

REPORT ON CORPORATE GOVERNANCE

We are pleased to submit hereunder a detailed report on Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement.

We have implemented the mandatory provisions on Corporate Governance stipulated under revised Clause 49 of the Listing Agreement with the Stock Exchanges

Company's Philosophy on Code of Corporate Governance

Since inception, CyberTech has been adopting best practices in the area of corporate governance as a means of effectively protecting and enhancing shareholder value. CyberTech continues to focus on delivering predictable revenues with consequential profits. It would be our endeavour to nurture sustained growth with increased profit margins and enhanced shareholder value. CyberTech believes that transparency in operations strengthens investors' confidence. Keeping this in view, the responsibility for upholding high standards of corporate governance lies with the Board and the various Committees of the Board. Details of corporate governance practices followed in CyberTech are detailed hereunder:

Board of Directors

Composition of the seven-member Board is as follows:

1	Mr. Viswanath Tadimety	Non-Executive Chairman and Promoter Director
2	Mr. Anant Rajwade	Independent Director
3	Mr. Sudhir Joshi #	Independent Director
4	Mr. Arun Shah *	Independent Director
5	Mr. C.N. Rao **	Executive Director
6	Mr. Radhakrishna Pingali \$	Whole Time Director
7	Mr. Prakash Kenjale	Independent Director
8	Dr. Shreepad Karmalkar#	Independent Director
9	Mr. Steven Jeske	Non-Executive and Non-Independent Director
10	Dr. Tapan Kumar Mukhopadhyay @	Whole Time Director

Appointed as Additional Director w.e.f. September 30, 2010

* Retired as Director in 15th AGM on September 30, 2010

** Resigned as Executive Director and Director w.e.f. October 8, 2010

\$ Appointed as Whole Time Director on October 11, 2010 and resigned as Whole Time Director and Director on February 11, 2011.

@ Appointed as Whole Time Director w.e.f. March 15, 2011

During the period April 1, 2010 to March 31 2011, the Board met five times. Dates of the Board Meetings and attendance thereat are furnished hereunder:

Date of Board Meeting	May 29,2010	August 4,2010	September 30,2010	November 2,2010	February 9,2011
Board Strength	6	6	5	7	7
No. of Directors Present	3	4	4	4	3

Attendance of individual Directors at the Board Meetings and last AGM :

Name of Director	No. of Board Meetings held during year	No. of Board Meetings attended	Attendance at last AGM
Mr. Viswanath Tadimety	5	2	Attended
Mr. Anant Rajwade	5	5	Attended



Mr. Arun Shah	5	2	Not Attended
Mr. Prakash Kenjale	5	Nil	Not Attended
Mr. Steven Jeske	5	2	Attended
Mr. C.N.Rao	5	3	Attended
Mr. Sudhir Joshi	5	2	Not Attended
Dr. Shreepad Karmalkar	5	1	Not Attended
Dr. Tapan Kumar Mukhopadhyay	5	Nil	Not Attended

Mr. Viswanath Tadimety , Mr. Steven Jeske and Mr. Prakash Kenjale joined deliberations on-line when not in station.

Data indicating number of other Directorships held by the Directors of the Company is given below:

Name of Director	PD/ID/WTD*	No. of other Directorship(s)**	Committee Membership***	Committee Chairmanship***
Mr. Viswanath Tadimety	PD	-	-	-
Mr. Anant Rajwade	ID	4	3	1
Mr. Sudhir Joshi	ID	-	-	-
Mr. Prakash Kenjale	ID	1	1	-
Dr. Shreepad Karmalkar	ID	-	-	-
Dr. Tapan Kumar Mukhopadhyay	WTD	1	1	-
Mr. Steven Jeske	NED/NID	-	-	-

*PD - Promoter Director, ID - Independent Director, WTD - Whole Time Director.

NED/NID - Non-Executive/Non-Independent Director.

** Excludes directorships on Indian Private Limited Companies, foreign companies and Companies incorporated under Section 25 of the Companies Act, 1956.

***As per clause 49 I (c) Chairmanships/memberships for Audit Committee and/or Share Transfer Committee have been considered.

Audit Committee

Composition of the Audit Committee

1	Mr. Anant Rajwade	Chairman
2	Mr. Arun Shah #	Member
3	Mr. Prakash Kenjale *	Member
4	Mr. Sudhir Joshi @	Member
5	Dr. Shreepad Karmalkar @	Member

Retired as Director in 15th AGM held on September 30, 2010.

* Member up to September 30, 2010.

@ Member w.e.f. September 30, 2010.

Members of the Audit Committee, who are also on the Board, possess adequate knowledge in areas of corporate finance, accounts and Company law.

The terms of reference of the Audit Committee, inter-alia, include:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Management discussion and analysis of financial condition and results of operations;
 - b. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - c. Changes, if any, in accounting policies and practices and reasons for the same
 - d. Major accounting entries involving estimates based on the exercise of judgment by management
 - e. Significant adjustments made in the financial statements arising out of audit findings
 - f. Compliance with listing and other legal requirements relating to financial statements
 - g. Disclosure of any related party transactions
 - h. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency for monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structural coverage and frequency of internal audit.
 9. Discussion with internal auditors on any significant findings and follow up there on.
 10. Reviewing the findings on matters of any internal investigations by the internal auditors where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism.
 14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

Four Audit Committee Meetings were held during the Financial Year 2010-11 on May 29, 2010, August 4, 2010, November 2, 2010, and February 9, 2011. Attendance of the Directors was as follows :

Director	No. of Committee Meetings attended
Mr. Anant Rajwade	4
Mr. Arun Shah	2
Mr. Prakash Kenjale	Nil
Mr. Sudhir Joshi	2
Dr. Shreepad Karmalkar	1

Remuneration Committee

Composition of the Remuneration Committee

1	Mr. Anant Rajwade	Chairman
2	Mr. Arun Shah @	Member
3	Mr. Prakash Kenjale *	Member
4	Mr. Sudhir Joshi #	Member
5	Mr. Viswanath Tadimety	Member
6	Dr. Shreepad Karmalkar %	Member

@ Retired as Director in 15th AGM held on September 30, 2010.

* Member up to September 30, 2010.



Member w.e.f. September 30, 2010

% Member w.e.f. February 9, 2011

The functions of the Remuneration Committee are:

- to recommend to the Board of Directors remuneration payable to Executive Director/Whole Time Director.
- to ensure that a proper system of compensation is in place;
- to devise and recommend to the Board, a Scheme for granting stock options to the employees of the Company; and
- to frame suitable regulations for ensuring proper administration and superintendence of the Employees Stock Option Plan (ESOP) Scheme. The Committee submits its recommendation to the Board of Directors from time to time indicating details of eligible employees to whom options under ESOP would be granted.

Three Remuneration Committee Meetings were held during the Financial Year 2010-11 on May 29, 2010, August 4, 2010, and March 15, 2011. Attendance of the Directors was as follows :

Director	No. of Committee Meetings attended
Mr. Anant Rajwade	3
Mr. Viswanath Tadimety	1
Mr. Arun Shah	2
Mr. Prakash Kenjale	Nil
Mr. Sudhir Joshi	1
Dr. Shreepad Karmalkar	Nil

Details of remuneration paid to the Directors, the Executive Director and Whole Time Directors for Financial Year 2010- 2011

Name	Designation	Salary ₹	Commission ₹	Sitting fees ₹	Total ₹	Notice Period
Mr. Viswanath Tadimety	Chairman	Nil	Nil	60,000	60,000	Nil
Mr. Anant Rajwade	Director	Nil	175,000	260,000	435,000	Nil
Mr. Arun Shah	Director	Nil	Nil	140,000	140,000	Nil
Mr. Prakash Kenjale	Director	Nil	Nil	Nil	Nil	Nil
Mr. C. N. Rao	Executive Director	1,147,039	Nil	Nil	1,147,039	3 months
Mr. Steven Jeske	Director	Nil	Nil	40,000	40,000	Nil
Mr. Sudhir Joshi	Director	Nil	Nil	1,00,000	100,000	Nil
Dr. Shreepad Karmalkar	Director	Nil	Nil	60,000	60,000	Nil
Mr. Radhakrishna Pingali	Whole Time Director	498,747	Nil	Nil	498,747	3 months
Dr. Tapan Kumar Mukhopadhyay	Whole Time Director	60,254	Nil	Nil	60,254	3 months

Shareholders'/ Investors' Grievance Committee

Present composition of the Investors' Grievance Committee is as under:

Sr. No.	Name	Designation
1	Mr. Sudhir Joshi #	Chairman
2	Mr. Steven Jeske ^	Member
3.	Mr. Anant Rajwade @	Member
4	Mr. Arun Shah **	Chairman
5	Mr. Viswanath Tadimety *	Member
6	Mr. C. N. Rao ***	Member
7	Mr. Prakash Kenjale *	Member
8	Dr. Shreepad Karmalkar #	Member
9	Dr. Tapan Kumar Mukhopadhyay ##	Member

Appointed as a Chairman/Member w.e.f. September 30, 2010.

^ Member w.e.f. September 30, 2010 till March 15, 2011.

@ Appointed as a member on May 29, 2010.

** Retired as a Director in 15th AGM held on September 30, 2010.

* Member up to September 30, 2010.

*** Member w.e.f. September 30 till October 8, 2010.

Appointed as a Member w.e.f. March 15, 2011.

One Investor Grievance Committee Meeting was held on May 29, 2010 during the Financial Year 2010-11 and attendance of the Directors thereat was as follows:

Director	Attended/Not Attended
Mr. Anant Rajwade	Attended
Mr. Arun Shah	Attended

The Board has authorized the Committee to approve the share transfers/ transmissions, issue of duplicate share certificates, review the status of investors' grievances and redressal mechanism and to recommend measures to improve the level of investor services. Details of share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time. The Board has delegated the authority to allot equity shares against the Stock Options exercised by the employees/ directors, granted to them under the Employees Stock Option Plan (ESOP) of the Company, to the Shareholders'/ Investors' Grievance Committee.

The Company has one investor complaint outstanding as on date, which is sub-judice.

Compliance Officer: Mr. Sateesh Wadagbalkar, General Manger and Company Secretary.

Exclusive e-mail id for Investor Grievances : cssl.investors@cybertech.com

General Body meetings

i. Location and time, where last three AGMs were held

Particulars	FY 2007-2008	FY 2008-2009	FY 2009-2010
Date & Time	September 30, 2008 4 P.M.	September 30, 2009 3 P.M.	September 30, 2010 3 P.M.
Venue	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate Thane (West)- 400 604	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate Thane (West)- 400 604	'CyberTech House' Plot No. B-63/64/65 Road No.21/34, J. B. Sawant Marg, MIDC, Wagle Estate Thane (West)- 400 604

ii. Brief details of special resolutions passed in the previous three AGMs

On September 30, 2008, the following five special resolutions were passed.

- (1) Increase in remuneration granted to Mr. C.N. Rao, Executive Director.
- (2) Consent for Mr. Steven Jeske to continue to hold the office of Director in the subsidiary Company
- (3) Consent for Mrs. Sukhada Tadimety to continue to hold the office of Director in the subsidiary Company
- (4) Consent for Mr. Viswanath Tadimety to continue to hold the office of Director in the subsidiary Company
- (5) Consent for increase in aggregate number of shares that can be issued under ESOP 2007.

On September 30, 2009, no special resolution was passed.

On September 30, 2010, the following one special resolution was passed.

- (1) Increase in Authorised Capital of the Company

Disclosures

- (1) No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years.

(2) Related Party Transactions

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transaction as set out in notes to accounts, which do not have potential conflict with the interests of Company at large.

(3) Whistle Blower Policy

The Company has announced Whistle Blower policy to prohibit management from taking adverse action against employees



disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement or abuse of any authority.

(4) Disclosure of Accounting Treatment

The financial statements are prepared on accrual basis of accounting in accordance with Indian GAAP, provisions of the Companies Act, 1956(the Act) and comply in material aspects with the accounting standards, notified under section 211 (3C) of the Act read with the Companies(Accounting Standard) Rules, 2006.

(5) Model Code of Conduct for Directors and Senior Management Team

In line with the requirements under revised Clause 49 of the Listing Agreement, your Company has formulated model code of conduct for the Directors and members of senior management team. Your Company has obtained written declaration from the Directors and members of the senior management team affirming compliance with the Code of Conduct under revised Clause 49 of the Listing Agreement.

(6) CEO/CFO Certification

A certificate from Executive Director and General Manager Finance on the financial statements of the Company was placed before the Board.

(7) Directors Responsibility Statement

The draft Directors Responsibility Statement signed by Whole time Director dated May 27,2011 which is to be included in Board's Report for F.Y.2010-11 was reviewed by Audit Committee in its meeting held on May 27, 2011.

(8) Risk Management Policy

The risk management practices adopted by the management ensure that management controls risks. During the period under review following three types of risks were reviewed by the Audit Committee/Board.

- a. **Business Risk :** On May 27, 2011, Mr. Vishal Bargat gave presentation to Audit Committee and updated the Audit Committee members about the Company's Hyderabad Units business plan for F.Y.2011-12 and its associated risks.
- b. **Forex Risk :** The Company has adopted Forex Policy for management of forex risk which is implemented.
- c. **Interest Risk:** Audit Committee in its meeting held on August 4, 2010 directed the management of the Company to invest surplus funds of the Company specifically in liquid funds (Growth Option) taking into account after tax returns and liquidity.

(9) Compliance with mandatory requirements of clause 49 of Listing Agreement. The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement.

(10) Means of Communication

- (a) Quarterly results are also posted on the website of the Company.
- (b) Newspapers wherein results normally published: Free Press Journal in English and Navashakti in Marathi.
- (c) Any website, where displayed: [http:// india.cybertech.com](http://india.cybertech.com)
- (d) Whether it also displays official news release : Yes
- (e) The presentation made to institutional investors or to the analysts: No.

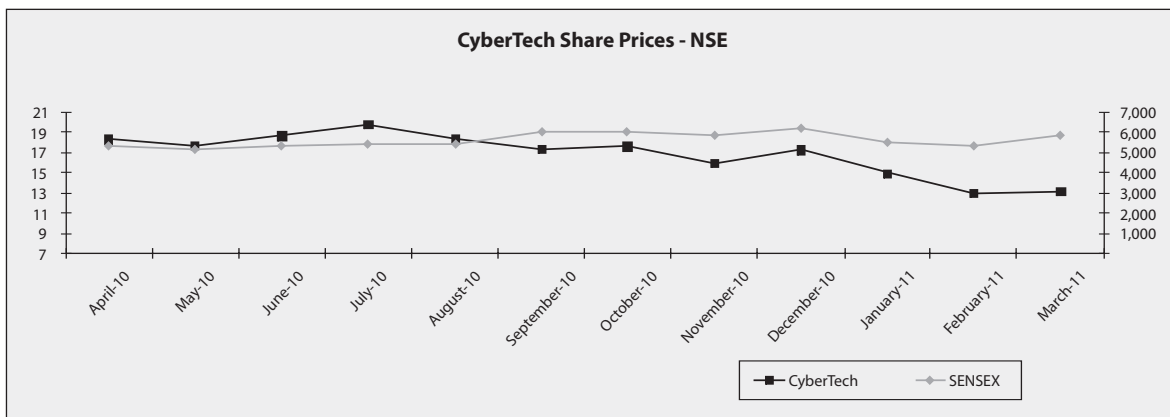
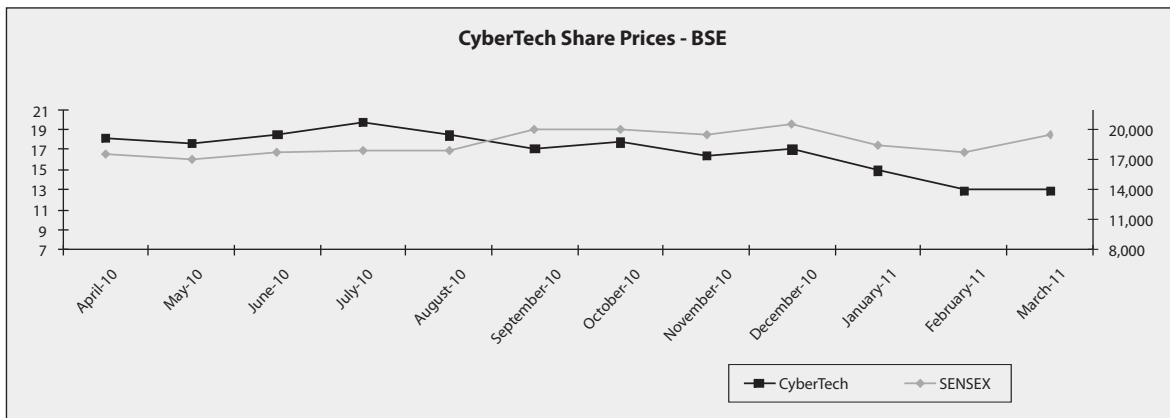
(11) General Shareholder information:

- a. AGM Date : September 30, 2011
- b. Time : 3 P.M.
- c. Venue : CyberTech House, MIDC, Wagle Industrial Estate, Thane-400 604
- d. Financial year : 2010-11
- e. Date of book closure : September 22, 2011 to September 30, 2011
- f. Dividend Payment : Dividend, if approved in the AGM shall be paid/credited on or after October 26, 2011
- g. Listing on Stock Exchanges and Code :
 - (i) The Bombay Stock Exchange Limited: 532173
 - (ii) National Stock Exchange of India Limited: CYBERTECH

h. Market Price Data : High, Low during each month in last financial year

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2010	20.95	18.05	21.90	18.00
May 2010	18.75	16.80	18.75	16.50
June 2010	21.65	16.85	21.50	15.15
July 2010	20.90	18.50	20.50	18.50
August 2010	20.85	15.80	21.90	18.00
September 2010	20.00	17.05	19.95	17.10
October 2010	20.50	17.15	21.00	17.15
November 2010	19.45	15.50	19.40	15.50
December 2010	18.80	14.70	18.25	14.50
January 2011	17.65	14.05	17.80	14.20
February 2011	15.00	11.65	16.10	12.00
March 2011	13.29	12.00	13.85	12.00

Performance in comparison to Broad-based indices such as BSE Sensex, Nifty etc:





- i. Registrar and Transfer Agents : Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) C 12, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai -400 078.
- j. Share transfer system: Shares sent for transfer in physical form are generally registered and returned within a period of 15 days from the date of lodgement and Demat requests are normally confirmed within an average period of 15 days, provided the documents are clear and complete in all respect.
- k. Distribution of shareholding :

Categories of Shareholders as on March 31, 2011

Category	No. of shares held	%
Promoters (Non resident)	7,151,617	27.0165
Relatives of Promoters	1,053,020	3.9780
Directors and their relatives	0	0
FII's/FFI's	575	0.0022
Bodies Corporate(Domestic)	613,139	2.3162
Non-Resident Indians/OCBs	1,148,129	4.3372
Foreign Company	3,900,000	14.7329
Trusts	2,600,445	9.8236
Clearing members	86,428	0.3265
Mutual Funds	0	0
Bank/Insurance Companies/Fl's	48,151	0.1819
Public	9,869,839	37.2850
Total	26,471,343	100.0000

Distribution of Shareholding as on March 31, 2011

No. of shares held	Shareholders		Nominal value	
	Number	%	₹	%
1 - 5000	9,435	80.0730	14,853,070	5.6111
5001 - 10000	1,087	9.2252	9,125,910	3.4475
10001 - 20000	582	4.9393	8,761,290	3.3097
20001 - 30000	197	1.6719	4,999,940	1.8888
30001 - 40000	97	0.8232	3,441,810	1.3002
40001 - 50000	86	0.7299	4,075,860	1.5397
50001 - 100000	120	1.0184	8,792,280	3.3214
100001 & above	179	1.5191	210,663,270	79.5816
Total	11,783	100.0000	264,713,430	100.0000

- l. Dematerialization of shares and liquidity: As on March 31, 2011 17,349,615 shares (65.54% of total equity shares) of the Company are held by the Shareholders in dematerialized form.
- m. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, Conversion date and likely impact on equity :The Company has not issued any GDRs /ADRs/ or convertible instruments.
- n. Plant Locations : Not applicable
- o. Address for correspondence: CyberTech House, Plot No.B-63/64/65, Road No. 21/34, J.B. Sawant Marg, MIDC, Wagle Industrial Estate, Thane (West) - 400 604.