FIP/2061/2016-17 Dated July 18, 2017

for an amount of USD 10.5 Million. The company is confident is completing the fund raising during the year.

Further the company has also raised additional funds by way of Preferential Allottment of Share Warrants to Promoters and Others. The promoters have subscribed to their share warrants in full on the 13th June 2017.

## 2. Review of Business Operations and Future Prospects.

Your Directors wish to present the details of Business operations pursued by the Company during the year under review:

#### a. Services and emerging offerings

The company continued its services operations in IT and BPO segments.

The company is in the process of packaging its cloud based offerings for emerging solutions areas.

The company is working with partners to set up the supply chain for rolling out the services of logistics platform

The company is also tying up with channel partners to rollout the personal health records platform Cyber1health.

The company has also partnered with start-ups to roll out IOT offerings in multiple domains.

#### b. Marketing and Market environment.

Platforms: The market place has shifted from conventional methods to use of high-end tools and analytics to understand customer preferences and priorities. Technology has disrupted the selling methods and has paved way for social media, mobile and analytical tools to market goods and services to customers.

Products and services are bought and sold online after comparing with competitors. Social media is the largest platform to promote products and services.

Referrals, loyalty programs, feedbacks, reviews have been driving the sales engine for service providers.

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We at Cybermate have deployed teams to work on social media to engage with customers and prospects to provide services and support for enabling better customer experience and support.

**Services:** The Company continues to improve upon its service offerings across domains in the following segments.

- IT Support
- Consulting
- Network and Surveillance

The company provides services in custom built application development, system integration , testing, maintenance , network , surveillance , IT support , consulting and BPO.

Products are now converting to platforms. Platforms are being built across domains to provide services on the Cloud hence products which were sold as licences renewable year on year are being replaced by platform subscriptions. Keeping abreast with this trend, as part of its "Rebuild. Reform. Reinvent" move, CIL commenced work on multiple platforms which facilitate e-commerce in new segments such as logistics, healthcare, and arts. Our solutions are 'Software as Service' for day to day issues that the common man faces.

#### Logistics Platform: www.bharatcargo.in

Logistics, apart from Communication and Information technology, is one of the fastest moving segments in the modern economy. Its importance to business cannot be understated as it is integral to operations. CIL's focusses on optimising logistics management with respect to road transportation.

#### Healthcare Platform: www.cyber1health.com

Keeping the humane touch to its operations, CIL ventured in Electronic Health Records inspired by a true incident. An elderly gentleman was admitted into reputed hospital for treatment. After discharge from the hospital, due to some medical complications he had to go to the hospital's branch in another part of the city. The doctors in this branch insisted that he

undergo the same tests conducted in the main hospital in the recent past as the hospital did not have any system of sharing medical records with its branches situated in different locations!

#### Healthcare Platform: www.healsoft.in

As a comprehensive outlook towards healthcare, CIL has developed an inclusive hospital management software system namely Healsoft which addresses and seamlessly manages all areas of hospital operations. With the view of ensuring and complementing efficient functioning, HealSoft is a customized integrated healthcare solution that enables hospitals to manage the immeasurable data constantly generated round the clock, IPD and OPD, pharmacy, laboratory, wards, online appointments, scheduling, billing, accounting, HR/Payroll and many other aspects of hospital functioning.

HealSoft eliminates the possibility of human error, improves monitoring of various processes, provides a broad view of hospital growth, eases information availability through Cloud or servers, facilitates financial administration, supports important decision making and formulation of strategies for growth.

#### Marketplace for arts and crafts: www.indycrafts.in

CIL has built a platform to provide a market place to reconnect people with the rich heritage of Indian handicrafts and handlooms which are unique in their tradition and make.

Indycrafts is not a run of the mill e-commerce platform. It is expected that with Indycrafts, the unique skills passed down several generations of artisans will be available to the connoisseur and the novice. With the boost in sales, it is expected that artisans will be benefitted in manifold ways such as capacity enhancement, skill development, marketing of their products and employment opportunities to name a few. Such a platform will boost the morale of small entrepreneurs and the natural corollary to such developments would be innovation in product design.

In order to differentiate our service and solution



offerings, our strategy will be to bring in concepts of automation, analytics, improving productivity to gain higher accuracy and to reduce the total costs to clients. We continue to leverage the advantage of open source technologies in providing innovative and cost-effective performance solutions.

**Products:** The company continues to enhance its products in health care domain and is targeting to get identified as a key player.

Heal soft (HMS): A complete Enterprise Hospital Management Software Suite (18 modules) for Clinics, Small, Medium and Large Hospitals at multi locations in multiple technologies which can be integrated to an ERP.

#### Our Other Platforms include

- Asset Management
- Purchases and Contract
- Document Management System
- Payroll Management
- HRMS
- Content Management System
- Corporate Information System

**Infrastructure:** The company proposes to set up infrastructure for a securities operation centre, data centre to provide cost effective infrastructure solutions for storage, business continuity, disaster recovery for its own and third-party applications and data.

The Company proposes to tie-up/set up hardware device manufacturing for IOT and emerging IT Solutions.

Strategic Alliances: We propose to market our platforms through partners/stake holders in healthcare domain. We propose to align with start-ups either as partners or as subsidiaries in creating, deploying, integrating and operating business solutions. We propose to deploy our resources in making selective business acquisitions that augment our expertise, complement our presence in certain market segments and accelerate the execution of our strategies.

## c. Future Prospects including constraints affecting due to Government policies

The future of IT Services business is providing several open source software components, and or proprietary software products, all of which can be deployed on public or private cloud or at the customer's premise. These platforms are intended to address the key challenges that businesses have in effectively storing, managing and analyzing the increasing amounts of data available to them.

CIL's objective is to enable customers to find an improved way to package, develop, administer and monitor their enterprise data.

#### 3. Dividend

No Dividend is being proposed for the current financial year to conserve resources.

## 4. Subsidiaries, Joint Ventures and Associate Companies.

Statement pursuant to Section 129 Subsection (3)(I) of the Companies Act 2013, read with Rule 5 of Companies Accounts Rules, 2014 relating to financial statements of subsidiary companies as formatted in AOC 1 form has been attached as Annexure- 1 to this report.

The Company is evaluating revival of the US Subsidiary and acquire control of IT Services Company in the analytics space to position its service and consulting offerings in distinct entities.

#### 5. Directors and Key Managerial Personnel.

#### **Profile of the Directors:**

## (i) Mr. Chenchaiah Pantulu Pattapurathi (DIN: 01583136)

He is Seventy One (71) years old. He is a commerce graduate and a member of Institute of Chartered Accountants of India (qualified in the year 1971). He has forty-six (46) years of experience in industries such as Electrical Appliances, Food Processing, Ship Building, Cement, Cement Products, Textiles,

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Pharmaceuticals etc., to his credit. His experience has been in the area of Financial Management, Management Accounting and Taxation.

He promoted CIL in the year 1994 and has led the company since its inception and has been instrumental in shaping and executing strategy and financial structuring. At present he is Managing Director and Chief Executive Officer of CIL. He is a Trustee of Chennarayudu Public Charitable Trust. He is a promoter of the company and holds 93, 15,820 shares of the company in his name as on March 31, 2017.

#### (ii) Mr.Satya Shiva Kumar Kanakadandi (DIN: 02103299)

He is Fifty One (51) years old. He is a science graduate. He has more than twenty-six (26) years of experience in Software Development, Training and Heading MIS Departments. He has been instrumental in launching various corporate training programs for Universities, banks, and other training establishments. He promoted CIL in the year 1994.

He has made significant contribution in setting up of the operations of the company since inception and has also been instrumental in providing a marketing base to the company and for delivering solutions in emerging technologies in yester years.

At present he is Director Operations and Chief Operating Officer of CIL. He is a promoter of the company and holds 9,53,010 shares of the company in his name as on March 31, 2017.

## (iii) Mr. Chandra Sekhar Pattapurathi (DIN: 01647212)

He is forty-two (42) years old. He is a commerce graduate and a member of the Institute of Cost and Works Accountants of India (qualified in the year 1998). He began his career with CIL as an Executive in Finance & Account. He has worked with a large retail chain in international markets as a Senior Financial Analyst before joining the Board of CIL He has experience in, Finance, Accounts, Corporate Strategy, Financial Management, Taxation, Secretarial and International Trade Practices.

He has been appointed a director of CIL since 30th June 2006 .At present he is Director - Finance and Chief Financial Officer of the Company.

He is a promoter of the company and holds 3, 03,100 shares of the company in his name as on March 31, 2017

#### (iv) Mr. Koteswara Rao Kanamarlapudi (DIN: 06401491)

He is seventy (70) years old. He is a commerce graduate and a member of the Institute of Chartered Accountants of India (qualified in the year 1972). He has worked with large logistics, Food Processing industries in India before setting up of a Construction and Contracting company in Doha, Qatar

He joined the Board of CIL on 30th September 1996 as a non executive promoter director

He is a promoter of the company and holds 31,000 shares of the company in his name as on March 31, 2017.He is a member of the Stake holders relationship committee.

#### (v) Dr. Devarapalli Jayarami Reddy (DIN: 02079731)

He is seventy-one (71) years old. He is a medical practioner by profession. He is well experienced in business of health care and is presently an investor in midsized hospitals.

He is an independent director on the board of Cybermate Infotek Limited and holds 1000 shares the company. He is a member of Audit Committee and Stakeholders relationship committee.

#### (vi) Callepalli Kamakshi Bharathi (DIN: 07144611)

She is forty-one(41) years old. She is a post graduate in Electronics. She has rich experience in telecommunications and signalling. She is presently mentoring research trainees on telecom engineering. She is an independent director on the board of Cybermate Infotek Limited and is not a shareholder of the company.

She joined the board on 27th March 2015 as an independent(woman) director.



She is the chairperson of Nomination and Remuneration committee and a member of Audit Committee.

#### (vii) Vegunta Sai Roop Kumar (DIN: 05317482)

He is forty-two (42) years old, a commerce graduate and a fellow member of the Institute of Chartered Accountants of India (qualified in the year 2003) and graduate member of the institute of Cost Accountants of India.(qualified in the year 1998)

He started his career working with an audit firm and later moved into heading finance function for a diversified group viz Hospitality, Real Estate and Technology before setting up his professional practice as a Chartered Accountant.

Mr. Vegunta Sai Roop Kumar joined the board on 07th March 2016 as a Non-Executive Independent Director and is not a shareholder of the company. He is the Chairperson of Audit Committee and a member of Nomination and remuneration committee.

#### (viii) Mr. Bade Srinivasa Reddy (DIN: 01384074)

He is forty-eight (48) years old, He is a M.B.A (Finance), Certified Investment Adviser, National Stock Exchange of India Certified Market Professional (NCMP Level 5 - Highest Level), He is pursuing Ph.D., in Investment Management (part time).

He has more than 22 years of Hands on Experience in Financial Markets and Services Sector as Financial Analyst, Head of the firm with Stock Exchange Membership, Investment Advisory, Private Equity and other Businesses.

He is an Empanelled Corporate Trainer for SEBI Promoted NISM, American Academy of Financial Management (AAFM), National Stock Exchange of India (NSE) and others.

Mr. Bade Srinivasa Reddy joined the board on 07th March 2016 as a Non-Executive Independent Director and is not a shareholder of the company. He is the chairperson of Stakeholders relationship committee and a member of nomination and remuneration committee.

#### **Independence of directors**

The Board has received statement of disclosures from all the Independent Directors highlighting the fulfilment of all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. Every such statement submitted by the independents directors has been taken note of by the board.

#### Resignations

During the year, there were no resignations at the board.

#### **Re-appointments**

#### • Managing Director

Mr. P.C.Pantulu, Managing Director was re-appointed and Chairman, Managing Director & CEO of the Company with effect from 10th May 2017 up to conclusion of the Annual General Meeting of the company for the year 2017-18 in the meeting of the Board of Directors held on the 29th May 2017.

#### Directors

Mr. K.S.Shiva Kumar, Director was re-appointed as Director-Operations and COO of the Company with effect from 1st April 2017 upto conclusion of the Annual General Meeting of the company for the year 2017-18 in the meeting of the Board of Directors held on the 29th May 2017.

Mr. P. Chandra Sekhar, Director was re-appointed as Director and CFO of the company for a period of five years with effect from 07th September 2017 at the Annual General Meeting of the company.

## Disclosures about receipt of any commission by MD /WTD from company or any commission / remuneration from the subsidiaries

The Managing Director, or Whole-time directors are not in receipt of any commission from the company or any remuneration or commission from the subsidiaries.

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#### 6. Remuneration Policy

Your Directors has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration in accordance with Section 197 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force).

The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The remuneration paid to your Directors and Managerial Personnel is in accordance with the Nomination and Remuneration Policy thus formulated.

The information required under Section 197 (12) of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-II.

#### 7. Declaration by Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Act and the regulations.

## 8. Formal Annual Evaluation of Performance of the Board and its Committees

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the board evaluation framework.

The framework includes evaluation of directors on parameters such as

- Peer Evaluation
- Decision Making
- Analysis of Information
- Board Dynamics & Relationships
- Corporate Strategy
- Participation at Board Committees

The Companies Act 2013 states that a formal evaluation needs to be made by the board of its own performance and that of its committees and individual directors. Schedule IV to the Companies Act States that the performance evaluation of independent directors shall be done by the entire board of directors excluding the director being evaluated.

The evaluation process has been explained in Corporate Governance Report.

#### 9. Board Committees

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Grievances' Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

#### 10. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

## 11. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013.

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

## 12. Disclosures under Sexual Harassment of Women at Workplace

In accordance with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013, the company is required to have an Anti- sexual harassment policy



though which an Internal Complaints Committee is constituted. The said committee meets at regular intervals to redress any complaints received by the committee in these lines and after due deliberation aims at disposing off the complaints. However, there has been no such complaint filed within the company till date.

## 13. Significant and material orders passed by the regulators or court

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

# 14. Material changes and commitments, if any affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report

## (a) Allotment of Share warrants to Promoters and investors.

The company has allotted Equity Share Warrants to Promoters and Investors on a preferential basis on the 29th May 2017 at Rs. 4.40 per share.

Mr. P.C. Pantulu, promoter and Mr. K. Bhujanga Rao, belonging to the promoter group of the company have also subscribed the share warrants in full.

#### (b) Exit from STPI Scheme.

The company was registered as a 100 % EOU under the STPI Scheme. The company has satisfied export obligations and other the terms and conditions under the scheme arising out of duty free purchase of imported and indigenous goods.

The company has now de-bonded such goods and surrendered the CPWB Warehouse License to the Deputy Commissioner of Customs and Central Excise.

Thus, the bank guarantee issued in favour of the Customs Authorities is discharged.

The company has also received approval for Exit from STP-Scheme on 27th June 2017.

#### (c) Change of Objects Clause.

The company reviewed the objects clause of memorandum of association and felt that the emerging IT & ITES business requires a broader scope of objects clause.

Hence, the company has issued a notice of postal ballot between 15th June to 14th July 2017 to the members of the company to rationalise the main objects and other objects of the company.

## (d) Application for allotment of land to Department of Industries, Government of Andhra Pradesh.

The Company is in the process of finalising its expansion plans for which the company is seeking to set up a hardware/software and Securities Operations Centre ,Data Centre Facility. In the process the company has approached the Department of Industries, Government of Andhra Pradesh for providing suitable facilities for infrastructure. In view of the opportunities available in and around the capital city being set up near Amaravati, the company feels that adequate opportunities do exist for setting up of a development centre which can also be utilised as a skill development centre in the region.

## 15. Particulars of Contracts or Arrangements made with Related Parties.

All Contracts/arrangements/transactions entered by the company during the financial year 2016-17 with related parties were in the ordinary course of business and on an arm's length basis.

In this regard, we draw your attention to Note 28 containing a Statement Pursuant to Clause (h) of sub section 134 of the companies Act 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014, to the financial statements which sets out related party disclosures.

## 16. Number of Board meetings conducted during the year under review.

The directors of the company have met nine (9) times during the financial year under review for the purposes of discussing the affairs of the company and its business, the details of which are listed below:

Date of the Meeting	Time	Place	Meeting No	For the Ouarter
21-May-16	10.00 am	Regd & Corp Off	01/2016-17	Apr-Jun
20-Jun-16	11.00 am	Regd & Corp Off	02/2016-17	Apr-Jun
05-Jul-16	11.00 am	Regd & Corp Off	03/2016-17	Jul-Sep
12-Aug-16	10.00 am	Regd & Corp Off	04/2016-17	Jul-Sep
07-Sep-16	11.00 am	Regd & Corp Off	05/2016-17	Jul-Sep
08-Oct-16	10.30 am	Regd & Corp Off	06/2016-17	Oct-Dec
14-Nov-16	10.30 am	Regd & Corp Off	07/2016-17	Oct-Dec
20-Dec-16	10.00 am	Regd & Corp Off	08/2016-17	Oct-Dec
09-Feb-17	10.00 am	Regd & Corp Off	09/2016-17	Jan-Mar

#### 17. Vigil Mechanism

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company. The company has also set out a whistle blower policy in terms of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, so as to ensure that the business is conducted with integrity and the company's financial information is accurate.

The Policy on Vigil Mechanism and whistle blower policy may be accessed on the company's website.

#### 18. Training of independent directors

Whenever, new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, Board procedures, our major risks and management strategy.

#### 19. Directors Responsibility Statement

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act 2013 with respect to Directors Responsibility Statement, it is hereby confirmed.

 i. That in the preparation of the Annual Accounts for the financial year ended March 31, 2017 the applicable accounting standards had been followed along with proper explanation relating to material departures.

- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period.
- iii. That the Directors had taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the accounts for the financial year ended March 31, 2017 on a `going concern` basis.
- v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively
- vi. That systems to ensure compliance with the provision of all applicable laws were in place and were adequate and operating effectively.

#### 20. Extract of Annual Return

Form MGT 9 containing details, forming part of the extract of the Annual return is annexed to this report as Annexure III [pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014].

## 21. Statement concerning development and implementation of Risk Management Policy of the company.

The Company has constituted a Risk Management Committee in the meeting of the Directors on Board held on the 28th May 2015 and the details of the risk management framework under the purview of the Risk Management Committee of the Company has been discussed under the Management Discussion and Analysis Report which forms a part of this report.



#### 22. Details of Policy developed and implemented by the company on its Corporate Social Responsibility initiatives.

Pursuant to Section 134 of the Companies Act, 2013 every company having

- Net worth of rupees five hundred crore or more, or
- Turnover of rupees one thousand crore or more or
- Net profit of rupees five crore or more

during any financial year, shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

As the said provisions are not applicable to the company, it has not developed and implemented any Corporate Social Responsibility initiatives.

## 23. Transfer of Unclaimed Dividend to Investor Protection Fund.

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

#### 24. Adequacy of Internal Financial Controls

The Company has established and is maintaining internal controls and procedures. The Board of Directors have evaluated the effectiveness of the Company's internal controls and procedures and confirm that they are adequate based on the size and the nature of its business.

#### 25. Internal Audit

The Company has a well-established system of Internal Audit which carries out audit on Risk Management framework covering all the functions.

#### 26. Auditors and Auditors report

#### **Statutory Auditors**

M/s P. Murali & Co , Chartered Accountants, were appointed as Statutory Auditors from the conclusion of previous Annual General meeting until the upcoming annual general meeting. It is now proposed

to re-appoint them as Statutory Auditors from the commencement of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The Company has received a certificate from M/s P Murali & Co. to the effect that if reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

As required above, the Board has, after considering the recommendations of the Audit Committee, incorporated a suitable resolution for your consideration and approval in the notice calling the ensuing Annual General Meeting of the Company.

#### **Secretarial Auditor**

The Board has now appointed M/s CAS & Associates, Practising Company Secretaries, Hyderabad to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit report as issued by Mr. Y. Koteswara Rao for the financial year ended March 31, 2017 is annexed herewith in Annexure-VI

## 27. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

The detailed information as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished under Annexure V as attached to this report.

#### 28. Management Discussion and Analysis

Management Discussion and Analysis Report forms a part of the Annual Report as per Annexure VII.

# 29. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports

The Auditors Report does not contain any qualification. The Notes/Remarks on financial statements referred to in the Auditor's Report are self explanatory.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### 30. Shares

#### **Buy back of Securities**

The Company has not bought back any of its securities during the financial year under review.

#### **Sweat Equity**

The Company has not issued any Sweat Equity Shares during the financial year under review.

#### **Bonus Shares**

No Bonus Shares were issued during the financial year under review.

#### **Employees Stock Option Plan**

The Company has not provided for any Stock Options to its employees during the financial year under review.

#### 31. Disclosures

#### Company's Property and Litigation

The Company has its own commercial space which was leased out to another IT Services company for 10 years in 2004. The Lease rentals were discounted with a housing finance company to augment working capital for the company. The tenant had terminated the lease and vacated the property of the company in 2009. Owing to Political conditions in the state the property could not be leased out and thereby the account became irregular. The company approached the lender to restructure the loan but they initiated proceedings under SARFAESI Act to recover their dues. The Lender took possession of the property. The company approached the Debts recovery tribunal. However as on the balance sheet date the property continues to be registered in the name of the company and the lender is yet to make his submissions before the debts recovery tribunal.

#### **Changes in Board & Board Committees**

During the year, there were no changes in the composition of the board.

Disclosures pertaining to the mandatory committees

constituted by the Board for specific purposes has been included in the Corporate Governance Report which forms a part of the Annual report. Thus, the information pertaining to the composition of the board and number of meetings held by the committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee are covered in there.

#### Managerial Remuneration

The nomination and remuneration committee has reviewed the provisions of Section 197 read along with Schedule V to the Companies Act 2013 on the Remuneration payable by companies having profits.

The Committee has clarified and recommended the Board of Directors that an approval from the Central government is required as the remuneration payable to the managerial personnel is exceeding the limits as specified under Section 197 i.e., the remuneration of the Managing Director shall not exceed 5% of the net profits as calculated pursuant to Section 198 of the Companies Act, 2013 and the overall remuneration of the Directors on Board excluding the Independent Directors (who are eligible for sitting fees only) shall not exceed 11% of the net profits as calculated pursuant to Section 198 of the Companies Act, 2013.

Based on the recommendation from the Nomination and Remuneration Committee, The Board, subject to the approval of shareholders shall make an application to the Central Government for grant of approval in connection with the remuneration payable exceeding the limits as prescribed under Section 197 of Companies Act, 2013.

#### 32. Corporate Governance

Pursuant to Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a separate report on corporate governance has been included in this Annual Report in Annexure-VI together with a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance.



All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2016-17. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

#### 33. Acknowledgement

Your Directors place on record their sincere thanks to their employees, bankers, business associates, consultants, Legal Advisors and various government authorities for their continued support extended to your Company's activities during the financial year under review. Your Directors also acknowledge gratefully for your support and for the confidence reposed on this Company.

For and on behalf of the Board of Directors

P. Chandra Sakhan

P.Chandra Sekhar

Whole time director,

Manth

**P.C.Pantulu**Managing Director,

Chairman, CEO CFO

Date: 11th August 2017 Place: Secunderabad

#### Annexure I

#### **Financial Statements of Subsidiary Companies**

[Statement pursuant to Section 129 Subsection (3)(I) of the Companies Act 2013, read with Rule 5 of Companies Accounts Rules, 2014 relating to financial statements of subsidiary companies]

AOC-1 (₹ in'000)

Name of the Subsidiary	Cybermate Infotek Limited Inc
Financial Year ended	31st December 2016
Exchange Rate	1 USD =INR 66.20
Share Capital	2,17,500
Reserves & Surplus	-
Total Assets	2,17,500
Total Liabilities	2,17,500
Turnover	-
Profit/Loss	-
% of Shareholding	100%

#### **Annexure II**

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Introduction: The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Nominations & Remuneration Committee (NRC) determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

**Applicable:** This Remuneration Policy applies to the whole of the Company including directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

**Guiding principle:** The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Statutory Requirements:

• Section 197(5) of the Companies Act, 2013

- provides for remuneration by way of sitting fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides
  for the total managerial remuneration payable by
  the Company to its directors, including managing
  director and whole time director, and its manager
  in respect of any financial year shall not exceed
  eleven percent of the net profits of the Company
  computed in the manner laid down in Section 198
  in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V of the Companies Act, 2013.
- The Company may with the approval of the shareholders authorise the payment of remuneration up to five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole-time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

**Directors:** As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently, sitting fee is Rs. 2,500/- per



Board meeting and per Committee meeting per Independent and Non-Executive Director on Board of the Company.

Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. At the time of considering the appointment and remuneration of Whole Time Directors, the members of the Nomination & Remuneration Committee (NRC) consider the pay and employment conditions in the industry, merit, seniority of the person and the payment capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package be linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the present applicable sections read with relevant rules of Companies Act, 2013 and as modified from time to time.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of sitting fees for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the

sitting fee payable to other directors.

Reward principles and objectives: The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

**Reward policies:** Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly.

The Whole Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as laid down under relevant sections of the Companies Act,

#### Key Managerial Personnel [KMP] Senior

Management: Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing Director (MD) on the recommendation of the Whole Time Director concerned, wherever applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:

- A fixed base salary set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
- Perquisites in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
- Retirement benefits contribution to PF, superannuation, gratuity, etc. as governed by respective acts and rules prevailing in the Company from time to time.
- 4. Motivation / Reward A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on the appraisal and recommendation of the concerned Whole Time Director, wherever applicable.
- Severance payments in accordance with terms of employment, and applicable statutory requirements, if any.

Other employees: The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, wherever applicable. Policies of motivation / reward / severance payments are applicable to this category of personnel as in the case of those in the management cadre.

**Removal:** The Committee may recommend, to the Board, removal of a Director, KMP or Senior Management Personnel due to following reasons:

- Any disqualification
- Misconduct
- Breach of Contract or trust

- Conflict in interest
- Such recommendation to the Board shall be with reasons recorded in writing.

Disclosure of information: Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy: This Remuneration Policy shall continue to guide all future employment of Directors, Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.



#### **Annexure III**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of
the Company (Management & Administration ) Rules, 2014.

#### I Registration & Other Details:

i	CIN	L7220TG1994PLC017485
ii	Registration Date	05 May 1994
iii	Name of the Company	Cybermate Infotek Limited
iv	Category/Sub-category of the Company	Information Technology and Information Technology Enabling
V	Address of the Registered office	Plot No 19 & 20, Moti Valley, Trimulgherry, Secunderabad.
	& contact details	500015. Telangana
		Tel: +91 40 4776 6123/4, Fax: +91 40 4776 6143
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer	Aarthi Consultants Pvt. Ltd
	Agent, if any.	1-2-285, Domalguda, Hyderabad. 500029
		Ph:+9140-27634445/8111/27642217. Fax +914027632184.

#### **III Principal Business Activities of the Company**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

S. Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1 Computer Programming, Consultancy, related	620	100
activities		

#### III Particulars of Holding, Subsidiary & Associate Companies

S. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Cybermate Infotek Limited Inc	-	Subsidiary	100	Section 2(87)

#### IV Shareholding Pattern (Equity Share Capital Break-up% to total Equity)

	No. of shares held at the end of the year March			No. of shares held at the end of the year March					
Category of Shareholders	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	% change during
A. PROMOTERS									
(1) Indian									
(a) Individuals/HUF	1,07,22,913		1,07,22,913	14.8	1,06,17,903		1,06,17,903	14.7	0.1
(b) Central Government/ State Government(s)									

(c )Bodies Corporate

(d) Banks/FI									
(e ) Any Other									
SUB TOTAL - (A)(1)	1,07,22,913		1,07,22,913	14.8	1,06,17,903		1,06,17,903	14.7	0.1
(2) Foreign									
(a) NRI - Individuals									
(b) Individuals									
(c)Bodies Corporate									
(d) Banks/FI									
(e ) Any Other									
SUB TOTAL - (A)(2)									
Total Shareholding of									
the Promoter (A) =	1,07,22,913		1,07,22,913	14.8	1,06,17,903		1,06,17,903	14.7	0.1
(A)(1) + (A)(2)									
B. PUBLIC									
SHAREHOLDING									
(1) Institutions									
(a)Mutual Funds									
(b)Banks/FI	200		200	0.0	200		200	0.0	-
(c) Central Govt									
(d) State Govt									
(e)Venture Capital									
Fund									
(f) Insurance									
Companies									
(g) FIIs									
(h) Foreign Venture									
Capital Funds									
(i) Others (specify)									
SUB TOTAL (B)(1)	200	-	200	0.0	200		200	0.0	-
(2) Non-Institutions									
(a) Bodies Corporate	32,41,763	26,000	32,67,763	4.5	26,58,372	26,400	26,84,772	3.7	0.8
(i) Indian									
(ii) Overseas		15,200	15,200	0.0		15,200	15,200	0.0	-
(b) Individuals									
(i) Individual	2,39,95,585	5,53,364	2,45,48,949	33.9	2,36,05,733	5,50,764	2,41,56,497	33.3	0.5
shareholders holding									
nominal share capital									
upto Rs. 1 Lakh									
(ii) Individual	3,02,33,951		3,02,33,951	41.7	3,03,94,332		3,03,94,332	42.0	-0.2
shareholders holding									
nominal share capital									
in excess of Rs. 1 Lakh									
(c)Others (specify)	36,50,486	2,500	36,52,986	5.0	45,70,558	2,500	45,73,058	6.3	-1.3
SUB TOTAL (B)(2)	6,11,21,785	5,97,064	6,17,18,849	85.2	6,12,28,995	5,94,864	6,18,23,859	85.3	-0.1
Total Public	6,11,21,785	5,97,064	6,17,19,049	85.2	6,12,29,195		6,18,24,059	85.3	-0.1
(c ) Shares held by	0,11,21,303	3,37,004	0,17,13,013	03.2	0,12,23,133	3,31,001	0,10,21,000	03.3	0.1
custodians for ADRs &									
GDRs									
Grand Total (A+B+C)	7,18,44,898	5,97,064	7,24,41,962	100.0	7,18,47,098	5,94,864	7,24,41,962	100.0	_
(11 D + C)	,, 11,000	-,-,,001	,, 11,002		,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	5,5 1,551	,, 11,002		



#### (ii) Shareholding of the Promoters

		Shareholding at the beginning of the year		Shareho	% Chnge in shareholdin g during the year			
S. No.	Shareholder's Names	No. of Shares	% of total shares of the Company	% of shares pledged or encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged or encumbered to total shares	
1	Mr. P.C.Pantulu	93,15,820	12.86		93,15,820	12.86		
2	Mr. K S Shivakumar	10,61,010	1.46		9,53,010	1.32		
3	Mr. P. Chandra Sekhar	3,03,100	0.42		3,03,100	0.42		
4	Mr. K. Koteswara Rao	31,000	0.04		31,000	0.04		
5	Ms. P. Rajeswari	11,983	0.02		14,973	0.02		

(iii) Change in Promoter's Shareholding		Shareholding at the	no and of the year	Cumulative shareholding during		
(111)	Change in Promoter's Shareholding	Shareholding at th	ne end of the year	the year		
S.			% of the total		% of the total	
No.	Name of the Shareholder	No. of Shares	shares of the	No. of Shares	shares of the	
140.			Company		Company	
1	PATTAPURATHI CHENCHAIAH PANTULU					
	Opening Balance as on 01st April 2016	93,15,820	12.86			
	Add: Purchase of Shares					
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			93,15,820	12.86	
2	K.S. SHIVAKUMAR					
	Opening Balance as on 01st April 2016	10,61,010	1.46			
	Add: Purchase of Shares					
	Less: Sale of Shares	1,08,250	0.15	9,53,010	1.32	
	Closing Balance as on 31st March 2017			9,53,010	1.32	
3	P. CHANDRA SEKHAR					
	Opening Balance as on 01st April 2016	3,03,100	0.42			
	Add: Purchase of Shares					
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			3,03,100	0.42	
4	K. KOTESWARA RAO					
	Opening Balance as on 01st April 2016	31,000	0.04			
	Add: Purchase of Shares					
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			31,000	0.04	
5	P. RAJESWARI					
	Opening Balance as on 01st April 2016	11,983	0.02			
	Add: Purchase of Shares	3,500	0.00			
	Less: Sale of Shares	510	0.00	14,973	0.02	
	Closing Balance as on 31st March 2017			14,973	0.02	

#### (iv) Shareholding patten of Top ten share holders (Other than Directors, Promoters and holders of ADRs/GDRs

	Shareholding at the end of t		ne end of the year		ative shareholding during	
			% of the total		% of the total	
S.	Name of the Shareholder	No. of Shares	shares of the	No. of Shares	shares of the	
No.			Company		Company	
1	SAHISTAAKHTAR SARVARHUSSIAN NAGAD		Company		company	
	Opening Balance as on 01st April 2016	-		-		
	Add: Purchase of Shares	11,51,383	1.59	11,51,383	1.59	
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			11,51,383	1.59	
2	AJITH P MATHEW					
	Opening Balance as on 01st April 2016	8,75,000	1.21	8,75,000	1.21	
	Add: Purchase of Shares					
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			8,75,000	1.21	
3	ASHA JAIN					
	Opening Balance as on 01st April 2016	5,43,000	0.75	5,43,000	0.75	
	Add: Purchase of Shares					
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			5,43,000	0.75	
4	HOSHANG KEKI VAKIL					
	Opening Balance as on 01st April 2016	5,00,000	0.69	5,00,000	0.69	
	Add: Purchase of Shares					
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			5,00,000	0.69	
5	RAJIV KUMAR MITTAL					
	Opening Balance as on 01st April 2016	5,45,000	0.75	5,45,000	0.75	
	Add: Purchase of Shares					
	Less: Sale of Shares	45,000	0.06	5,00,000	0.69	
	Closing Balance as on 31st March 2017			5,00,000	0.69	
6	JAINAM SHARE CONSULTANTS PVT LTD					
	Opening Balance as on 01st April 2016	5,30,029	0.73	5,30,029	0.73	
	Add: Purchase of Shares	10,36,328	1.43	15,66,357	2.16	
	Less: Sale of Shares	10,73,413	1.48	4,92,944	0.68	
	Closing Balance as on 31st March 2017			4,92,944	0.68	
7	KARVY STOCK BROKING LIMITED					
	Opening Balance as on 01st April 2016	2,16,330	0.30	2,16,330	0.30	
	Add: Purchase of Shares	1,83,201	0.25	3,99,531	0.55	
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			3,99,531	0.55	
8	BONANZA PORTFOLIO LTD					
	Opening Balance as on 01st April 2016	4,16,036	0.57	4,16,036	0.57	
	Add: Purchase of Shares					
	Less: Sale of Shares	26,451	0.04	3,89,585	0.54	
	Closing Balance as on 31st March 2017			3,89,585	0.54	
9	B N RATHI SECURITIES LIMITED - BEN A/C					
	Opening Balance as on 01st April 2016	-		-		
	Add: Purchase of Shares	3,52,162	0.49	3,52,162	0.49	
	Less: Sale of Shares					
	Closing Balance as on 31st March 2017			3,52,162	0.49	
10	BULL INVESTMENTS MADRAS PVT LTD					
	Opening Balance as on 01st April 2016	3,40,000	0.47	3,40,000	0.47	
	Add: Purchase of Shares			. ,		
	rad. I di chase of offares					
	Less: Sale of Shares					



#### (V) Indebtedness

 $In debtedness \ of \ the \ Company \ including \ interest \ outstanding/accrued \ but \ not \ due \ for \ payment$ 

(₹in lacs)

	Secured Loans			m . 1
Particulars	excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	303.00	347.02	-	650.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	303.00	347.02	-	650.02
Change in indebtedness during the financial year	-	-	-	-
Additions	-	-	-	-
Reduction	-	86.84	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	303.00	260.18	-	260.18
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	303.00	260.18	-	563.18

Note : Interest is not provided as the lender has initiated SARFAESI proceedings  $\,$ 

#### (VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Managing Director(MD), Whole Time Director (WTD) and/or Manager

(₹in lacs)

S. No.	Particulars of Remuneration	Mr. P.C.Pantulu	Mr. K.S. Shiva Kumar	Mr. P.Chandra Sekhar	Total
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of	30.000	9.600	10.800	50.400
	the Income Act				
	b) Value of perquisites u/s 17(2) of the Income tax Act,				
	1961				
	c) Profits in lieu of salary u/s 17(3) of the Income tax Act				
2	Stock option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others (specify)				
5	Others, please specify				
	Total (A)	30.000	9.600	10.800	50.400
	Ceiling as per the Act				26.18

#### **B.** Remuneration to Other Directors

(₹in lacs)

	Particulars of Remuneration		Name of th	e Directors			
S.N o	Independent Directors	Mr.K.Koteswara Rao	Dr.D.Jayarami Reddy	Ms.C.Kamak shi Bharathi	Mr.V.S.Roop Kumar	Mr.B.Sr inivasa Reddy	Total
1	(a) Fee for attending board meetings	0.10	0.20	0.18	0.20	0.23	0.90
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-	-
	Total (1)	0.10	0.20	0.18	0.20	0.23	0.90
	Other Non Executive Directors						-
2	(a) Fee for attending committee meetings	0.10	0.20	0.23	0.23	0.20	0.95
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify.	-	-	-	-	-	-
	Total (2)	0.10	0.20	0.18	0.23	0.20	0.95
	Total (B)=(1+2)	0.20	0.40	0.40	0.43	0.43	1.85
	Total Sitting Fees	0.20	0.40	0.40	0.43	0.43	1.85
	Oviling Cepingths per the Act.						4.23

#### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹in lacs)

S. Particulars of Remuneration No.	Company Secretary	Total
1 Gross Salary		
(a) Salary as per provisions contained in section 17(1) of the Incom	e Tax Act, 1961. 1.80	1.80
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax A	act, 1961 -	-
2 Stock Option	-	-
3 Sweat Equity	-	-
4 Commission as % of profit others, specify	-	-
5 Others, please specify	-	-
Total	1.80	1.80

#### (VII) Penalties /Punishment/Compounding of Offences

Туре	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees	Authority (RD/NCLT/Court)	Appeals made if any (give details)
		Α.	imposed COMPANY		
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
		В. Г	DIRECTORS		
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
		C. OTHER OF	FICERS IN DEFAULT		
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



#### **Annexure IV**

#### FORM NO- MR-3

#### **Secretarial Audit Report**

#### For The Financial Year Ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To.

The Members M/s. Cybermate Infotek Limited Plot No-19&20, Moti Valley, Trimulgherry Secunderabad-500015 Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Cybermate Infotek Limited (CIN: L72200TG1994PLC017485) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s**. **Cybermate Infotek Limited** for the period ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
- b. The Securities and Exchange Board of India
   (Prohibition of Insider Trading) Regulations, 1992
   and The Securities and Exchange Board of India
   (Prohibition of Insider Trading) Regulations ,2015
   (Applicable w.e.f. 15-05-2015).
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)
   Regulations, 2009 (Not Applicable during the audit period);
- d. The Securities and Exchange Board of India
  (Employee Stock Option Scheme and Employee
  stock Purchase Scheme) Guidelines, 1999 and The
  Securities and Exchange Board of India (Share
  Based Employee Benefits) Regulations, 2013
  (Not Applicable during the audit period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities ) Regulations, 2008 (Not Applicable during the audit period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and

dealing with Client;

- g. The Securities and Exchange Board of India
   (Delisting of Equity Shares ) Regulations 2009 (Not Applicable during the audit period and;
- h. The Securities and Exchange Board of India
   (Buyback of Securities) Regulations 1998 (Not Applicable during the audit period);

## I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time.
- ii) The Listing Agreements entered into by the Company with BSE Limited.
- iii)Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015. (Applicable w.e.f. 01-12-2015)

During the period under review the Company has complied with the provisions of The Companies Act, 2013, The Companies Act, 1956, to extent applicable and the Rules, Regulations, Guidelines, Standards etc., mentioned.

I further report that , having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with the following law applicable specifically to the company

- a) Information Technology Act, 2000 and the rules made there under.
- b) Software Technology Parks of India rules and regulations

#### I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of The Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be.

I further report that as for as possible, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

y. Koteswara rao

ACS No. 3785 C.P. No.: 7427

Place: Hyderabad Date: 10-08-2017



#### Annexure A to MR-3

То

The Members
M/s. Cybermate Infotek Limited
Plot No-19&20, Moti Valley, Trimulgherry
Secunderabad-500015
Telangana

My report of even date is to be read along with this letter.

- Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that, I have followed has provided a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

Y. KOTESWARA RAO

ACS No. 3785 C.P. No.: 7427

Place : Hyderabad Date : 10-08-2017

#### Annexure V

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

#### A. Conservation of Energy

The rising energy cost has laid great emphasis on conservation of energy. The Company has taken various measures, including regular monitoring of consumption, reduction of losses and improved maintenance to increase the efficiency and reduce power costs. The company uses only LED fixtures so as to reduce the power consumption.

Particulars	2016-17	2015-16
Purchased		
Units KwH	35,038	46,109
Total Amount(INR)	3,67,767	4,63,557
Rate per Unit(INR)	11	10
Own Generation		
Through Diesel Generator		
Units (Litres)	55	805
Units per ltr of diesel oil	3	3
Total Costs(INR)	3,500	50,861
Costs per Unit(INR)	63	63

#### B. Research and Development (R & D)

Research and Development of new products features for existing products are explored continuously during the course of software design and development that enhances productivity to users.

Your company is continuously strengthening its research exposure in application and system development areas. Your company has set up practice units for web-related technologies and object and component technologies.

However, none of the activities are in the nature as defined under the Accounting Standard 8 on R&D.

### C. Technology absorption, adaptation & Innovation (₹ in lacs)

Particulars	2016-17	2015-16
Network & Hardware Purchased	0.96	3.62
Software Purchases A/c	2.96	0.49
Computers-Upgradation	0.14	0.35
Software-Upgradation	0.32	0.27
Total	4.38	4.73

## D. Foreign Exchange inflow and outflow for the year ended (₹ in lacs)

Particulars	2015-16	2014-15
Foreign Exchange Inflow	192.11	83.05
Foreign Exchange Outflow	-	-

#### Annexure VI

#### CORPORATE GOVERNANCE REPORT

#### The Company's Corporate Governance Philosophy

Corporate Governance is more a way of Business life than a mere legal compulsion. It essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the Community. Your Company believes that, though the prime focus of any business entity is on the core objective of earning profits, the same should be aligned with the expectations of stakeholders. In this direction, the Board of Directors of your Company is committed to adopt good corporate governance practice as a part of the corporate culture, a way of its corporate life and a kind of self-disciplinary code. And it is so designed to serve the ultimate goal of making the Company, a value driven Organization. Effective corporate governance practices coupled with strong leadership have been the company's forte.

Your company strictly adheres to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as modified from time to time and is aimed to consolidate and stream the provisions of earlier listing agreements for different segments of Capital market viz equity, debentures, debt instruments, etc.

The corporate governance guidelines help fulfil the responsibility of the board towards the shareholders and also ensure that the board is empowered sufficiently to set up procedures to function and also evaluate the performance of the management.

#### 1. Board of Directors:

#### A. Size and Composition of Board:

At Cybermate Infotek Limited, the Board of Directors represents **Professionalism** with directors coming from different background carrying **Knowledge** to meet the market demands in our industry segment as gathered with a lot of **Experience.** 

Internal factors contribute a major portion to a good governance practice, this is what your company believes in, and hence the Board being the apex of the company's corporate governance structure is a key factor to ensure highest standards of legal compliances. Their contribution is important to ensure appropriate direction on leadership, vision, strategy, policy making, monitoring and achieving maximum performance. The Board is characterized with Independence, professionalism, transparency in decision making and accountability. Company has duly constituted Board pursuant to Section 149(1) of Companies Act, 2013 consisting an optimum combination of Executive, Non-Executive and Independent Directors each of them adding value and who bring independent view in the decision-making process.

As on 31st March 2017, the Board comprises of 8
Directors among whom **Three** are promoters holding
Executive directorship, One is a promoter and nonexecutive director and **Four** others are Independent
directors. Among the four independent directors, We
have one Woman Director as required under Section
149(1) of the Companies Act, 2013 read along with Rule
3 of Companies (Appointment and Qualification of
Directors) Rules, 2014. The necessary disclosures
regarding Committee positions held by all the Directors
have been discussed as a part of this report.

#### B. Board Meetings:

The Board of Directors of the company met nine times during the financial year 2016-17 at the company's corporate office on 21st May 2016, 20th June 2016, 05th July 2016, 12th August 2016, 07th September 2016, 08th October 2016, 14th November 2016, 20th December 2016, 9th February 2017.

The gap between any two meetings did not exceed one hundred and twenty days.

Composition of the Board and other
Directorship/Membership of the committees held as on
31st March 2017 along with Attendance of Board
Meeting/AGM during the year are given below:



#### **Attendance Record 2016-17**

#	Name	Category		Attended last
1	Mr. P. C. Pantulu	Promoter & Executive	9	Y
2	Mr. K. S. Shiva Kumar	Promoter & Executive	9	Y
3	Mr. P. Chandra Sekhar	Promoter & Executive	9	Y
4	Mr. K. Koteswara Rao	Promoter & Non- Executive	4	Y
5	Dr. D. Jayarami Reddy	Independent	8	Y
6	Ms. C Kamakshi Bharathi	i Independent	7	Y
7	Mr. V. S. Roop Kumar	Independent	8	Y
8	Mr. B. Srinivasa Reddy	Independent	9	Y

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

# Name DIN Directorships Memberships	ship
1 Mr. P. C. Pantulu 1583136 2 1	1
2 Mr. K. S. Shiva Kumar 2103299 1 1	0
3 Mr. P. Chandra Sekhar 1647212 5 0	0
4 Mr. K. Koteswara Rao 6401491 1 1	0
5 Dr. D. Jayarami Reddy 2079731 2 2	0
6 Ms. C Kamakshi Bharathi 7144611 0 2	1
7 Mr. V. S. Roop Kumar 5317482 3 2	1
8 Mr. B. Srinivasa Reddy 1384074 3 2	1

#### **Term of Office of Directors**

The term of office of the executive directors and independent directors is five years.

However, the following is the term of office of the directors as at 31st March 2017

Appointment of Mr. V.S. Roop Kumar and Mr. B. Srinivasa Reddy was regularized in the Extra-Ordinary General Meeting held on 04th April 2016, thereon holding the position of being an Independent Director on Board of the Company.

Name	Designation	DOA	Upto
EXECUTIVE DIRECTORS			
Mr.P.C.Pantulu	Managing Director	04-04-16	09-05-17
Mr. K. S. Shiva Kumar	Whole-time	04-01-12	31-03-17
	Director & COO		
Mr. P. Chandra	Whole-Time	07-09-16	06-09-21
Sekhar	Director & CFO		
NON-EXECUTIVE DIREC	TORS & PROMOTER	RS	
Mr. K. Koteswara Rao	Independent	26-08-15	25-08-18
	Director		
INDEPENDENT DIRECTO	ORS		
Dr. D. Jayarami Reddy	Independent	26-08-15	25-08-18
	Director		
Ms. C. Kamakshi	Independent	26-08-15	25-08-18
Bharathi	Director		
Mr. V.S. Roop Kumar	Independent	07-03-16	07-03-21
	Director		
Mr. B. Srinivasa	Independent	07-03-16	07-03-21
Reddy	Director		

#### Information placed before the Board

- Agenda papers along with detailed notes are being circulated in advance of each meeting of the board.
- Corporate Governance Reports
- Quarterly Compliance Reports & Investor Grievance Reports.
- Directors with material pecuniary or business relationship with the company.
- Quarterly Financial Results Standalone & Consolidated with Notes thereon
- Minutes of the Board Previous Board Meetings.
- Materially important Litigations, demand, show cause, penalty, prosecution notices.
- Operations Review Information i.e Contracts etc.

#### C. Policy for the Formal Evaluation of the Board:

#### Objective:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

#### **Criteria for Evaluation:**

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of

Independent Directors and also the other directors on the Board.

- Attendance and contribution at Board and Committee meetings.
- His/her stature, appropriate mix of expertise, skills, experience, and understanding of business, strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance. (This criteria is adopted based on the basic qualification and other acquired skills of the individual)
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company so as to achieve organizational successes.
- Quality of decision making in the various business processes, understanding financial statements and business performance.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

#### **Evaluation of Performance:**

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company and also based on the abovementioned criteria.

Based on the performance evaluation of each and every

Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and also based on the feedback received from other members on Board.

#### Effectiveness of the board:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly, the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

#### 2. Audit Committee

#### A. Scope

Audit committee is responsible for overseeing the value additions provided of the auditors. They also need to ensure that the auditor has an appropriately independent mindset from management and is truly objective. Ultimately, this will enable the audit committee to draw conclusions about the effectiveness of the audit.

The committee establishes procedures for accepting confidential, anonymous concerns relative to financial reporting and internal control matters. Often referred to as a "whistle-blower policy," the procedures allow individuals to bring questions and issues to light without fear of retribution. It is the audit committee's responsibility to create an environment that accommodates an open discussion in a culture of integrity, respect and transparency between management and auditors.

The audit committee is responsible for the appointment, compensation and oversight of the work of the auditor.

#### **B.** Composition:

Audit Committee comprises of 3 Non-Executive Independence Directors with relevant experience in Finance and audit,

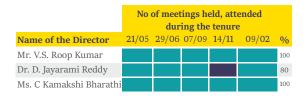
1. Mr. V.S. Roop Kumar, Chairman



- 2. Dr. D. Jayarami Reddy and
- 3. Ms. C. Kamakshi Bharathi

#### C. Meetings:

During the financial year 2016-17, FIVE meetings of the committee were held and attendance to the audit committee meetings is as follows.



#### **Recommendations of Audit Committee**

The Audit committee has reviewed the Financial Statements submitted by the Management.

The Management is responsible for the company's internal control over financial reporting and the financial reporting process.

The independent auditors are responsible for performing an independent audit of the company's financial statements in accordance with Generally Accepted Auditing Principles and issuing a report thereon. The committee's responsibility is to monitor these processes.

Upon review of the financial reporting of the company the committee made recommendations with regard to disclosure of the following aspects

- (a) Related Party Transactions
- (b) Litigation with M/s DHFL.
- (c) Disclosure on Allotment of Shares to Promoters upon conversion of Share warrants
- (d) Disclosure on FCCB Status
- (e) Impact of SEBI Circular on Shell Companies

Further the committee has recommended the following to the board

(a) The standalone audited financial statements for the year ended 31st March 2017

- (b) The consolidated audited financial statements for the year ended 31st March 2017
- © Appointment of M/s P. Murali & Co, Chartered Accountants as statutory auditors of the company to audit standalone and consolidated financial statements of the company from the conclusion of the ensuing AGM to the conclusion of the next AGM
- (d) The Appointment of CAS & Associates, Practicing Company Secretaries represented by its Partner, Mr. Sidharth C.A. as secretarial auditor for the financial year ending 31st March 2018.

#### 3. Nomination and Remuneration Committee:

#### A. Composition:

The nomination and remuneration committee comprises of three Independent members as follows:

Ms. C. Kamakshi Bharathi Chairman

Mr. B. Srinivasa Reddy Member

Mr. V.S. Roop Kumar Member

#### B. Meetings:

During the financial year under review, FOUR meetings of the committee were held and attendance to the nomination and remuneration committee meetings is as follows.

#### Nomination and Remuneration Committee

	No of meetings held, attended during the tenure				
Name of the Director	29.6.16	14.11.16	14.11.16	9.2.17	%
Ms. C Kamakshi Bharathi					100
Mr. B. Srinivasa Reddy					100
Mr. V S Roop Kumar					100

The Nomination and remuneration committee screens the profiles of individuals to be nominated on the board as executive directors, Non-executive directors and independent directors.

The committee also recommends to the board the members to retire by rotation, also reviews and recommends the compensation of CEO, COO, CFO, senior executives etc.

The Company does not have any Employee Stock Option Scheme.

#### **Managerial Remuneration**

During the year under review, The nomination and remuneration committee has reviewed the provisions of Schedule V, Part II, Section II to the Companies Act 2013 on the Remuneration payable by companies having no profits or inadequate profit.

The Committee had clarified that the remuneration payable to the managerial personnel is within the limits prescribed there under.

During the current year, Nomination & Remuneration Committee has recommended the Board of Directors of the Company stating that the remuneration limits be maintained to the extent provided for under Section 197 of Companies Act, 2013 else an approval from the Central government is required. The Board approved the recommendation from Nomination & Remuneration Committee and an approval would be sought from the Central Government subject to approval of members in the 23rd Annual General Meeting of the Company.

#### 4. Stakeholders Relationship Committee:

The Stakeholders relationship committee reviews and redresses shareholders grievances. The Committee meets at regular intervals in order to facilitate prompt and effective redressal of shareholders complaints to effect transfers, transmissions and give approval for issue of duplicate share certificates/name deletions etc. The company in coordination with the registrar and transfer agents takes all necessary steps for prompt resolution of all shareholder complaints and committee periodically reviews the report of the same.

#### A. Composition:

The Stakeholders Relationship committee comprises of the following Independent Directors:

Mr. B. Srinivasa Reddy Chairman
Dr. D. Jayarami Reddy Member

Mr. K. Koteswara Rao Member

Ms. K. Venkata Lakshmi Company Secretary is

designated as a Compliance Officer.

#### B. Meetings:

During the financial year 2016-17, the committee has met on FOUR occasions and attendance of the shareholders grievances committee meetings is as follows.

#### Stakeholders Relationship Committee

	No o	No of meetings held, attended during the tenure				
Name of the Director	29.6.16	7.9.16	14.11.16	9.2.17	%	
Mr. B. Srinivasa Reddy					100	
Dr. D.Jayarami Reddy					100	
Mr. K. Koteswara Rao						

The Stakeholders relationship committee noted that the no of shares held in physical form as at 31st March 2017 was 2,920 shareholders holding 5,94,864 shares i.e 0.82 % of the total shares.

The committee has also noted that 14,403 shareholders have not registered their e-mail ids with the Depositaries.

The committee has made a recommendation to include a form along with the notice of annual general meeting to facilitate shareholders to update their address, email ids, bank account details and mobile number to facilitate communication.

The committee has also reviewed the communication and publication of quarterly results etc periodically.

#### C. Summary of Grievances:

The company did not receive any valid complaints from shareholders/Investors during the period 1st April 2016 to 31st March 2017.

As on March 31, 2017, there were no pending share transfers.

#### 5. Meeting of Independent Directors:

During the year under review, the independent



directors met on 20th December 2016, to discuss matters as prescribed under the Companies Act, 2013.

They have taken note of the Capital Reduction of the company, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 etc.

The independent directors also discussed on the long term and short term objectives of the company, the fund raising plans and deployment of funds.

#### 6. Code of Conduct:

The Board of Directors of the company has laid down a code of conduct for all its members and senior management personnel of the company. This code of conduct is uploaded on company's website. The directors and senior management have affirmed their compliance with the code of conduct for the financial year 2016-17.

#### 7. Details of previous Annual General Meetings and special resolutions passed at such Annual General Meetings:

Year	Location	Date	Time
2013-14	"SAFFRON", Hotel Taj Tristar	30-09-14	10.00 A.M
	1-1-40, Seven Hills, Sarojini Devi		
	Road		
2014-15	Moksh Banquets	26-08-15	10.00 A.M
	221, Tivoli Road		
	Secunderabad-500 003		
2015-16	Moksh Banquets	07-09-16	10.30 A.M
	221, Tivoli Road		
	Secunderabad-500 003		

#### 8. Disclosures:

#### **A. Related Party Transactions:**

a) 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 25 forming part of the Accounts in this Annual Report. b) 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.

#### **B. Statutory Compliance, Penalties and Strictures:**

There were no instances of material non-compliance and no strictures or penalties were imposed on the company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

## C. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee:

In terms of requirements of Clause 4 of the SEBI (LODR) Regulations 2015, 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.

# D. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements relating to Corporate Governance pursuant to applicable clauses of SEBI (LODR) Regulations 2015.

Compliance with Non-Mandatory requirements;

- (i) The code if Business conduct adopted by the Company provides a mechanism for employees to report to the Management about unethical behaviour, 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.
- (ii) There is no audit qualification in the Company's financial statement for 12 months period ended on March 31, 2017. 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 Director's report.

#### 9. Means of Communication

- The Quarterly, half yearly and annual results have been approved by the Board and were intimated to the Stock Exchanges and were published in national newspaper Business Standard and vernacular newspaper Nava Telangana.
- The company's website is periodically updated to include information on new developments and business opportunities of the company.

- The investors can contact on the email id secretarial@cybermateinfotek.com.
- Management Discussion and Analysis Report forms part of Annual Report.
- The company has as per initiatives taken by the
  ministry of corporate affairs, invited the members
  to register their email addresses with the company
  so that all communications/documents including
  the notice calling the annual general meeting and
  other general meeting of the members along with
  the explanatory statement thereto, balance sheets,
  directors report, auditors report etc can be sent to
  them in electronic mode.

#### 10. General Shareholder Information:

a. Annual General Meeting:

Date : 11th September 2017

Time : 10.00 a.m.

Venue : Moksh Banquets, 221, Tivoli road,

Secunderabad - 500003, Telangana. India

**b. Financial Calender** : 01st April to 31st March

c. Date of Book Closure/Record Date : 05/09/2017 to 11/09/2017

& 04/09/2017

d. Listing on Stock Exchanges : BSE Limited

25th Floor, P.J.Towers, Dalal Street

Fort, Mumbai. 400 001

e. Stock Code : 532271

f. Corporate Identity Number(CIN) : L72200TG1994PLC017485 g. Registrar and Share transfer Agent : Aarthi Consultants (P) Ltd

1-2-285, Domalguda, Hyderabad-500029.

Ph:040-27634445/8111/27642217

Fax No.040-27632184

Email:Info@aarthiconsultants.com url:www.aarthiconsultants.com



#### h. Market price Data:

High, Low and number of equity shares traded during each month in the year 2016-17 on BSE.

Month	High	Low	No of Shares
Apr-16	1.14	0.78	6,04,571
May-16	1.2	0.88	7,29,043
Jun-16	1.12	0.74	5,81,767
Jul-16	1.02	0.78	3,68,040
Aug-16	0.99	0.7	4,72,469
Sep-16	0.98	0.72	2,27,317
Oct-16	1.38	0.78	5,25,073
Nov-16	1.79	1.1	14,49,976
Dec-16	1.84	1.38	13,66,058
Jan-17	2.13	1.58	10,52,499
Mar-17	3.69	2.43	20,61,630

## i. Performance of the share price of the company on the BSE



#### j. 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.

#### k. Shareholding as on 31st March 2017

#### l. Distribution Schedule as at 31st March 2017

Category	Holders	Holders %	Shares	Amount	%
1-5000	13,649	58	28,80,388	2,88,03,880	4
5001-10000	3,921	17	35,97,379	3,59,73,790	5
10001-20000	2,286	10	38,85,354	3,88,53,540	5
20001-30000	950	4	25,58,327	2,55,83,270	4
30001-40000	440	2	16,35,086	1,63,50,860	2
40001-50000	686	3	33,36,050	3,33,60,500	5
50001-100000	884	4	69,59,062	6,95,90,620	10
>100000	923	4	4,75,90,316	47,59,03,160	66
Total	23,739	100	7,24,41,962	72,44,19,620	100

Total Nominal Value Rs. 72,44,19,620.00, Nominal Value Of Each Share/Unit 2.00/-

Total Number Of Shares/Units 72441962, Paid Up Value Per Share/Unit Rs. 2.00/-

Distinctive No(s) From 1 TO 72441962

#### m. Dematerialization of shares and liquidity:

		% of total
Particulars	No. of Shares	capital issued
Held in dematerialized form in NSDL	4,17,08,662	57.58
Held in dematerialized form in CDSL	3,01,38,436	41.60
Physical	5,94,864	0.82
Total	7,24,41,962	100.00

#### n. Shareholding Pattern

Particulars	No. of Shares	Percentage
Promoters	1,06,17,903	15
Financial Institutions & Banks	200	-
FIIs/FCBs	-	-
Bodies Corporate	26,84,772	4
NRIs	36,29,252	5
Overseas Corporate Bodies	15,200	0
Trusts	600	-
Clearing Members	18,18,206	3
Resident Individuals	5,36,75,829	74
Tota	1 7,24,41,962	100



#### o. Address for Communication

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.

#### p. Other Shareholders related information:

Regulation 39 read with Schedule VI of the SEBI (LODR) Regulations 2015 with respect to Unclaimed Shares

Cybermate Infotek Limited has all its shares claimed by the respective shareholders. Hence, this clause of the listing agreement does not bind the company.

#### q. Code of Conduct

To uphold corporate philosophy, the Board of Directors of the company has laid down a code of conduct for all the board members and the senior management of the company as per the clause provided in the listing agreement.

I hereby confirm that the directors on board of the company, the senior management officials have provided an affirmation that they have complied with the code of conduct during the financial year 2016-17.

P.C.Pantulu Managing Director,

Chairman, CEO

P. Chardra Sakhan P.Chandra Sekhar Whole-time Director and CFO

Place: Hyderabad Date: 11.08.2017



#### **Annexure VII**

#### **Management Discussion & Analysis**

#### Overview

Cybermate is a Mid-Sized IT Services company engaged in custom built software development, System Integration Services, Network & Surveillance, building and selling own Products, reselling third party products, business platforms, analytics, social media, mobile applications, cloud based solutions and outsourced business processes etc. Cybermate has over the years built and sold products for general IT use and domain specific solutions for Health Care, Telecom, Engineering, Energy and Retail. Cybermate is a public limited company incorporated in India and has its registered and corporate office at Hyderabad, Telangana. The company is listed on BSE Limited.

An offshore software development company, CIL executes projects on Web & Web related technologies. As its mainstay has been the convergence of business and technology strategies, CIL is concentrating on reorienting and refocussing on gaining ground lost to peers despite its milestones in the past. Having faced stiff challenges due to a traditional approach and conventional services, CIL is in the process of "Rebuild. Reform. Reinvent" and is seizing the opportunity and initiative offered by the changing landscape of technology.

The protectionist stance in developed countries, political instability across the globe, continued weakness in commodity prices and recession in certain large market economies painted a gloomy picture of the global business environment in 2016-17. Despite the desired pace of growth not being achieved, the Indian economy emerged as a force in its own right as it was able to accelerate growth out of its own power. A number of factors contributed to this emergence: political reforms improved business, barriers to trade reduced, education level of the workforce improved and the regulatory burden and cost of doing business

#### reduced.

The mobile revolution opened up a vista of information accessibility of diverse range thus rendering implications of digital transformation as reality. Digital technology business is rapidly taking strides in outpacing traditional business growth and this is further strengthened by India's consumer economy and the government's initiative for digitization. Continuing to provide conventional IT products, services and solutions, CIL entered the business of smart enterprise through the confluence of digital technology, that is, IoT (Internet of Things), SMAC (Social, Mobile, Analytics and Cloud), Digital and Platform.

#### **Future Course**

Products are now converting to platforms. Platforms are being built across domains to provide services on the Cloud hence products which were sold as licences renewable year on year are being replaced by platform subscriptions. Keeping abreast with this trend, as part of its "Rebuild. Reform. Reinvent" move, CIL commenced work on multiple platforms which facilitate e-commerce in new segments such as logistics, healthcare, and arts. Our solutions are 'Software as Service' for day to day issues that the common man faces.

#### Healthcare Platform: www.cyber1health.com

Keeping the humane touch to its operations, CIL ventured in Electronic Health Records inspired by a true incident. An elderly gentleman was admitted into reputed hospital for treatment. After discharge from the hospital, due to some medical complications he had to go to the hospital's branch in another part of the city. The doctors in this branch insisted that he undergo the same tests conducted in the main hospital in the recent past as the hospital did not have any system of sharing medical records with its branches situated in different locations!

Electronic Health Record (EHR) is a repository/longitudinal record which consists of the

#### following features:

- It contains all health information such as diagnostic reports, prescriptions, discharge summaries and procedure summaries.
- It is entered, stored and accessed electronically.
- It reflects the entire health history of an individual across his lifetime including data from multiple providers.

Being web based, the platform facilitates:

- access to health records irrespective of the hospital or a group of hospitals and from anywhere in the
- storage of medical images such as x ray, MRI Scan,
   CT Scan and procedure videos
- facilitates telemedicine
- provides exclusive logins for patients, doctors and insurance companies

CIL has launched the pilot platform and the response has been encouraging with 10000 active users, 500 labs and 200 plus doctors on board. Smart phone users are expected to grow to 650 million by 2020 there by increasing our scope.

#### Healthcare Platform: www.healsoft.in

As a comprehensive outlook towards healthcare, CIL has developed an inclusive hospital management software system namely Healsoft which addresses and seamlessly manages all areas of hospital operations. With the view of ensuring and complementing efficient functioning, HealSoft is a customized integrated healthcare solution that enables hospitals to manage the immeasurable data constantly generated round the clock, IPD and OPD, pharmacy, laboratory, wards, online appointments, scheduling, billing, accounting, HR/Payroll and many other aspects of hospital functioning.

HealSoft eliminates the possibility of human error, improves monitoring of various processes, provides a broad view of hospital growth, eases information availability through Cloud or servers, facilitates financial administration, supports important decision making and formulation of strategies for growth.

#### Logistics Platform: www.bharatcargo.in

Logistics, apart from Communication and Information technology, is one of the fastest moving segments in the modern economy. Its importance to business cannot be understated as it is integral to operations. CIL's focusses on optimising logistics management with respect to road transportation.

Transport operators can be broadly classified as

- Small Fleet Operators (SFOs) owning up to five vehicles.
- Medium Fleet Operators (MFOs) owning between six to 20 vehicles and
- Large Fleet Operators (LFOs) owning typically over 20 vehicles

Road cargo is offered as Full Truck Load (FTL) and partial truck load or Less than Truck Load (LTL). CIL's target space is the LTL.

#### Less than Truck Load (LTL):

LTL involves partial or less than the full capacity of the truck load and is further categorized as parcel and express cargo. LFOs have long term contracts and geographic spread to source business. They also have the capability to operate through their own web presence whereas SFOs and MFOs look forward to source customers to optimise cost per trip. Domestic and business customers look out for cargo operators with whom they can optimise costs and expect timely delivery. Unlike FTL operations, wherein the consignment originates from a single source, LTL requires a wider reach and adequate infrastructure and hence CIL has a cargo platform.

This platform facilitates the SFO & MFO's interaction with SME, MSME and domestic customers to achieve their goals. In this segment of service, the customers do not hire the entire truck and the LTL service provider aggregates consignments from various clients and sends them across to the desired destination.



#### The Industry Landscape

A T Kearney's 2016 Global Services Location Index (GSLI) rated India as the topmost out of the total 55 countries analysed for outsourcing destination in terms of financial attractiveness and business environment. The global IT-BPM market (excluding hardware) stood at 1.2 trillion in 2016. India has the lion share of IT-BPM companies with more than 15,000. There is a rapidly growing SME community of 14,000+ which contributes 10 % of industry revenues. This includes 1,400 product/internet firms, 800 BPM firms and 150 knowledge services firms.

Industry is now given to collaboration and partnership as the focus is on skill rather than scale of operations. The government's priority and focus is on the deployment of technology for digitization of India and this is driving investments in the domestic market. Digitization is here to stay as it is a key customer priority. Perusal of Digital Revenues reveal that SMAC revenues have quadrupled in the last 5 years. Big Data/Analytics Revenues have crossed USD 1.2 Billion and 7-10 % of industry revenues are cloud/platform based. As is evident, e-commerce is boosting digital consumption.

According to NASSCOM, the Indian IT industry continues to be a net hirer and reports that 2.5-3 million new jobs will be created by 2025. In the FY 2017, the industry added 1,70,000 new jobs. The IT industry added 600,000 in last three years and today, boasts of a total employee base of 3.9 million. In 2016, Indian technology startups employed 95,000 to 100,000 IT professionals, across more than 4,750 startups (including ecommerce and hyperlocals). The Indian domestic IT market will prove to be resilient even if global markets face challenges as the prospects for industry growth and consequently employment are strong.

India's total software product market grew at 9.5% in FY2017 to reach USD 7 billion. Exports grew 7.8% to reach USD 2.3 billion. Comparatively the domestic

market grew much faster, at 10.4%, reaching USD 4.8 billion. India's overall domestic IT/BPM sector is expected to grow at 8.5% from USD 35 billion in 2016 to an anticipated USD 37 billion in 2017.

Health sector is expected to grow to USD 220 billion by 2020 out of which IT services are expected to garner 15% of the growth.

As per a report published by McKinsey & Co., around USD 45 billion is lost each year due to inefficiencies in India's logistics network. India spends around 14.4% of its GDP on logistics and transportation as compared to less than 8% spent by the other developing countries. Logistics market in India is expected to be worth US\$ 307 billion by 2020.To cover up the inefficiencies, Logistics industry is slowly transforming itself from a traditional outlook to a technology enabled business. The role of IT in Logistics is gaining importance for reducing redundancy and saving cost.

#### Risk Category

Your company has classified risks in the following categories: **Strategic risks** are potential uncertainties and untapped opportunities embedded in achieving the company's goals.

**Operational risks** are potential fallouts of active decisions pertaining to the functioning of the organisation and its priorities.

**Financial risks** pertain to the company's potential ability to generate sufficient cash flow to meet financial obligations. **Regulatory risk** is the potential material impact because of a

**Human Capital risks** pertain to the obstructive impact of human action, attraction and retention of human capital.

#### Risk Assessment

change in laws and regulations.

Risk assessment is a comprehensive process wherein hazards and risk factors that can potentially impede growth or profitability are identified (risk identification), analysed (risk analysis) and evaluated (risk evaluation) in order to determine suitable methods for elimination or control when the risk cannot be eliminated (risk control).

Certain characteristic risks related to the IT industry and consequently the company are as follows:

#### **Client Risk**

Complacency in dealing with particular clientele may lead to an adverse impact on business in case of unfavourable changes in the client's business or company policy. Therefore your company is constantly broadening its client base in different verticals and geographical locations.

#### **Information Security and Disaster Recovery**

As the nature of IT related work possesses the inherent risk of security breach of the company's network, security relating to client data, company infrastructure, network and assets is strictly maintained. Exhaustive security measures are devised and implemented and complemented by a disaster recovery plan to prevent the disruption of services and operations in such an event.

#### **Technology Obsolescence Risk**

To keep abreast of market demands and client expectations, your company averts technology obsolescence by timely investment in new technology, keeping pace with updates in technology, training its resources accordingly and by not being reliant on any one technology or platform.

#### **Client Liability Risk**

In order to minimise the possibility of claim in damages because of insufficiency in services to the client, your company negotiates and documents contracts with great detail, ensures strict quality control, consistent monitoring and delivery tracking. Your company also has adequate insurance cover as protection from such liabilities.

#### **Human Resource Risk**

Recognising the opportunities available to skilled human resources and to prevent attrition which can unfavourably impact customer experience, your company maintains a resource pool by recruiting the best talents across the country, imparting training and honing knowledge and skills, creating quality work

environment and providing opportunities and challenges for growth. A transparent performance based incentive system ensures retention and prevention of brain drain from the company.

#### International Exposure Risk

Understanding the need for compliance of local laws and the possibility of regulatory, visa and tax complications in different countries where there are business interests, your company mitigates such risks by engaging specialists and professional agencies with expertise in these areas.

#### Foreign Currencies Risk

Economic volatility across the globe, fluctuations in major currencies and cross currency movements have a strong bearing on India's IT industry as most of its market is overseas. There is a strong correlation between operating costs and profitability and currency rate fluctuations. As a preventive measure, your company enters into forward cover for predictable inward remittances in order to minimize risks associated with foreign currency rate fluctuations.

The other risks that the management reviews also include:

 a. Industry & Services Risk: this includes Economic risks like demand and supply chain, Profiatability,
 Gestation period etc.; Services risk like infrastructure facilities;

Market risk like consumer preferences and distribution channel etc.; Business dynamics like inflation/deflation etc.; Competition risks like cost effectiveness

b. Management and Operational Risk: this includes Risks to Property; Clear and well-defined work process; changes in technology / up gradation; R&D Risks; Agency network Risks; Personnel & labour turnover Risk; Environmental and Pollution Control Regulations etc.; Locational benefits near metros



- c. Market Risk: this includes Raw Material rates; Quantities, quality, suppliers, lead time, interest rates risk and forex risk.
- **d. Political Risk:** this includes Elections; War risk; Country/Area Risk; Insurance risk like Fire, strikes, riots and civil commotion, marine risk, cargo risk etc.; Fiscal/Monetary Policy Risk including Taxation risk.
- e. Credit Risk: this includes Creditworthiness; Risk in settlement of dues by clients and Provisions for doubtful and bad debts
- **f. Liquidity Risk:** this includes risks like Financial solvency and liquidity; Borrowing limits, delays; Cash/Reserve management risks and Tax risks
- **g. Disaster Risk:** This includes Natural calamities like fires, floods, earthquakes etc.; Man made risk factors arising under the Factories Act, Mines Act etc.; Risk of failure of effective disaster Management plans formulated by the Company.
- h. System Risk: This includes System capacities
   System reliability-Obsolescence risk-Data Integrity risk
   & Co-ordination and Interface risk.
- i. Legal Risk: This includes Contract risk; Contractual liability; Frauds; Judicial Risk and Insurance risk
- **j. Government Policy:** This includes Exemptions, import licenses, income tax and sales tax holidays, subsidies, tax benefits etc.

## Risk Management Framework under the purview of the Risk Management Committee

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business.

Your Company's Board believes that to ensure sustainable business growth with stability of affairs and operations of the Company, periodical review of various risks having a bearing on the business and

operations is vital to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. Further, it is also belief of your management that Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid or minimize the impact of the risks.

The Risk Management framework includes:

- 1. Ensuring that the executive management focuses on managing risks to key business objectives.
- Corporate governance oversight with regard to the identification evaluation and mitigation of strategic operational legal and compliance risks.
- 3. Formulating and deploying risk management policies and procedures.
- 4. Adhering to risk management policies and procedures.
- Regular Monitoring and approving the risk management framework and associated practices of the Company.
- 6. Implementing prescribed risk mitigation actions.
- 7. Reporting risk events and incidents in a timely manner.
- 8. Reviewing and approving risk related disclosures.
- Oversight of risk management practices including identification, impact assessment, monitoring mitigation and reporting.
- Periodical reviewing of the performance of the risk management policies and procedures.

#### **Strengths and Concerns**

**Strengths:** Your Company has carefully observed and evaluated the various tumultuous changes in world politics and global economy thus being in a state of preparedness to face challenges thrown up by reforms,

policy changes and. political manoeuvring.

New opportunities in the form of technology changes and updates, changes in consumer tastes and government initiatives saw your company prepared to build on its innate strength of adaptability and to remain focussed on its business objectives.

Your company's entry into smart enterprise using digital technology is backed by the resolve to be geared to meet the needs of digital customers and this is achieved by developing frameworks and processes to be able to do so.

Flexibility marks the company's operations in order to optimize the cost structure and execute projects in a cost effective manner thus increasing profitability.

Strategies have been evolved and put in place for the sustainability of the organisation and its relevance to client needs as well as generating profitable growth for investors.

Sustained growth and profitability is underlined by engagement with clients in transformative programmes both in the traditional and new digital initiatives.

End-to –end service following the company's creed of 'Software as Service' ensures expansion of existing client relationships.

Periodic assessment of the organization and processes serves to achieve and optimize strategic objectives.

Longstanding relationships with corporations and organizations stand in good stead thereby ensuring client retention.

To attract and retain the best talent in the country, keen interest and effort is taken to engage and retain employees and to encourage career and competence development of employees.

**Concerns:** As there are many new players in the market, particularly in India, stiff competition especially in the new technologies is expected and the

company has to brace itself for a tough course.

The ability to keep pace with changing technology, changing political scenarios and fluctuating market pressures is to be constantly augmented in order to overcome these challenges.

The need to attract and retain high quality management, technology professionals and effective sales personnel is unrelenting in its pressure.

Currency fluctuations and declining interest rates may affect profitability and results.

Revenue could be adversely affected due to intense competition in the market for technology services that negatively impacts pricing.

Success of operations largely depends on the management team and key personnel. Excessive reliance on these personnel is a matter of concern as well as the possible failure to anticipate and develop new services.

Customer dissatisfaction and reduction in revenue looms large in the face of disruption of services because of failure in the communication network, system failure and breach of cyber security.

Your company will be liable to customers for damages caused by the disclosure of confidential information and may be the subject of litigation.

Acquisitions, strategic investments and partnerships may not be successful.

The Intellectual Property laws of India do not provide sufficient protection to software and related intellectual rights.

Changes in government policies and taxation may adversely affect the company's operations and consequently profitability.

#### Internal Control Systems and their adequacies

The CEO and CFO certification provided in the Annual report discusses the adequacy of our internal control systems and procedures.



Material Developments in Human Resources / industrial relations, number of people employed.

**Human Capital:** As at March 31, 2017, the company employed about 116 employees which include software engineers, trainees, process executives and administration.

**Recruitment:** We have built our software programming skill set by recruiting new graduates from different Engineering colleges and IT training institutes.

We have recruited process executives from Government aided foundations and aided consultancies.

We have in place a robust process which includes aptitude tests and interviews followed by a technology task approach in screening our programmers.

Training and development: CIL has always been conducting on the job training programmes on technology, business process, quality and presentation skills to mould its resources into techno commercial resources.

Compensation and Benefits: CIL has always been a mid-sized company attracting trainees to build their capabilities. CIL has always been facing challenges to retain its talent from large corporations which offer packages liked to performance and E- SOPs. In order to address this challenge, CIL has in this year proposed a resolution to implement E-SOPs to retain its talent.

Further your Board has constituted a Risk Management Committee, inter-alia, to monitor and review the risk management framework. 68 Annual Report 2017 CEO and CFO Certification

**CEO and CFO Certification** 

The Board of Directors Cybermate Infotek Limited

Secunderabad.

Dear members.

We, P.C. Pantulu, Managing Director & CEO, and P. Chandra Sekhar, Director & CFO, responsible for the finance function certify that:

We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, Notes to accounts

and the Boards Report for the financial year ended 31st March 2017.

These statements do not contain any materially untrue statement or omit to state any material fact or contain

statements that might be misleading;

The financial statements and other financial information present a true and fair view of the Company's affairs, 3.

the Company's financial condition, results of operations, cash flows of the company for the period ended 31st

March 2017 are in compliance with existing Accounting Standards, applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the Company during the year ended

31st March, 2017 are fraudulent, illegal or violative of the Company's code of conduct except as disclosed to the

Company's auditors and the Company's audit committee of the Board of Directors.

We are responsible 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.

We have indicated to the auditors and the audit committee of the board of directors 6.

Significant changes in internal control over financial reporting during the year under review. (a)

Significant changes in accounting policies during the year and that the same have been disclosed in (b)

notes to the financial statements and

Instances of significant fraud of which we have become aware and the involvement therein, if any, of the

management or an employee having significant role in the company's internal control system over

financial reporting.

Date: 11th August 2017

Place: Secunderabad

P.C.Pantulu

Managing Director,

Chairman & CEO

P. Chardra Fakhan

P.Chandra Sekhar

Whole time director,

**CFO** 

Certificate on Compliance of Corporate Governance

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CYBERMATE INFOTEK LIMITED

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,

The Members
M/s. Cybermate Infotek Limited
Plot No-19&20, Moti Valley, Trimulgherry
Secunderabad-500015
Telangana

I have examined the compliance of conditions of Corporate Governance by M/s. Cybermate Infotek Limited (CIN: L72200TG1994PLC017485) ('the Company'), for the year ended 31st March 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period April 01, 2016 to March 31, 2017.

The compliance of conditions of corporate governance is the responsibility of the management. My examinations has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

monti

Y. KOTESWARA RAO

ACS No.: 3785 C.P. No.: 7427

Place: Hyderabad Date: 10-08-2017



# STANDALONE FINANCIAL STATEMENTS



#### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF CYBERMATE INFOTEK LIMITED

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of CYBERMATE INFOTEK LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, its Profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- As required by the companies (Auditor's Report)
   Order, 2016 ('the order') issued by the Central
   Government of India in terms of sub-section (11)
   of section 143 of the Act, we give in the
   "Annexure A", a statement on the matters
   specified in the paragraph 3 and 4 of the order.
- 2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls,

- refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact, if any, of pending litigations as at March 31,2017, on its financial position in its standalone financial statements ( Refer Note No. 29)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosures in its financial statements as toholdings as well as dealings in SBN's during the period from 8 th November 2016 to 30 th December 2016 and these are in accordance with the books of accounts maintained by the company.

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

P. Murali Mohana Rao
Partner
Membership No. 023412

Place: Hyderabad Date: 29th May 2017

#### Annexure A to the Auditor's Report

Annexure referred to in paragraph 1 of Our Report of even date to the members of CYBERMATE INFOTEK LIMITED on the accounts of the company for the year ended 31st March, 2017 Under "Report on other Legal & Regulatory Requirements"

- I. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are verified by the Management according to a phased programme designed to cover all the items over a period of two years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme a portion of the fixed assets have been verified by the management during the year and no material discrepancies between the book records and the physical inventory has been noticed.
  - (c) According to the information and explanation given to us and to the best of our knowledge and belief the title deeds of immovable properties are held in the name of the Company, Immovable property Buildings was offered as collateral security to M/s DHFL towards Lease Rental Discounting Facility, due to default in payment, possession of the property is taken over by M/s DHFL by initiation proceedings under Securitisation and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002. Refer Note No.19
- ii. The company has no inventory. Hence this clause is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of companies act, 2013 has been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under.
- vi. In respect of the Company, the Central Government has not prescribed maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013.

vii.

(a) The Company is not regular in depositing undisputed statutory dues with the appropriate authorities, following are the undisputed amounts payable which were outstanding for a period of more than six months from the date they became payable.



Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Date of Payment
Telangana Value Added Tax Act	VAT	1,34,948	2013-14	Amount not paid till date
Telangana Profession Act	Profession Tax	1,70,882	Sep 2014 - Mar 2017	Amount not paid till date
Employees Provident Fund & Misc Provisions Act	Provident Fund	2,80,055	Sep 2014 - Mar 2017	Amount not paid till date
Income Tax Act, 1961	TDS	8,49,845	Mar 2015 - Mar 2017	Amount not paid till date

(b) According to the information and explanations given to us, and based on the records examined by us, amount outstanding towards income tax on account of dispute are;

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12,42,619	A.Y. 2004-05	CIT(Appeals)
Income Tax Act, 1961	Income Tax	48,16,000	A.Y. 2006-07	CIT(Appeals)
Income Tax Act, 1961	Income Tax	18,50,169	A.Y. 2007-08	CIT(Appeals)
Income Tax Act, 1961	Income Tax	6,40,88,000	A.Y. 2009-10	CIT(Appeals)
Income Tax Act, 1961	Income Tax	1,70,34,842	A.Y. 2011-12	CIT(Appeals)
Income Tax Act, 1961	Income Tax	2,76,63,700	A.Y. 2012-13	CIT(Appeals)
Income Tax Act, 1961	Income Tax	3,83,56,680	A.Y. 2013-14	CIT(Appeals)
Income Tax Act, 1961	Income Tax	2,24,09,220	A.Y. 2014-15	CIT(Appeals)

- viii. In our opinion and according to information and explanations given to us, the Company has not taken any loans from Banks or Financial Institutions or Government and has not issued any debentures during the year under consideration.
- ix. According to information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the company and hence not commented upon.
- x. During the course of examination of books of accounts and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such cases by the management.
- xi. According to information and explanations given to us and to the best of our knowledge and belief, managerial remuneration has been paid/ provided with requisite approvals mandated in the provision of section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.
- xiii. According to information and explanations given to us and to the best of our knowledge and belief, all the transactions with the related parties are in compliance with section 177 and 188 of companies act 2013 wherever applicable and the details of transactions with related parties have been disclosed in financial statements as required by the applicable accounting standards.

- xiv. The company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the order are not applicable to the company.
- xv. According to information and explanations given to us and to the best of our knowledge and belief the company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause 3(xv) of the order are not applicable to the company.
- xvi. According to information and explanations given to us and to the best of our knowledge and belief the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

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

P. mule

P. Murali Mohana Rao

Partner

Membership No. 023412

Place: Hyderabad Date: 29th May 2017

#### Annexure B to the Auditor's Report

"Annexure B" referred to in paragraph 2(f) under Report on other legal and Regulatory Requirements" section of report on financial statements of even date to the members of CYBERMATE INFOTEK LIMITED on the financial statement for the year ended 31st march 2017.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of CYBERMATE INFOTEK LIMITED ('the Company') as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed

to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

# Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

Place: Hyderabad

Date: 29th May 2017

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P. mule

P Murali Mohana Rao

Partner

Membership No. 023412

#### Balance Sheet as at 31st March 2017

Particulars	Note	As on 31-03-2017	As on 31-03-2016
EQUITY AND LIABILITIES		₹	₹
Shareholders' Funds			
Share Capital	2	14,48,83,924	72,44,19,620
Reserves and Surplus	3	1,63,85,674	(58,63,70,958)
1		16,12,69,598	13,80,48,662
		-	
Non Current Liabilities			
Long-Term borrowings		-	-
Defferred Tax Liabilities (Net)	4	53,59,572	1,03,84,488
		53,59,572	1,03,84,488
Current Liabilities			
Short-term borrowings	5	2,60,18,025	32,47,456
Trade Payables	6	10,54,40,458	2,73,38,253
Other current liabilities	7	14,21,21,057	10,77,43,778
Short-term provisions	8	1,29,15,290	72,17,197
		28,64,94,831	14,55,46,684
Total		45,31,24,000	29,39,79,834
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	1,98,70,856	2,32,88,154
Intangible Assets	10	67,44,244	2,36,74,980
Capital work-in-progress		-	
		2,66,15,100	4,69,63,134
Non-Current Investments	11	3,17,500	3,17,500
Other Non-Current Assets		-	-
		2,69,32,600	4,72,80,634
Current Assets			
Current Investments	12	31,127	31,127
Trade Receivables	13	39,87,60,547	23,19,98,090
Cash and Bank Balances	14	13,28,144	15,73,879
Short-term loans and advances	15	2,60,71,582	1,30,96,104
		42,61,91,400	24,66,99,200
Total		45,31,24,000	29,39,79,834

Summary of Significant Accounting Policies

(1-32)

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. m. L P,Murali Mohana Rao

Partner

Membership No. 023412

For and on behalf of the Board For Cybermate Infotek Limited

P.C Pantulu Managing Director

P. Chandra Sakhan P.Chandra Sekhar

Director

K.S.Shiva Kumar Director

lev lakohi K.Venkata Lakshmi Company Secretary

Place: Hyderabad Date: 29th May 2017



## Statement of Profit and Loss for the year ended 31st March 2017

Production	N. C.	For the year ended	For the year ended	
Particulars	Note	31-03-2017 (₹)	31-03-2016 (₹)	
Revenue from operations	16	53,48,78,031	13,49,57,304	
Other income		1,573	4,569	
Total Revenue		53,48,79,604	13,49,61,873	
Expenses				
Purchasess of network and Security products	17	94,347	3,91,810	
Increase/Decrease in inventories		-	-	
Employee Benefit Expenses	18	37,47,97,860	3,09,45,219	
Other Operating Expenses	19	11,50,81,502	14,35,66,931	
Depreciation and Amortization expenses	9 & 10	2,10,11,784	3,57,77,943	
Finance costs		-	-	
Total Expenses		51,09,85,493	21,06,81,903	
Profit Before Exceptional Item		2,38,94,111	(7,57,20,030)	
Exceptional Item		-	59,70,42,693	
Profit after Exceptional Item and before Tax		2,38,94,111	(67,27,62,723)	
Tax Expense:				
Current tax		56,98,093	-	
Deferred tax		(50,24,916)	(6,81,760)	
PROFIT AFTER TAXATION		2,32,20,934	(67,20,80,963)	
Earning Per Euity share	_			
1) Basic		0.32	(9.27)	
2) Diluted		0.32	(9.27)	

Summary of Significant Accounting Policies and

(1-32)

The Accompanying Notes are an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE

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

P,Murali Mohana Rao

Partner

Membership No. 023412

For and on behalf of the Board For Cybermate Infotek Limited

P.C Pantulu Managing Director

P. Chardra Sekhar P.Chandra Sekhar Director K.S.Shiva Kumar Director

K.Venkata Lakshmi Company Secretary

Place: Hyderabad Date : 29th May 2017

## Cash Flow Statement for the year ended 31st March 2017

	For the year ended	For the year ended
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
A. Cash Flow from Operating Activities:		
Profit before taxation	2,38,94,111	(66,80,70,026)
Adjustments for : -		
Depreciation	2,10,11,784	3,10,85,247
Interest Expense	-	1,41,80,959
Amortisation of Product Development Cost	-	1,13,11,572
Diminution in value of investment	-	38,16,91,600
Impairment of Intangible Asset	-	21,53,51,093
Interest Income	-	-
Dividend Income	(943)	(1,269)
Bad Debts Written Off	-	10,65,78,562
Operating Profit before working capital changes	4,49,04,953	9,21,27,738
(Increase) / Decrease in Inventory	-	-
(Increase) / Decrease in Trade Receivables	(16,67,62,457)	(11,29,37,486)
(Increase) / Decrease in Short Term Loans and Advances	(1,29,75,478)	1,06,63,102
Increase / (Decrease) in Trade Payables	7,81,02,205	8,03,386
Increase / (Decrease) in Other Current Liabilites	3,43,77,279	2,48,10,463
Increase / (Decrease) in Short Term Provisions	56,98,093	-
Cash generated from Operations	(6,15,60,358)	1,54,67,203
Taxes Paid	(56,98,092)	-
Net Cash Generated from Operating activities (A)	(6,72,58,450)	1,54,67,203
B. Cash Flow from Investing Activities :		
Purchase of tangible assets/intangible assets (net)	(6,63,750)	(16,000)
Sale of Fixed Assets	-	
Decrease in Capital Work In Progress	-	-
Interest Income		-
Dividend Income	943	1,269
(Increase) in Current Investments		-
(Decrease) in Non Current Investments	-	-
(Decrease) in Other Non Current Asset	-	-
Net Cash Flow from Investing Activities (B)	(6,62,808)	(14,731)
C. Cash Flow from Financing Activities :		
Repayment of Long Term Loans		
Increase in Short Term Borrowings	2,27,70,570	41,042
Interest Paid	-	(1,41,80,959)
Net Cash from Financing Activities ( C )	2,27,70,570	(1,41,39,917)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,45,735)	13,12,556
Cash & Cash Equivalents at the beginning of the year	15,73,879	2,61,321
Cash & Cash Equivalents at the end of the year Notes	13,28,144	15,73,877

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 neessary to conform to current year's classification
- $4.\ Cash$  and Cash Equivalents Comprise Cash on hand and Balances with Banks

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

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P,Murali Mohana Rao Partner Membership No. 023412

Place: Hyderabad Date : 29th May 2017 For and on behalf of the Board

P.C Pantulu Managing Director

P.Chandra Sekhar P.Chandra Sekhar Director K.S.Shiva Kumar Director

fervolakshni K.Venkata Lakshni Company Secretary



#### SIGNIFICANT ACCOUNTING POLICIES

#### **Company Overview**

Cybermate is a Mid-Sized IT Services company engaged in custom built software development, System Integration Services, Network & Surveillance, building and selling own Products, reselling third party products, business platforms, analytics, social media, mobile applications, cloud based solutions and outsourced business processes etc. Cybermate has over the years built and sold products for general IT use and domain specific solutions for Health Care, Telecom, Engineering, Energy and Retail. Cybermate is a public limited company incorporated in India and has its registered and corporate office at Hyderabad, Telangana. The company is listed on BSE Limited.

#### **Significant Accounting Policies**

#### A. Basis of preparation of financial statements:

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on accrual basis with the exception to insurance claims, export incentives, interest on calls in arrears and interest on overdue receivables which are accounted for on cash basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013(the Act) read with rules 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act to the extent notified and applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).

#### **B.** Use of estimates

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

#### C. Revenue recognition

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

Revenue from sale of user licenses for software applications/products 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 dispatch.

Revenues from other services are recognized as per the terms of the contract.

#### Other Income

- (I) Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and the then carrying amount of the investment.
- (ii) Dividend income is recognized when the Company's right to receive dividend is established.
- (iii) Interest income on time deposits is recognized using the time proportion basis taking into account the amount outstanding and applicable interest rates.

#### D. 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 cost of fixed assets that are not ready for their intended use at the balance sheet date.

Depreciation on Tangible Assets has been provided on

the Straight Line Method over their useful lives at the rates prescribed in Schedule II to Companies Act 2013.

#### E. Intangible Assets

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

The useful life of all the intangible assets was taken as 10 years as per the managements estimates

#### F. 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 stated at cost. However provision for dimunition in value is made to recongise a decline other than temporary in the value of investments.

#### G. Inventories

Software Products/ Projects in process are stated at cost.

#### H. 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. Gratuity liability towards existing eligible employees will be met by the contribution made to the fund administered by LIC.

#### I. Foreign currency transactions Initial Recognition

Transactions denominated in foreign currencies at the yearend are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year-end are restated 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.

#### J. Taxes on Income

Provision for Income Tax, comprising current tax and deferred tax, is made on the basis of the results of the year. The provision for current tax 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 period.

#### K. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

#### L. 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 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.

# M. Provisions, Contingent Liabilities and Contingent Assets

The company recognizes a provision when there is a present obligation as a result of a past event that 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.



#### 2. Share Capital

						As on	As on
Par	rticulars					AS On 31-03-2017	AS On 31-03-2016
ra	ciculars					(₹)	(₹)
Au	thorised					85,00,00,000	85,00,00,000
42	50,00,000 (previous year: 8,50,00,000)						
Eq	uity shares of Rs.2 each (previous year						
Rs.	10/-)						
Iss	ued,Subscribed and fully paid up					14,48,83,924	72,44,19,620
7,2	4,41,962 (previous year: 7,24,41,962)						
Eq	uity shares of Rs.2 each fully paid up						
(pr	evious year Rs.10/-)						
						14,48,83,924	72,44,19,620
a	Reconciliation of the shares at the		2017		2016		
	beginning and at the end of the year	Nos	₹	Nos	₹		
	At the Beginning of the year	72441962 14	14883924	72441962	724419620		
	Add: shares issued for cash	-	-	-	-		-
	Outstanding at the end of the year	72441962 14	4883924	72441962	724419620		-
b	Terms/Rights attached to Equity shares						
	The Company has only one class of equity						
	shares having a par value of Rs.2 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.						
	,						
С	Details of Shares held by shareholders						
	holding more than 5% shares of the						
	aggregate shares in the company:		2017		2016		
		Nos	0/0	Nos	%		
	Mr.P.C.Pantulu	9315820	12.86	9315820	12.86		

9315820

12.86

9315820

12.86

#### 3. Reserves and Surplus

Particulars	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Securities Premium Account		
As at the commencement of the	8,57,10,000	8,57,10,000
year		
Add: Addition during the year	-	-
Less: Utilised during the year	8,57,10,000	-
Balance at the end of the year	-	8,57,10,000
General Reserve		
As at the commencement of the	3,50,06,187	3,50,06,187
year		
Add : Addition during the year	-	-
Less: Utilised during the year	3,50,06,187	-
Balance at the end of the year	-	3,50,06,187
Surplus in Statement of P&L		
Balance as at the beginning of	(70,70,87,144)	(3,50,06,183)
the year		
Add: Profit/(Loss) for the year	2,32,20,934	(67,20,80,963)
Less: Accumulated Loss Written	70,02,51,883	_
off During the year		
Less : Accumulated Depreciation	-	-
pursuant to enactment of		
Schedule II of the Companies		
Act, 2013.		
Balance at the end of the year	1,63,85,674	(70,70,87,145)
Total Reserves and Surplus	1,63,85,674	(58,63,70,958)

#### 4. Deferred Tax Livability

Particulars	As on	As on
	31-03-2017 (₹)	31-03-2016 (₹)
Deferred tax Liability		
Difference between book and		
Tax depreciation	1,03,84,488	1,10,66,248
Add: During the year Deferred		
Tax Liability	-	-
Difference between book and		
Tax depreciation	(50,24,916)	(6,81,760)
	53,59,572	1,03,84,488

#### 5. Short Term Borrowing

Particulars	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Short term borrowings		
From Related parties	-	-
From Others	2,60,18,025	32,47,456
	2,60,18,025	32,47,456

#### 6. Trade Payables

Particulars	As on 31-03-2017 (₹)	As on 31-03-2016 (₹)
Dues to Micro and Small enterprises		
Dues to other than Micro and		
small enterprises	10,54,40,458	2,73,38,253
	10,54,40,458	2,73,38,253

- 6.1. 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.
- 6.2 The amount of Rs.10,14,20,525 represents dues to Consultants,
  Service Providers and Others.

#### 7. Other Current Liabilities

Particulars	As on	As on
rarticulars	31-03-2017 (₹)	31-03-2016 (₹)
a) Other Payables	11,18,20,883	7,74,43,603
Accrued Salaries and Benefits		
Withholding and Other Taxes		
Advances Rs. Lacs ( Lacs)		
Other Payables Rs. Lacs ( Lacs)		
b) Current maturities of Long	3,03,00,174	3,03,00,175
term liabilities		
Includes Payables on account of		
Lease Rent Finance		
	14,21,21,057	10,77,43,778

#### 8. Short Term Provisions

Particulars	As on	As on
	31-03-2017 (₹)	31-03-2016 (₹)
Taxation Net of Payments	1,29,15,290	72,17,197
	1,29,15,290	72,17,197

(in ₹)

# 9. Tangible Assets

				Gross Block	Block					Depr	Depreciation/Amortization	zation			
Particulars	As on 01.04.2016	Additions during the year	Additions through Business acquitions	Capitalised during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2017	Dep. As on 01.04.2016	Accumulated Dep charged to Dep. For the Retained Period 2016-17 Earnings	Dep. For the Period 2016-17	Impairment Loss / Reversal of Impairement Loss for the Year	Total Depreciation	Net Block as on Net Block as on 31.03.2016	Net Block as on 31.03.2016
Building	2,41,31,497	1	1	1	1	1	1	2,41,31,497	76,32,499	T	3,77,426	1	80,09,925	1,61,21,572	1,64,98,998
Electrical Equipment	56,45,629						1	56,45,629	47,75,129	1	4,48,109	i	52,23,238	4,22,391	8,70,500
Office Equipment	18,86,453	1	1	1	1	1	1	18,86,453	17,77,014	1	1	1	17,77,014	1,09,439	1,09,439
Computers	1,40,00,458	1	1	1		1	1	1,40,00,458	1,03,75,420	1	30,16,353	1	1,33,91,773	6,08,685	36,25,038
Furniture	1,14,42,007	6,63,750	1	1	1	1	1	1,21,05,757	92,57,828	1	2,39,160	ı	94,96,988	26,08,769	21,84,179
TOTAL	5,71,06,044	6,63,750						5,77,69,794	3,38,17,890		40,81,048		3,78,98,938	1,98,70,856	2,32,88,154
Previous Year 2015-16	5,70,90,044	16,000		,	,	,	,	5,71,06,044	2,79,06,246	1	59,11,644	,	3,38,17,890	2,32,88,154	2,91,83,798

# 10. Intangible Assets

				Gross Block	Block					Depr	Depreciation/Amortization	zation			
Particulars	As on	Additions during the year	Additions through Business acquitions	Capitalised during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on	Dep. As on	Accumulated Dep charged to Retained Earnings	Accumulated Dep. As on Dep charged to Dep. For the 01.04.2016 Retained Period 2016-17 Earnings	Impairment Loss / Reversal of Impairement Loss for the Year	Total Depreciation	Net Block as on 31.03.2017	iet Block as on Net Block as on 31.03.2017 31.03.2016
Software	38,46,58,457	٠	٠	٠				38,46,58,457	36,09,83,477	٠	1,69,30,736		37,79,14,213	67,44,244	2,36,74,980
TOTAL	38,46,58,457	ı	1	ı	1		r	38,46,58,457	36,09,83,477		1,69,30,736	1	37,79,14,213	67,44,244	2,36,74,980
Previous Year 2015-16 38,46,58,457	38,46,58,457	,		,	٠	٠	٠	38,46,58,457	38,46,58,457 11,57,66,085		2,98,66,299		21,53,51,093 36,09,83,477	2,36,74,980	26,88,92,372

#### 11. Investment

Particulars	As on	As on
rai ticulai s	31-03-2017 (₹)	31-03-2016 (₹)
Non- Current Investments		
Non-Trade: In Equity		
Of Subsidiaries-Unquoted i) Cybermate Infotek Limited		
Inc.USA	2,17,500	2,17,500
5000 Equity Shares of USD 1		
each	2,17,500	2,17,500
Of other companies-unquoted Twin Cities Investments and		
Finances Ltd		
10,000 equity shares of Rs.10/-	1,00,000	1,00,000
	3,17,500	3,17,500

#### 12. Current Investments

17 (₹)	31-03-2016 (₹)
5,900	5,900
3,665	3,665
9,867	9,867
6,726	6,726
1,941	1,941
3,028	3,028
31,127	31,127
31,127	31,127
17,500	3,17,500
8,627	3,48,627
	3,665 9,867 6,726 1,941

#### 13. Trade Receivables

Particulars	As on	As on
i di dedidi s	31-03-2017 (₹)	31-03-2016 (₹)
Outstanding for a period exceeding	g six	
months from the date they are due	e for payment	
Unsecured		
Considered good	75,42,946	14,01,08,870
Considered doubtful	-	-
	75,42,946	14,01,08,870
Other Receivables:		
Considered good	39,12,17,601	9,18,89,220
Considered doubtful	-	-
	39,12,17,601	9,18,89,220
	39,87,60,547	23,19,98,090

#### 14. Cash and Bank Balance

Particulars	As on	As on
raiticulais	31-03-2017 (₹)	31-03-2016 (₹)
Balances with banks:		
On Current Accounts	11,98,290	14,50,535
On Fixed Deposit Accounts	98,000	98,000
Cash on hand	31,854	25,344
Total of cash and Bank Balances	13,28,144	15,73,879

#### 15. Short Term Loans and advance

Particulars	As on	As on
rarticulars	31-03-2017 (₹)	31-03-2016 (₹)
Advances Recoverable in cash or	41,33,452	87,58,254
kind		
Deposits with others	11,05,359	11,05,359
Advance Taxes & Duties	2,08,32,771	32,32,491
Total Short Term Loans and		
Advances	2,60,71,582	1,30,96,104

#### **16.** Revenue From Operations

Particulars	For year ended	For year ended
rarticulars	31-03-17 (₹)	31-03-16 (₹)
Revenue from operations	53,48,78,031	13,49,57,304
Total	53,48,78,031	13,49,57,304

#### 17. Purchases

Particulars	For year ended	For year ended
Particulars	31-03-17 (₹)	31-03-16 (₹)
Purchase of Components	94,347	3,91,810
Total	94,347	3,91,810

#### 18. Employee Benefit Expenses

Particulars	For year ended	For year ended
raiticulais	31-03-17 (₹)	31-03-16 (₹)
Salaries & Wages Contribution to Provident Fund	37,43,10,940 89,379	3,07,12,423 1,10,380
Staff Welfare Expenses	3,97,541	1,22,416
Total Employee Benefit	37,47,97,860	3,09,45,219
Expenses		



#### 19. Administrative & Other Operating Expenses

Particulars	For year ended	For year ended
Particulars	31-03-17 (₹)	31-03-16 (₹)
Telephone, Postage and Others	4,77,040	84,209
Business Promotion Expenses	20,69,428	1,99,679
Travelling & Conveyance	12,41,007	4,57,132
Office Maintenance	60,76,273	6,55,094
Printing & Stationery Expenses	2,32,481	4,20,576
Security Charges	1,82,235	1,71,860
Rent	15,22,559	13,69,500
Managerial Remuneration	50,40,000	50,40,000
Electricity & Water	4,09,411	5,30,339
RTA & Secretarial Expenses	16,60,001	7,79,093
Professional Consultancy fee	9,50,74,520	12,22,811
Board Meeting Expenses Amortisation of Product	2,32,500	83,710
Development	-	1,13,11,572
AGM Expenses	1,28,071	95,530
Exchange Loss/(Gain)	-	(50,36,670)
Auditors Remuneration	2,50,000	2,50,000
Bank Charges	31,976	18,305
Legal Expenses	4,54,000	1,18,000
Bad Debts written off		12,57,96,191
Total Administrative & Other	11,50,81,502	14,35,66,931
Expenses		

#### **Notes to Accounts**

#### 20. Secured Loan from Housing Finance Company

The Company has its own commercial space which was leased out to another IT Services company for 10 years in 2004. The Lease rentals were discounted with a housing finance company to augment working capital for the company. The tenant had terminated the lease and vacated the property of the company in 2009. Owing to Political conditions in the state the property could not be leased out and thereby the account became irregular. The company approached the lender to restructure the loan but they initiated proceedings under SARFARESI Act to recover their dues. The Lender took possession of the property. The company approached the Debts recovery tribunal. However as on the balance sheet date the property continues to be registered in the name of the company and the lender is yet to make his submissions before the debts recovery tribunal.

#### 21. Subsidiary Companies

The Operations of the company's wholly owned subsidiaries viz Cybermate Infotek Limited Inc at U.S.A

have remained dormant since the year 2002.

The company is presently evaluating the possibility of reviving the operations after fulfilling compliances and by making additional investments.

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures in Form AOC - 1 is annexed to the Directors' Report as Annexure D pursuant to first proviso to subsection (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014.

#### 22. Segment Reporting

In accordance with the requirement of AS-17 on Segment reporting, the company has determined its business segment as Computer Programming Consultancy and related 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 the company for the year ended 31st March 2017.

There are no secondary reportable segments (Geographical Segments).

23. 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 this receivable only on actual realization since these balances are overdue.

#### 24. Earnings Per Share(EPS)

•		
Particulars	2017 (₹)	2016 (₹)
Profits attributable to equity		
shareholders	2,32,20,934	(67,20,80,962)
Weighted Average No. Of		
Equity Shares outstanding		
during the year for		
Computing Basic and Diluted		
EPS (Nos)	7,24,41,962	7,24,41,962
Basic & Diluted FPS (Rs.)	0.32	(9.28)

#### 25. Related Party Disclosures

#### I. Parties where Control Exists:

Wholly Owned Subsidiary

Cybermate Infotek Ltd Inc

#### II. Enterprises controlled by Key Management Personnel & Relatives:

Orchasp Energy (P) Ltd.

Orchasp Securities (P) Ltd.

CIL Infoserve Ltd.

Kanti Rekha Power Ltd.

#### III. Key Management Personnel:

Mr. P. C. Pantulu - Managing Director.

Mr. K. S.Shiva Kumar - Director.

Mr. P. Chandra Sekhar - Director.

Mr. K. Koteswara Rao - Non Executive Director.
 Dr. D. Jayarami Reddy - Independent Director.
 Ms. C. Kamakshi Bharathi - Independent Director.
 Mr. B. Srinivasa Reddy - Independent Director.
 Mr. V. S. Roop Kumar - Independent Director.

#### IV. Relatives of Key Management Personnel:

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

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

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

Mr. Srikrishna Pattapurathi brother of Mr. P. C. Pantulu.

Mr. Manjush Pattapurathi cousin of Mr. P. Chandra Sekhar.

Mr. K. Bhujanga Rao, Father in Law of Mr. P. Chandra Sekhar.



#### **Aggregated Related Party Disclosures**

(₹in lacs)

Nature of Transaction	Associate/ Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Enterprises controlled by relatives of Key Management Personnel	Total
Remuneration	-	50.40(50.18)	-	-	50.40(50.18)
Trade Payables	-	-	-	-	-
Trade Receivables	-	-	-	1815.56(NIL)	1815.56(NIL)
Advances/Loans/ICDs Received	-	71.23(23.49)	6.68(27.10)	125.32(145.47)	203.23(196.06)
Advances/Loans/ICDs Repaid	-	25.23(11.75)	2.36(4.30)	82.60(39.22)	1925.75(55.27)
Balances outstanding as on 31-03-2017					
Receivable	-	-	-	1826.12(51.29)	1826.12(51.29)
Payable	-	686.87(601.11)	77.35(84.13)	5.66(3.68)	769.88(688.92)

Previous years figures have been regrouped where ever necessary

#### **Summary of Related Party Transactions 2016-17**

(₹ in lacs)

	Curren	t Year	Previous Year		
	Transaction Value	Closing Balance	Transaction Value	<b>Closing Balance</b>	
A.Rendering of Software Services					
CIL Infoserve Ltd	1,429.45	1,429.45	-	-	
Orchasp Securities (P) Limited	386.11	386.11	-	-	
Total	1,815.56	1,815.56	-	-	
B.Advances taken					
Key Management Personnel					
(a) Mr.P.C.Pantulu	28.83	381.93	6.64	360.63	
(b) Mr.P.Chandra Sekhar	42.39	52.46	16.85	30.81	
Total	71.22	434.39	23.49	391.44	
Relatives of Key Managerial Personnel					
(a) Ms.Rajeswari Pattapurathi	-	22.78	-	22.78	
(b) Ms.Sirisha Kasukhela	6.68	44.63	-	40.26	
(c) Mr. Manjush Pattapurathi	-	5.00	-	5.00	
(d) Mr. Srikrishna Pattapurathi	-	5.00	-	5.00	
(e) Mr. K.Bhujanga Rao	9.40	20.50	11.10	11.10	
Total	16.08	97.91	11.10	84.14	
Enterprises Controlled by Key Management Personn	el				
(a) Kanti Rekha Power	-	0.18	-	3.69	
(b) Orchasp Energy (P) Ltd	10.41	5.49	-	(0.05)	
(c) Orchasp Securities (P) Ltd	18.13	(45.90)	28.20	50.88	
Total	28.54	(40.24)	28.20	54.52	
C.Advances given					
(a) CIL Infoserve Ltd	56.10	56.46	-	0.36	
Total	56.10	56.46	-	0.36	
D.Managerial Remuneration					
Mr.K.S.Shiva Kumar	9.60	59.02	9.60	50.38	
Mr.P.Chandra Sekhar	10.80	66.47	10.80	57.36	
Mr.P.C.Pantulu	30.00	126.99	30.00	100.33	
Total	50.40	252.48	50.40	208.07	

#### 26. Payments to Auditor

Particulars	2017 (₹)	2016 (₹)
As Auditor		
For Statutory Audit	1,50,000	1,50,000
For Tax Audit	75,000	75,000
For Limited Review	25,000	25,000
Total	2,50,000	2,50,000

#### 27. Expenditure in Foreign Currency

Particulars	2	017 (₹)	2016 (₹)
Travel	-	-	
Others	-	-	
	-		0.05

#### 28. Earnings in Foreign Currency

Particulars		2017	2016
r ar ciculars		(₹in lacs)	(₹ in lacs)
Export		108	192
Others	-		-
		192.11	83.05

#### 29. Contingent Liabilities

The Following are the contingent liabilities not provided for

(a) In respect of matters under dispute

Particulars	2017 ( ₹ in lacs)	2016 ( ₹ in lacs)
Export	1,551	1,551
Others	266	266

(b) Bank guarantee in favour of Assistant Commissioner of Customs for CPWB warehouse license amounting to Rs. 98,000/-

#### 30. Note on Capital Reduction During the year:

During the year the company has reduced its capital from Rs.10/- per share to Rs.2/- per share. The number of Shares did not undergo any change.

The audit committee recommended the draft scheme of capital reduction at their meeting held on the 29th June 2016 and was then approved by the board on 05th July 2016. The BSE approved the Draft scheme vide their observation letter dated 11th August 2016. The shareholders of the company approved the Draft Scheme of capital reduction at the 22nd Annual General Meeting of the Company held on the 7th September 2016. Upon instructions of the Honourable Highcourt, the Company published a notice of petition on the 3rd October 2016. The highcourt passed a final order approving our scheme of capital reduction on the 13th November 2016. The Registrar of Companies issued a certificate of registration of order confirming the capital reduction on the 22nd December 2016. SEBI and BSE have taken note of the Approved Scheme of capital reduction vide their letters dated 6th January 2017 and 9th January 2017 respectively.

The shares of the company were suspended for procedural reasons to give effect to the capital reduction on the 20th January 2017. The shares of the company after capital reduction i.e face value of Rs.2/per share are traded with effect from 20th March 2017.



#### 31. Disclosure on Specified Bank Notes (SBNs)

During the year, the company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308 (E), dated March 31, 2017. The details of the SBNs held and transacted during the period from November 8,2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Specified Bank Notes(SBNs) mean the bank notes denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no S.O. 3407(E), dated November 08, 2016.

			(₹in lacs)
		Other	
Particulars	SBNs	denomination	Total
		notes	
	19.81	0.01	19.82
Closing cash in Hand			
as on 08.11.2016			
(+) Permitted	-	1.40	1.40
Receipts			
(-) Permitted	-	1.35	1.35
Payments			
(-) Amount	19.81	-	19.81
Deposited in Banks			
	-	0.06	0.06
Closing cash in hand			
as on 30 12 2016			

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

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

#### AS PER OUR REPORT OF EVEN DATE

P. Murali & Co

FRN:007257S

Chartered Accountants

P. on h

P. Murali Mohan Rao

Partner

Membership No 023412 Place: Hyderabad

Date: 29th May 2017

For and on behalf Board

For Cybermate Infotek Limited

P.C. Pantulu

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Managing Director & CEO

P. Chandra Sakkua

P. Chandra Sekhar

Director & CFO

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**K.S. Shiva Kumar** Director & COO

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K. Venkata Lakshmi

Company Secretary & Compliance Officer



# CONSOLIDATED FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

#### TO THE MEMBERS OF CYBERMATE INFOTEK LIMITED

#### **Report on the Standalone Financial Statements**

We have audited the accompanying consolidated financial statements of M/s. Cybermate Infotek Limited ("hereinafter referred to as the Holding Company"), and its subsidiaries; together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the consolidated financial statements')

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Director is responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of



accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements:

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs the Group, as at 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Other Matter**

We have relied on the unaudited financial statements of the subsidiary companies whose financial statement reflect total assets of Rs. 2,17,500 as at March 31, 2017 and total revenues of Rs. Nil for the year then ended. These unaudited financial statements as approved by the respective board of directors of these companies have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of these subsidiaries is based solely on such approved unaudited financial statements.

#### Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements,
- (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our

- examination of those books.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors of Holding Company as on March 31, 2017 taken on record by the board of directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financials reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact, if any, of pending litigation as at March 31, 2017 on the consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements.
- The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosures

in its financial statements as to holdings as well as dealings in SBN's during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

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

P. muly

P. Murali Mohana Rao Partner Membership No. 023412

Place: Hyderabad Date: 29th May 2017

#### Annexure A to the Auditor's Report

"Annexure A" referred to in paragraph 1(f) under "Report on other legal and Regulatory Requirements" section of report on financial statements of even date to the members of CYBERMATE INFOTEK LIMITED on the financial statement for the year ended March 31, 2017.

#### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of M/s Cybermate Infotek Limited ('the Holding Company') as of that date. The Holding Company does not have subsidiaries incorporated in India.

# Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are

responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P. Murali Mohana Rao

Partner
Membership No. 023412

Place: Hyderabad Date: 29th May 2017

## Consolidated Balance Sheet as at 31st March 2017

Particulars	Note	As on 31-03-2017 ₹	As on 31-03-2016 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	14,48,83,924	72,44,19,620
Reserves and Surplus	3	1,63,85,674	(58,63,70,958)
		16,12,69,598	13,80,48,662
		-	
Non Current Liabilities			
Long-Term borrowings		-	-
Defferred Tax Liabilities (Net)	4	53,59,572	1,03,84,488
		53,59,572	1,03,84,488
Current Liabilities			
Short-term borrowings	5	2,60,18,025	32,47,456
Trade Payables	6	10,54,40,458	2,73,38,253
Other current liabilities	7	14,21,21,057	10,77,43,778
Short-term provisions	8	1,29,15,290	72,17,197
		28,64,94,831	14,55,46,684
Total		45,31,24,000	29,39,79,834
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	1,98,70,856	2,32,88,154
Intangible Assets	10	67,44,244	2,36,74,980
Capital work-in-progress		-	
		2,66,15,100	4,69,63,134
Non-Current Investments	11	1,00,000	1,00,000
Other Non-Current Assets		-	-
		2,67,15,100	4,70,63,134
Current Assets			
Current Investments	12	31,127	31,127
Trade Receivables	13	39,89,78,047	23,22,15,590
Cash and Bank Balances	14	13,28,144	15,73,879
Short-term loans and advances	15	2,60,71,582	1,30,96,104
		42,64,08,900	24,69,16,700
Total		45,31,24,000	29,39,79,834

Summary of Significant Accounting Policies

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. mule

P,Murali Mohana Rao Partner

Membership No. 023412

P.C Pantulu Managing Director

For and on behalf of the Board

For Cybermate Infotek Limited

P.Chandra Sekhar

P.Chandra Sekhar Director Shind &

K.S.Shiva Kumar Director

fer lakshii K.Venkata Lakshmi Company Secretary

Place: Hyderabad Date : 29th May 2017



# Consolidated Statement of Profit and Loss for the year ended 31st March 2017

Particulars	Note	For the year ended	For the year ended
Particulars	Note	31-03-2017 (₹)	31-03-2016 (₹)
Revenue from operations	16	53,48,78,031	13,49,57,304
Other income		1,573	4,569
Total Revenue		53,48,79,604	13,49,61,873
Expenses			
Purchasess of network and Security products	17	94,347	3,91,810
Increase/Decrease in inventories		-	-
Employee Benefit Expenses	18	37,47,97,860	3,09,45,219
Administrative and Other Operating Expenses	19	11,50,81,502	14,35,66,931
Depreciation and Amortization	10&11	2,10,11,784	3,57,77,943
Finance costs		-	-
Total Expenses		51,09,85,493	21,06,81,903
Profit Before Exceptional Item		2,38,94,111	(7,57,20,030)
Exceptional Item		-	59,70,42,693
Profit after Exceptional Item and before Tax		2,38,94,111	(67,27,62,723)
Tax Expense:			
Current tax		56,98,093	-
Deferred tax()		(50,24,916)	(6,81,760)
PROFIT AFTER TAXATION		2,32,20,934	(67,20,80,963)
Earning per Equity Share			
1) Basic		0.32	(9.27)
2) Diluted		0.32	(9.27)

Summary of Significant Accounting Policies

(1-32)

The Accompanying Notes are an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE

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

P. muly

P,Murali Mohana Rao

Partner

Membership No. 023412

Place: Hyderabad Date: 29th May 2017 For and on behalf of the Board For Cybermate Infotek Limited

P.C Pantulu Managing Director

P.Chandra Sekhar

P.Chandra Sekhar Director K.S.Shiva Kumar

Director fer lakohi

K.Venkata Lakshmi Company Secretary

# Consolidated Cash Flow Statement for the year ended 31st March 2017

Provident Cons	For the year ended	For the year ended
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
A. Cash Flow from Operating Activities:		
Profit before taxation	2,38,94,111	(66,80,70,026)
Adjustments for : -		
Depreciation	2,10,11,784	3,10,85,247
Interest Expense	-	1,41,80,959
Amortisation of Product Development Cost	-	1,13,11,572
Diminution in value of investment	-	38,16,91,600
Impairment of Intangible Asset	-	21,53,51,093
Interest Income	-	-
Dividend Income	(943)	(1,269)
Bad Debts Written Off	-	10,65,78,562
Operating Profit before working capital changes	4,49,04,953	9,21,27,738
(Increase) / Decrease in Inventory	-	-
(Increase) / Decrease in Trade Receivables	(16,67,62,457)	(11,29,37,486)
(Increase) / Decrease in Short Term Loans and Advances	(1,29,75,478)	1,06,63,102
Increase / (Decrease) in Trade Payables	7,81,02,205	8,03,386
Increase / (Decrease) in Other Current Liabilites	3,43,77,279	2,48,10,463
Increase / (Decrease) in Short Term Provisions	56,98,093	-
Cash generated from Operations	(6,15,60,358)	1,54,67,203
Taxes Paid	(56,98,092)	-
Net Cash Generated from Operating activities (A)	(6,72,58,450)	1,54,67,203
B. Cash Flow from Investing Activities :		
Purchase of tangible assets/intangible assets (net)	(6,63,750)	(16,000)
Sale of Fixed Assets	-	
Decrease in Capital Work In Progress	-	-
Interest Income		-
Dividend Income	943	1,269
(Increase) in Current Investments		-
(Decrease) in Non Current Investments	-	-
(Decrease) in Other Non Current Asset	-	-
Net Cash Flow from Investing Activities (B)	(6,62,808)	(14,731)
C. Cash Flow from Financing Activities :		
Repayment of Long Term Loans		
Increase in Short Term Borrowings	2,27,70,570	41,042
Interest Paid	-	(1,41,80,959)
Net Cash from Financing Activities ( C )	2,27,70,570	(1,41,39,917)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,45,735)	13,12,556
Cash & Cash Equivalents at the beginning of the year	15,73,879	2,61,321
Cash & Cash Equivalents at the end of the year	13,28,144	15,73,877
Notes		

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 neessary to conform to current year's classification
- $4.\ Cash$  and Cash Equivalents Comprise Cash on hand and Balances with Banks

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

P. m. h

P,Murali Mohana Rao Partner Membership No. 023412

Place: Hyderabad Date : 29th May 2017 For and on behalf of the Board

P.C Pantulu Managing Director

P.Chandra Sekhar Director K.S.Shiva Kumar Director

ferv lakshii K.Venkata Lakshmi Company Secretary



#### SIGNIFICANT ACCOUNTING POLICIES

#### **Company Overview**

Cybermate is a Mid Sized IT Services company engaged in custom built software development, System Integration Services, Network & Surveillance, building and selling own Products, reselling third party products, business platforms, analytics, social media, mobile applications, cloud based solutions and outsourced business processes etc. Cybermate has over the year built and sold products for general IT use and domain specific solutions for Health Care, Telecom, Engineering, Energy and Retail. Cybermate has a wholly owned subsidiary viz Cybermate Infotek Limited Inc, based out of USA. Cybermate is a public limited company incorporated in India and has its registered and corporate office at Hyderabad, Telangana. The company is listed on BSE Limited.

#### **Significant Accounting Policies**

#### A. Basis of preparation of financial statements:

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on accrual basis with the exception to insurance claims, export incentives, interest on calls in arrears and interest on overdue receivables which are accounted for on cash basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013(the Act) read with rules 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act to the extent notified and applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).

#### **B.** Principles of Consolidation

The Consolidated financial Statements of the Cybermate Infotek Limited and its overseas subsidiary viz Cybermate Infotek Limited Inc are prepared in accordance with the generally accepted accounting

principles applicable in India and the existing Accounting Standard 21 on Consolidated Financial Statements notified under section 211(3C) (Companies (Accounting Standard ) Rules 2006, as amended till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority Pursuant to Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 as applicable, in the same format as that adopted by the parent Company (Cybermate Infotek Limited) for its separate financial statements. The Consolidated financial statements are prepared using uniform accounting policies for similar transactions to the extent in similar circumstances.

Subsidiaries: Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases. The financial statements of the company and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealised profits have been eliminated

List of Overseas Subsidiaries considered in the consolidated financial statements

Name of the	Country	Extent of	Extent of
Subsidiary	of	holding as on	holding as on
Subsidiary	inc.	March 31, 2017	March 31, 2016
Cybermate Infotek	USA	100%	100%
Limited Inc			

#### C. Use of estimates

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

#### D. Revenue recognition

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

Revenues from other services are recognized as per the terms of the contract.

#### Other Income

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and the then carrying amount of the investment.

(i) Dividend income is recognized when the Company's right to receive dividend is established. (ii) Interest income on time deposits is recognized using the time proportion basis taking into account the amount outstanding and applicable interest rates.

#### E. 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 cost of fixed assets that are not ready for their intended use at the balance sheet date.

Depreciation on Tangible Assets has been provided on the Straight Line Method over their useful lives at the rates prescribed in Schedule II to Companies Act 2013.

#### F. Intangible Assets

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

The useful life of all the intangible assets was taken as 10 years as per the Management's estimates

#### G. 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 stated at cost. However provision for dimunition in value is made to recongise a decline other than temporary in the value of investments.



#### H. Inventories

Software Products/ Projects in process are stated at cost.

#### I. Employee benefits 1354

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.

Gratuity liability towards existing eligible employees will be met by the contribution made to the fund administered by LIC.

#### J. Foreign currency transactions Initial Recognition

Transactions denominated in foreign currencies at the year end are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year-end are restated 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.

#### K. Taxes on Income

Provision for Income Tax, comprising current tax and deferred tax, is made on the basis of the results of the year.

The provision for current tax 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 period.

#### L. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

#### M. 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 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.

# N. Provisions, Contingent Liabilities and Contingent Assets

The company recognizes a provision when there is a present obligation as a result of a past event that 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.

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#### 2. Share Capital

						As on	As or
Parti	culars					31-03-2017	31-03-2010
						(₹)	(₹)
Auth	orised					85,00,00,000	85,00,00,000
42,50	0,00,000 (previous year: 8,50,00,000)						
Equit	ry shares of Rs.2 each (previous year						
Rs.10	//-)						
Issue	d,Subscribed and fully paid up					14,48,83,924	72,44,19,620
7,24,	41,962 (previous year: 7,24,41,962)						
Equit	ry shares of Rs.2 each fully paid up						
(prev	rious year Rs.10/-)						
						14,48,83,924	72,44,19,620
a I	Reconciliation of the shares at the		2017		2016		
ŀ	beginning and at the end of the year	Nos	₹	Nos	₹		
I	At the Beginning of the year	72441962 14	4883924	72441962 72	4419620		
I	Add: shares issued for cash	-	-	-	-		
(	Outstanding at the end of the year	72441962 14	4883924	72441962 724	1419620		
b 7	Terms/Rights attached to Equity shares						
7	The Company has only one class of equity						
S	shares having a par value of Rs.2 per						
S	hare.Each holder of equity shares is						
e	entitled to one vote per share.						
I	n the event of Liquidation of the						
C	company, the holder of equity shares will						
ŀ	be entitled to receive any of the						
r	remaining assets of the company after						
Ċ	listribution of all preferential						
a	mounts.However, no such preferential						
а	amounts exist currently.The distribution						
v	vill be in proportion to number of equity						
S	chares held by the shareholders.						
c I	Details of Shares held by shareholders						
ŀ	nolding more than 5% shares of the						
7	agragate chares in the company		2017		2016		
	aggregate shares in the company:						
	iggregate shares in the company.	Nos	%	Nos	%		
	Mr.P.C.Pantulu	<b>Nos</b> 9315820	% 12.86	<b>Nos</b> 9315820	% 12.86		



#### 3. Reserves and Surplus

	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Constitute Describer Assessed	31-03-2017 (()	31-03-2016 ( ( )
Securities Premium Account As at the commencement of the	8,57,10,000	8,57,10,000
	0,37,10,000	8,57,10,000
year Add: Addition during the year		_
Less: Utilised during the year	8,57,10,000	
Balance at the end of the year	0,57,10,000	0.57.10.000
balance at the end of the year	-	8,57,10,000
General Reserve		
As at the commencement of the	3,50,06,187	3,50,06,187
year		
Add : Addition during the year	-	-
Less : Utilised during the year	3,50,06,187	-
Balance at the end of the year	-	3,50,06,187
Surplus in Statement of P&L		
Balance as at the beginning of	(70,70,87,144)	(3,50,06,183)
the year		
Add: Profit/(Loss) for the year	2,32,20,934	(67,20,80,963)
Less: Accumulated Loss Written	70,02,51,883	-
off During the year		
Less : Accumulated Depreciation	_	_
pursuant to enactment of		
Schedule II of the Companies		
*		
Act, 2013.		
Balance at the end of the year	1,63,85,674	(70,70,87,145)
Total Reserves and Surplus	1,63,85,674	(58,63,70,958)

#### 4. Deferred Tax Livability

Particulars	As on	As on		
Particulars	31-03-2017 (₹)	31-03-2016 (₹)		
Deferred tax Liability				
Difference between book and				
Tax depreciation	1,03,84,488	1,10,66,248		
Add: During the year Deferred				
Tax Liability	-	-		
Difference between book and				
Tax depreciation	(50,24,916)	(6,81,760)		
	53,59,572	1,03,84,488		

#### 5. Short Term Borrowing

Particulars	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Short term borrowings		
From Related parties	-	-
From Others	2,60,18,025	32,47,456
	2,60,18,025	32,47,456

#### 6. Trade Payables

Particulars	As on 31-03-2017 (₹)	As on 31-03-2016 (₹)
Dues to Micro and Small enterprises		
Dues to other than Micro and small enterprises	10,54,40,458	2,73,38,253
	10,54,40,458	2,73,38,253

- 6.1. 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.
- 6.2 The amount of Rs.10,14,20,525 represents dues to Consultants, Service Providers and Others.

#### 7. Other Current Liabilities

Particulars	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
a) Other Payables	11,18,20,883	7,74,43,603
Accrued Salaries and Benefits		
Withholding and Other Taxes		
Advances Rs. Lacs ( Lacs)		
Other Payables Rs. Lacs ( Lacs)		
b) Current maturities of Long	3,03,00,174	3,03,00,175
term liabilities		
Includes Payables on account of		
Lease Rent Finance		
	14,21,21,057	10,77,43,778

#### 8. Short Term Provisions

Particulars	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Taxation Net of Payments	1,29,15,290	72,17,197
	1,29,15,290	72,17,197

9. Tangible Assets

(in ₹)		:t Block as on 31.03.2016	1,64,98,998	8,70,500	1,09,439	36,25,038	21,84,179	2,32,88,154	2,91,83,798
		Net Block as on St. 03.2016	1,61,21,572	4,22,391	1,09,439	6,08,685	26,08,769	1,98,70,856	2,32,88,154
	ion	Total Depreciation	80,09,925	52,23,238	17,77,014	1,33,91,773	94,96,988	3,78,98,938	3,38,17,890
		Impairment Loss / Reversal of Impairement Loss for the Year	1	ı	ı	1	1	i	
	Depreciation/Amortization	Accumulated Dep charged to Dep. For the Retained Period 2016-17	3,77,426	4,48,109	ı	30,16,353	2,39,160	40,81,048	59,11,644
	Depr	Accumulated Dep charged to Retained Earnings	1	i	•	i			
		Dep. As on	76,32,499	47,75,129	17,77,014	1,03,75,420	92,57,828	3,38,17,890	2,79,06,246
	Gross Block	As on	2,41,31,497	56,45,629	18,86,453	1,40,00,458	1,21,05,757	5,77,69,794	5,71,06,044
		Sale / Deletions during the year	1	1			1		
		Capitalised during the year	1	ı	1	1	1		
		Additions through Business acquisitions	1	1	•	•	1		
		Capitalised during the year	1	1	ı	•	1		٠
		Additions through Business acquitions	1	1	•	1	1		
		Additions during the year	1	ı	•	1	6,63,750	6,63,750	16,000
		As on	2,41,31,497	56,45,629	18,86,453	1,40,00,458	1,14,42,007	5,71,06,044	5,70,90,044
		Particulars	Building	Electrical Equipment	Office Equipment	Computers	Furniture	TOTAL	Previous Year 2015-16 5,70,90,044

10. Intangible Assets

	iet Block as on Net Block as on 31.03.2016	2,36,74,980	2,36,74,980	26,88,92,372
	Net Block as on 31.03.2017	67,44,244	67,44,244	2,36,74,980
	Total Depreciation	37,79,14,213	37,79,14,213	36,09,83,477
zation	Impairment Loss / Reversal of Impairement Loss for the Year		•	21,53,51,093
Depreciation/Amortization	Accumulated Dep. As on Dep charged to Dep. For the O1.04.2016 Retained Period 2016-17 Earnings	1,69,30,736	1,69,30,736	2,98,66,299
Dep	Accumulated Dep charged to Retained Earnings			ı
	Dep. As on	36,09,83,477	38,46,58,457 36,09,83,477	11,57,66,085
	As on 31.03.2017	38,46,58,457	38,46,58,457	38,46,58,457
	Sale / Deletions during the year			
	Capitalised during the year	٠		٠
Gross Block	Additions through Business acquisitions			٠
Gross	Capitalised during the year			٠
	Additions through Business acquitions		i	
	Additions during the year	,		٠
	As on	38,46,58,457	38,46,58,457	38,46,58,457
	Particulars	Software	TOTAL	Previous Year 2015-16 38,46,58,457



#### 11. Investment

Particulars	As on 31-03-2017 (₹)	As on 31-03-2016 (₹)
Non- Current Investments		
Non-Trade: In Equity		
Of other companies-unquoted Twin Cities Investments and		
Finances Ltd		
10,000 equity shares of Rs.10/-		
each	1,00,000	1,00,000
	1,00,000	1,00,000

#### 12. Current Investments

Particulars	As on	As on 31-03-2016 (₹)
T 1 7 ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '	31-03-2017 ( 🤻 )	31-03-2016 ( ₹ )
Trade-Equity instruments of Tech Mahindra Ltd(5 equity		
` 1 ,	5.000	5.000
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)	9,867	9,867
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
	31,127	31,127
Total investments		
a.Aggregate amount of quoted		
investments	31,127	31,127
b.Aggregate amount of unquoted		
investments	1,00,000	1,00,000
	1,31,127	1,31,127

#### 13. Trade Receivables

Particulars	As on	As on
	31-03-2017 (₹)	31-03-2016 (₹)
Outstanding for a period exceeding	g six	
months from the date they are du	e for payment	
Unsecured		
Considered good	75,42,946	14,01,08,870
Considered doubtful	-	-
	75,42,946	14,01,08,870
Other Receivables:		
Considered good	39,12,17,601	9,18,89,220
Considered doubtful	-	-
	39,12,17,601	9,18,89,220
	39,87,60,547	23,19,98,090

#### 14. Cash and Bank Balance

Particulars	As on	As on
raruculars	31-03-2017 (₹)	31-03-2016 (₹)
Balances with banks:		
On Current Accounts	11,98,290	14,50,535
On Fixed Deposit Accounts	98,000	98,000
Cash on hand	31,854	25,344
Total of cash and Bank Balances	13,28,144	15,73,879

#### 15. Short Term Loans and advance

Particulars	As on	As on
Particulars	31-03-2017 (₹)	31-03-2016 (₹)
Advances Recoverable in cash or	41,33,452	87,58,254
kind		
Deposits with others	11,05,359	11,05,359
Advance Taxes & Duties	2,08,32,771	32,32,491
Total Short Term Loans and		
Advances	2,60,71,582	1,30,96,104

#### **16.** Revenue From Operations

Particulars	For year ended	For year ended	
raiticulais	31-03-17 (₹)	31-03-16 (₹)	
Revenue from operations	53,48,78,031	13,49,57,304	
Total	53,48,78,031	13,49,57,304	

#### 17. Purchases

Particulars	For year ended 31-03-17 (₹)	For year ended 31-03-16 (₹)
Purchase of Components	94,347	3,91,810
Total	94,347	3,91,810

#### 18. Employee Benefit Expenses

Particulars	For year ended	For year ended	
r ai ticulai s	31-03-17 (₹)	31-03-16 (₹)	
Salaries & Wages Contribution to Provident Fund	37,43,10,940 89,379	3,07,12,423 1,10,380	
Staff Welfare Expenses	3,97,541	1,22,416	
Total Employee Benefit	37,47,97,860	3,09,45,219	
Expenses			

#### 19. Administrative & Other Operating Expenses

Particulars	For year ended	For year ended	
Particulars	31-03-17 (₹)	31-03-16 (₹)	
Telephone, Postage and Others	4,77,040	84,209	
Business Promotion Expenses	20,69,428	1,99,679	
Travelling & Conveyance	12,41,007	4,57,132	
Office Maintenance	60,76,273	6,55,094	
Printing & Stationery Expenses	2,32,481	4,20,576	
Security Charges	1,82,235	1,71,860	
Rent	15,22,559	13,69,500	
Managerial Remuneration	50,40,000	50,40,000	
Electricity & Water	4,09,411	5,30,339	
RTA & Secretarial Expenses	16,60,001	7,79,093	
Professional Consultancy fee	9,50,74,520	12,22,811	
Board Meeting Expenses Amortisation of Product	2,32,500	83,710	
Development	-	1,13,11,572	
AGM Expenses	1,28,071	95,530	
Exchange Loss/(Gain)	-	(50,36,670)	
Auditors Remuneration	2,50,000	2,50,000	
Bank Charges	31,976	18,305	
Legal Expenses	4,54,000	1,18,000	
Bad Debts written off		12,57,96,191	
Total Administrative & Other Expenses	11,50,81,502	14,35,66,931	

#### 20. Secured Loan from Housing Finance Company

The Company has its own commercial space which was leased out to another IT Services company for 10 years in 2004. The Lease rentals were discounted with a housing finance company to augment working capital for the company. The tenant had terminated the lease and vacated the property of the company in 2009. Owing to Political conditions in the state the property could not be leased out and thereby the account became irregular. The company approached the lender to restructure the loan but they initiated proceedings under SARFARESI Act to recover their dues. The Lender took possession of the property. The company approached the Debts recovery tribunal. However as on the balance sheet date the property continues to be registered in the name of the company and the lender is yet to make his submissions before the debts recovery tribunal.

#### 21. Subsidiary Companies

The Operations of the company's wholly owned subsidiaries viz Cybermate Infotek Limited Inc at U.S.A have remained dormant since the year 2002.

The company is presently evaluating the possibility of reviving the operations after fulfilling compliances and by making additional investments.

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures in Form AOC - 1 is annexed to the Directors' Report as Annexure D pursuant to first proviso to subsection (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014.

#### 22. Segment Reporting

In accordance with the requirement of AS-17 on Segment reporting, the company has determined its business segment as Computer Programming Consultancy and related 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 the company for the year ended 31st March 2017.

There are no secondary reportable segments (Geographical Segments).

23. 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 this receivable only on actual realization since these balances are overdue.



#### 24. Earnings Per Share(EPS)

Particulars	2017 (₹)	2016 (₹)
Profits attributable to equity		
shareholders	2,32,20,934	(67,20,80,962)
Weighted Average No. Of		
Equity Shares outstanding		
during the year for		
Computing Basic and Diluted		
EPS (Nos)	7,24,41,962	7,24,41,962
Basic & Diluted EPS (Rs.)	0.32	(9.28)

#### 25. Related Party Disclosures

#### I. Parties where Control Exists:

Wholly Owned Subsidiary

Cybermate Infotek Ltd Inc

#### II. Enterprises controlled by Key Management Personnel & Relatives:

Orchasp Energy (P) Ltd.

Orchasp Securities (P) Ltd.

CIL Infoserve Ltd.

Kanti Rekha Power Ltd.

#### III. Key Management Personnel:

Mr. P. C. Pantulu - Managing Director.

Mr. K. S.Shiva Kumar - Director.

Mr. P. Chandra Sekhar - Director.

Mr. K. Koteswara Rao - Non Executive Director.

Dr. D. Jayarami Reddy - Independent Director.

Ms. C. Kamakshi Bharathi - Independent Director.

Mr. B. Srinivasa Reddy - Independent Director.

Mr. V. S. Roop Kumar - Independent Director.

#### IV. Relatives of Key Management Personnel:

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

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

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

Mr. Srikrishna Pattapurathi brother of Mr. P. C. Pantulu.

Mr. Manjush Pattapurathi cousin of Mr. P. Chandra Sekhar.

Mr. K. Bhujanga Rao, Father in Law of Mr. P. Chandra Sekhar.

#### **Aggregated Related Party Disclosures**

(₹in lacs)

Nature of Transaction	Associate/ Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Enterprises controlled by relatives of Key Management Personnel	Total
Remuneration	-	50.40(50.18)	-	-	50.40(50.18)
Trade Payables	-	-	-	-	-
Trade Receivables	-	-	-	1815.56(NIL)	1815.56(NIL)
Advances/Loans/ICDs Received	-	71.23(23.49)	6.68(27.10)	125.32(145.47)	203.23(196.06)
Advances/Loans/ICDs Repaid	-	25.23(11.75)	2.36(4.30)	82.60(39.22)	1925.75(55.27)
Balances outstanding as on 31-03-2017					
Receivable	-	-	-	1826.12(51.29)	1826.12(51.29)
Payable	-	686.87(601.11)	77.35(84.13)	5.66(3.68)	769.88(688.92)

Previous years figures have been regrouped where ever necessary

#### **Summary of Related Party Transactions 2016-17**

(₹in lacs)

	Curren	it Year	Previous Year	
	Transaction Value	Closing Balance	Transaction Value	Closing Balance
A.Rendering of Software Services				
CIL Infoserve Ltd	1,429.45	1,429.45	-	-
Orchasp Securities (P) Limited	386.11	386.11	-	-
Total	1,815.56	1,815.56	-	-
B.Advances taken				
Key Management Personnel				
(a) Mr.P.C.Pantulu	28.83	381.93	6.64	360.63
(b) Mr.P.Chandra Sekhar	42.39	52.46	16.85	30.81
Total	71.22	434.39	23.49	391.44
Relatives of Key Managerial Personnel				
(a) Ms.Rajeswari Pattapurathi	-	22.78	-	22.78
(b) Ms.Sirisha Kasukhela	6.68	44.63	-	40.26
(c) Mr. Manjush Pattapurathi	-	5.00	-	5.00
(d) Mr. Srikrishna Pattapurathi	-	5.00	-	5.00
(e) Mr. K.Bhujanga Rao	9.40	20.50	11.10	11.10
Total	16.08	97.91	11.10	84.14
Enterprises Controlled by Key Management Personne	el			
(a) Kanti Rekha Power	-	0.18	-	3.69
(b) Orchasp Energy (P) Ltd	10.41	5.49	-	(0.05)
(c) Orchasp Securities (P) Ltd	18.13	(45.90)	28.20	50.88
Total	28.54	(40.24)	28.20	54.52
C.Advances given				
(a) CIL Infoserve Ltd	56.10	56.46	-	0.36
Total	56.10	56.46	-	0.36
D.Managerial Remuneration				
Mr.K.S.Shiva Kumar	9.60	59.02	9.60	50.38
Mr.P.Chandra Sekhar	10.80	66.47	10.80	57.36
Mr.P.C.Pantulu	30.00	126.99	30.00	100.33
Total	50.40	252.48	50.40	208.07



#### 26. Payments to Auditor

Particulars	2017 (₹)	2016 (₹)
As Auditor		
For Statutory Audit	1,50,000	1,50,000
For Tax Audit	75,000	75,000
For Limited Review	25,000	25,000
Total	2,50,000	2,50,000

#### 27. Expenditure in Foreign Currency

Particulars	20:	17 (₹)	2016 (₹)
Travel	-	-	
Others	-	-	
	-		0.05

#### 28. Earnings in Foreign Currency

Particulars		2017		2016
Tai ticulais		(₹in lacs)		(₹in lacs)
Export		108		192
Others	-		-	
		192.11		83.05

#### 29. Contingent Liabilities

The Following are the contingent liabilities not provided for

(a) In respect of matters under dispute

Particulars	2017	2016
T ut trouturo	(₹in lacs)	(₹in lacs)
Export	1,551	1,551
Others	266	266

(b) Bank guarantee in favour of Assistant Commissioner of Customs for CPWB warehouse license amounting to Rs. 98,000/-

#### 30. Note on Capital Reduction During the year

During the year the company has reduced its capital from Rs.10/- per share to Rs.2/- per share. The number of Shares did not undergo any change.

The audit committee recommended the draft scheme of capital reduction at their meeting held on the 29th June 2016 and was then approved by the board on 05th July 2016. The BSE approved the Draft scheme vide their observation letter dated 11th August 2016. The shareholders of the company approved the Draft Scheme of capital reduction at the 22nd Annual General Meeting of the Company held on the 7th September 2016. Upon instructions of the Honourable Highcourt, the Company published a notice of petition on the 3rd October 2016. The highcourt passed a final order approving our scheme of capital reduction on the 13th November 2016. The Registrar of Companies issued a certificate of registration of order confirming the capital reduction on the 22nd December 2016. SEBI and BSE have taken note of the Approved Scheme of capital reduction vide their letters dated 6th January 2017 and 9th January 2017 respectively.

The shares of the company were suspended for procedural reasons to give effect to the capital reduction on the 20th January 2017. The shares of the company after capital reduction i.e face value of Rs.2/per share are traded with effect from 20th March 2017.

			(₹in lacs)
		Other	
Particulars	SBNs	denomination	Total
		notes	
	19.81	0.01	19.82
Closing cash in Hand			
as on 08.11.2016			
(+) Permitted	-	1.40	1.40
Receipts			
(-) Permitted	-	1.35	1.35
Payments			
(-) Amount	19.81	-	19.81
Deposited in Banks			
	-	0.06	0.06
Closing cash in hand			
as on 30.12.2016			

#### 31. Disclosure on Specified Bank Notes (SBNs)

During the year, the company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308 (E), dated March 31, 2017. The details of the SBNs held and transacted during the period from November 8,2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Specified Bank Notes(SBNs) mean the bank notes denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no S.O. 3407(E), dated November 08, 2016.

- 32. Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation.
- **33.** Previous year figures have been regrouped and rearranged wherever necessary to conform to this years' classification.

#### AS PER OUR REPORT OF EVEN DATE

**P. Murali & Co** FRN:007257S

Chartered Accountants

P. only

P. Murali Mohan Rao

Partner

Membership No 023412 Place: Hyderabad Date: 29th May 2017 For and on behalf Board

For Cybermate Infotek Limited

P.C. Pantulu

Managing Director & CEO

P. Chandra Sekhar Director & CFO Jul 2

**K.S. Shiva Kumar** Director & COO

ter lakehn

**K. Venkata Lakshmi**Company Secretary
& Compliance Officer



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

## CYBERMATE INFOTEK LIMITED CIN:L72200TG1994PLC017485

Regd. Office : Plot No 19 & 20. Moti Valley, Trimulgherry, Secunderabad – 500 015

Tel: 040-47766123/124, Fax: 040-47766143

Email id: secretarial@cybermateinfotek.com website: www.cybermateinfotek.com

### 23<sup>rd</sup> Annual General Meeting - September 11<sup>th</sup>, 2017

# MGT-11 PROXY FORM (Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and

Administration) Rules, 2014) Name of the Member(s) Registered address E-Mail Id Folio No/Client Id DP Id I/We, being a Member (s) of ...... shares of the above named Company, hereby appoint Email Id: Signature or failing him 2.Name: Address Email Id: Signature or failing him 3 Name: Address: Email Id: Signature or failing him as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Monday, 11th September 2017 at 10.00 am at Moksh Banquets, 221, Tivoli Road, Secunderabad. 500003 and at any adjournment thereof in respect of such resolutions indicated below Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, Ordinary 1. for financial year ended March 31, 2017 Resolution Appointment of M/s P.Murali & Co, Chartered Accountants (Firm Registration No 007257S) Ordinary 2. as Auditors of the Company and to Fix their remuneration Resolution Re-appointment of Mr. P.C. Pantulu, as Managing Director & Chief Executive Officer of Special

l	0.	the Company	Resolution	1					
l	1	Re-appointment of Mr.K.S.Shiva Kumar, as Director (Operations) & Chief Operating Officer							
4.	4.	of the Company							
l	5.	To Consider and adopt the resolution for raising funds by issue of futher equity by way of							
ı	3.	QIP/ADR/GDR/FCCB or other convertible instrument.							
	Signed _	this day of 2017							
Signature of the Shareholder :									

#### Note:

Signature of Proxy holder(s)

The proxy form duly completed must be deposited at the Registered Office of the Company addressed to Secretarial Department, Cybermate Infotek Limited at 19 & 20, Moti Valley, Trimulgherry, Secunderabad – 500 015, Telangana. Not less than 48 hours before the time for holding the meeting (before 10.00 AM on 9th September 2017). A proxy need not be Member.

Revenue

Stamp



CIN: L72200TG1994PLC017485

Regd. Office: No. 19 & 20, Moti Valley, Trimulgherry, Secunderabad - 500 015.

## 23<sup>rd</sup> Annual General Meeting – September 11<sup>th</sup>, 2017

#### MGT-12 POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014 - Form No. MGT-12]

S.No	Particulars	Details												
1	Name of the First Named Shareholder (in block letters)													
2	Postal Address													
3	Registered Folio No/Client ID)													
4	Class of Share	Equity												
5	No of Shares													

I Hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S.No	Resoluti on No	Matter of resolution	No of Shares	I assent to the resolution	I dessent to the resolution
1	1	Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2017 – Ordinary Resolution.			
2	2	Appointment of M/s P.Murali & Co , Chartered Accountants (Firm Registration No 007257S) as Auditors of the Company and to Fix their remuneration - Ordinary Resolution			
3	3	Re-appointment of Mr.P.C.Pantulu, as Managing Director & Chief Executive Officer of the Company –Special Resolution			
4	4	Re-appointment of Mr.K.S.Shiva Kumar, as Director (Operations) & Chief Operating Officer of the Company – Special Resolution			
5	5	To Consider and adopt the resolution for raising funds by issue of futher equity by way of QIP/ADR/GDR/FCCB or other convertible instrumentSpecial Resolution			

Place: Hyderabad Date: 11-09-2017

Signature of Shareholder/Proxy



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

#### **CYBERMATE INFOTEK LIMITED**

CIN:L72200TG1994PLC017485

Regd. Office : Plot No 19 & 20. Moti Valley, Trimulgherry Secunderabad. – 500 015

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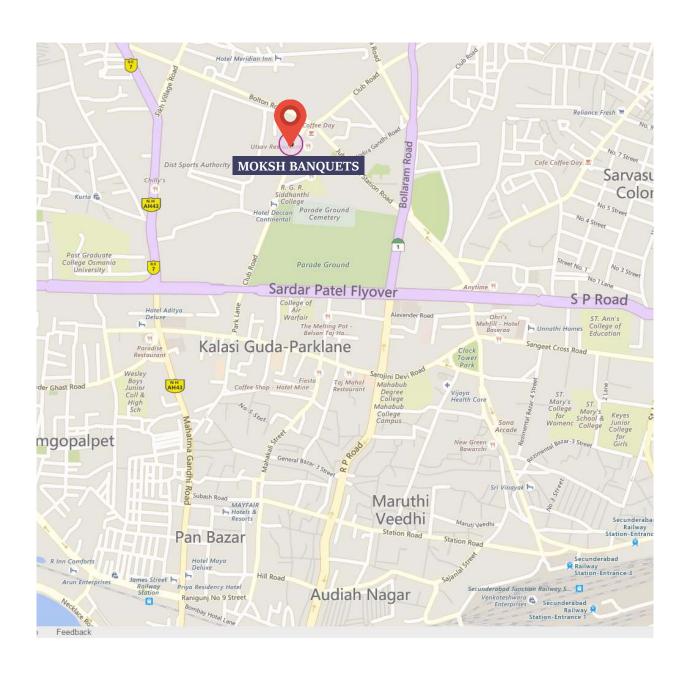
# 23rd Annual General Meeting – September 11th, 2017 Attendance Slip

	Regis	tered	Folio 1	No. /	DP ID	No. /	Clier	nt ID I	No.:								
	Numb	per of	share	s held	l												
I certif	fy that	I am a	a mem	ıber /	proxy	7 / au	thoriz	ed rep	oresen	ıtative	for th	ne me	mber	of the	Com	pany.	
221, T	by reco ivoli Ro 00 a.m	oad, S	prese	ence a leraba	t the 2 ad – 50	23 <sup>rd</sup> A:	nnual 3, Tela	Gene angan	ral Mo a, Ind	eeting lia, on	of the	e Com day, 1	ipany 1 <sup>th</sup> Se	at th ptemb	e Mok ber, 2	ish Ba 017	nquets
	Name (i	of the									 Si	 gnatu	re of	the m	embe	r / pro	oxy
	Please f ng their								t the e	ntranc	e of th	e mee	ting ha	all. Me	mbers	are re	quested
									<b>X</b>								-

## Route Map to the Venue of the 23rd AGM

## **Moksh Banquets**

221, Tivoli Road, Secunderabad– 03 Telangana, India





# **NOTE**



# **NOTE**


### BOARD OF CYBERMATE INFOTEK LIMITED

Mr. P. C. Pantulu Managing Director

Mr. K. S. Shiva Kumar Director - Operations

Mr. P. Chandra Sekhar Director - Finance & CFO

Mr. K. Koteswara Rao Non-Executive Director

**Dr. D. Jayarami Reddy** Independent Director

Ms. C. Kamakshi Bharathi Independent Director

Mr. B. Srinivasa Reddy Independent Director

Mr. V. S. Roop Kumar Independent Director

Ms. K. Venkata Lakshmi Company Secretary & Compliance Officer

#### Annual General Meeting 11th September 2017 at 10.00 am

Venue Moksh Banquets

221, Tivoli Road Secunderabad. 500003. Telangana.

Auditors P.Murali & Co

Statutory Auditor Chartered Accountants

6-3-655/2/3, Somajiguda, Hyderabad. 500 082. Telangana

Secretarial Auditor Sidharth C.A., Partner

CAS & Associates, Company Secretaries 2nd Floor, Plot No 2, Surya Enclave Road, Trimulgherry, Secunderabad - 500 015.

Bankers ICICI Bank Ltd

CIN L72200TG1994PLC017485

**Registered Office** Plot No 19 & 20, Moti Valley, Trimulgherry

Secunderabad. 500015. Telangana.

 $e\text{-mail: Investors} \hspace{1.5cm} secretarial@cybermatein fotek.com$ 

e-mail: General info@cybermateinfotek.com website www.cybermateinfotek.com

Listing BSE Ltd

Phiroze Jeejeebhoy Towers. Dalal Street, Fort

Mumbai - 400 001

ISIN No INE215B01022

Stock Code 532271

Registrar & Share Aarthi Consultants (P) Ltd

**Transfer Agent** Gagan Mahal, Street No 7, Aravindra Nagar,

Domalguda, Hyderabad - 500 029. Telangana



## **BOOK POST**



Regd. & Corp. Office: 19 & 20, Moti Valley, Thirumalghery, Secunderabad - 500 015. Telangana State, INDIA. Phone:+91 40 47766123 / 24, Fax: +91 40 47766143

Email: info@cybermateinfotek.com Website: www.cybermateinfotek.com