



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
CyberTech Systems and Software Limited

We have examined the compliance of the conditions of Corporate Governance by CyberTech Systems and Software Limited ('the Company'), for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreements with National Stock Exchange of India Limited and BSE Limited.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For LODHA & CO.  
Chartered Accountants  
Firm Registration No. 301051E**

**A.M. Hariharan  
Partner  
Membership No. 38323**

**Place : Mumbai**

**Date : August 13, 2015**

## 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 Board is as follows :

1	Mr. Viswanath Tadimety	Non-Executive Chairman and Promoter Director
2	Mr. Ramasubramanian Sankaran	Executive Director
3	Mr. Steven Jeske	Non-Executive and Non-Independent Director
4	Ms. Amogha Tadimety \$	Non-Executive and Non-Independent Director
5	Mr. Sudhir Joshi	Non-Executive and Independent Director
6	Mr. M.P. Bharucha*	Non-Executive and Independent Director
7	Mr. Prakash Kenjale	Non-Executive and Independent Director
8	Dr. Shreepad Karmalkar	Non-Executive and Independent Director
9	Dr. N.L. Sarda	Non-Executive and Independent Director
10	Mr. A.V. Rajwade#	Non-Executive and Independent Director

\$ Ms. Amogha Tadimety was appointed as woman Director by the members in 19th Annual General Meeting of the Company held on September 30, 2014.

\* Mr. M.P. Bharucha was appointed as Independent Director with effect from October 1, 2014.

# Mr. A.V. Rajwade was appointed as Additional Director in the category of Independent Director on March 30, 2015.

During the period April 1, 2014 to March 31 2015, the Board met six times. Date of the Board Meeting and attendance thereat are furnished hereunder:

Date of Board Meeting	May 29, 2014	August 6, 2014	September 30, 2014	November 13, 2014	February 5, 2015	March 30, 2015
Board Strength	8	8	8	9	9	9
No. of Directors Present	7	7	4	7	7	6

### 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	6	6	Attended
Mr. Ramasubramanian Sankaran	6	6	Attended
Mr. Sudhir Joshi	6	6	Attended
Mr. Prakash Kenjale	6	5	Not Attended
Mr. Steven Jeske	6	4	Not Attended

Mr. M.P. Bharucha	6	3	Not Attended
Dr. Shreepad Karmalkar	6	1	Not Attended
Ms. Amogha Tadimety	6	1	Not Attended
Dr. N.L. Sarda	6	6	Attended
Mr. A.V. Rajwade*	6	Nil	Not Attended

\* Appointed with effect from March 30, 2015

Mr. Viswanath Tadimety, Mr. Steven Jeske, Mr. Prakash Kenjale, Dr. Shreepad Karmalkar , Mr. M.P. Bharucha and Ms. Amogha Tadimety, 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. Sudhir Joshi	ID	3	-	-
Mr. Prakash Kenjale	ID	-	-	-
Dr. Shreepad Karmalkar	ID	-	-	-
Mr. M.P. Bharucha	NED/NID	2	-	-
Mr. Ramasubramanian Sankaran	ED	-	-	-
Dr. N.L. Sarda	ID	3	1	-
Mr. Steven Jeske	NED/NID	-	-	-
Ms. Amogha Tadimety #	NED/NID	-	-	-
Mr. A.V. Rajwade	NED/ID	-	-	-

\*PD – Promoter Director, ID – Independent Director, WTD – Whole Time Director

NED/NID – Non-Executive/Non-Independent Director ED – Executive Director

\*\* Excludes directorships on Indian Private Limited Companies, foreign companies and Companies incorporated under Section 8 of the Companies Act, 2013

\*\*\*As per clause 49 II D Chairmanships/memberships for Audit Committee and/or Stakeholders' Relationship Committee have been considered.

# Appointed w.e.f. from September 30, 2014.

#### Audit Committee

The Audit Committee comprises three Directors each of whom possess financial / accounting expertise.

The Chairman of the Audit Committee is an Independent Director. The composition of the Audit Committee is in accordance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement as given below:

S.No.	Name	Designation & Category
1	Mr. Sudhir Joshi	Chairman, Independent Director
2	Dr. N.L. Sarda	Member, Independent Director
3	Dr. Shreepad Karmalkar	Member, Independent Director

The Audit Committee met four times during the Financial Year 2014-15 on May 29,2014, August 6, 2014, November 13, 2014, and February 5, 2015.

The details of attendance of the members are as follows.

Name of Member	No. of Committee Meetings attended
Mr. Sudhir Joshi	4

Dr. N. L. Sarda	4
Dr. Shreepad Karmalkar	1

The 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 Section 134(1) (c) & 134(5) of the Companies Act, 2013;
  - 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.

### Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on 31st March, 2015 is as follows:

1	Mr. Sudhir Joshi	Chairman
2	Mr. Viswanath Tadimety	Member
3	Dr. Shreepad Karmalkar	Member
4	Mr. M.P. Bharucha	Member
5	Dr. N.L. Sarda	Member

During the year two meetings of Nomination and Remuneration Committee were held on 30.09.2014 and 30.3.2015. The details of Attendance of the Members are as follows :-

	Director	30.09.2014	30.03.2015
1	Mr. Sudhir Joshi	Yes	Yes
2	Dr. N.L. Sarda	Yes	Yes
3	Mr. Viswanath Tadimety	Yes	Yes
4	Dr. Shreepad Karmalkar	Leave of absence	Leave of absence
5	Mr. M.P. Bharucha	Leave of absence	Yes

### The functions of the Nomination and 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.

### Remuneration Policy

The Company has formed a Nomination and Remuneration policy and the same has been placed on the website of the Company namely [www.cybertech.com](http://www.cybertech.com).

### Details of remuneration paid to the Directors and Whole Time Directors for Financial Year 2014- 2015

Name	Designation	Salary Rs.	Commission Rs.	Sitting fees Rs.	Total (Rs.)	Notice Period
Mr. Viswanath Tadimety	Chairman	Nil	Nil	180,000	180,000	Nil
Ms. Amogha Tadimety	Director	Nil	Nil	20,000	20,000	Nil
Mr. Prakash Kenjale	Director	Nil	1,00,000	1,00,000	2,00,000	Nil
Mr. Steven Jeske	Director	Nil	Nil	80,000	80,000	Nil
Mr. Sudhir Joshi	Director	Nil	1,50,000	3,00,000	4,50,000	Nil
Dr. Shreepad Karmalkar	Director	Nil	1,00,000	40,000	1,40,000	Nil
Mr. M.P. Bharucha	Director	Nil	2,50,000	80,000	3,30,000	Nil
Dr. N.L. Sarda	Director	Nil	1,50,000	3,00,000	450,000	Nil
Mr. Ramasubramanian Sankaran	Executive Director	31,26,331	Nil	Nil	31,26,331	3 Months

**Stakeholder's Relationship Committee**

The Stakeholder's Relationship Committee consist of Five Directors out of which three are independent Directors.

The composition of the Stakeholder's Relationship Committee as on 31st March, 2015 consist of following members:

1	Mr. Sudhir Joshi	Chairman
2	Mr. Steven Jeske	Member
3	Dr. Shreepad Karmalkar	Member
4	Dr. N.L. Sarda	Member
5	Mr. Ramasubramanian Sankaran	Member

The Company Secretary acts as a Secretary of the committee.

Two Stakeholder's Relationship Committee Meeting were held on 29.5.2014 and 30.3.2015 and attendance of the Directors thereat are as follows:

Director	29.05.2014	30.03.2015
Mr. Sudhir Joshi	Yes	Yes
Dr. N.L. Sarda	Yes	Yes
Mr. Steven Jeske	Leave of absence	Leave of absence
Dr. Shreepad Karmalkar	Leave of absence	Leave of absence
Mr. Ramasubramanian Sankaran	Yes	Yes

The Board has authorised 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](mailto:cssl.investors@cybertech.com).

**Corporate Social Responsibility Committee**

The company has constituted Corporate Social Responsibility Committee under section 135 of the companies Act, 2013.

The present composition of the Corporate Social Responsibility Committee is as under.

Sr.No.	Name	Designation
1	Mr. Sudhir Joshi	Chairman
2	Mr. Viswanath Tadimety	Member
3	Dr. N.L. Sarda	Member
4	Mr. Ramasubramanian Sankaran	Member

During the year under review, one meeting of Corporate Social Responsibility Committee was held on March 30, 2015 and attendance of the members thereat was as follows:

Member	30.03.2015
Mr. Sudhir Joshi	Yes
Dr. N.L. Sarda	Yes
Mr. Viswanath Tadimety	Yes
Mr. Ramasubramanian Sankaran	Yes

### General Body meetings

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

Particulars	FY 2011-2012	FY 2012-2013	FY 2013-2014
Date & Time	September 28, 2012 3 P.M.	September 30, 2013 3 P.M.	September 30, 2014 4 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
Special Resolution Passed	Payment of Commission to any or all Non Executive Directors of the Company	Nil	(1) Approval for holding the office of profit by Mr. Steven Jeske and Mr. Viswanath Tadimety as Director of cyberTech Systems and Software Inc U.S.A. (2) Issue of Securities under Employees Stock Option Scheme (3) Issue of Securities under Employees Stock Option Scheme(ESOS) to the employees and directors of holding and subsidiary Company

During the F.Y. 2014-15 , no resolution was passed by way of postal ballot.

### Disclosures

- (1) No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years. But during 2013-14 Reserve Bank of India levied a penalty of Rs.3, 97,800/- for compounding the offence under Regulation 2(ii) Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulation 2000 notified vide Notification No. FEMA-20/2000-RB dated 3rd May 2000).

#### (2) Related Party Transactions

The Company has announced Related Party Transaction Policy which is available on the website of the Company [www. cybertech.com](http://www.cybertech.com).

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) Vigil Mechanism Policy

The Company has announced Vigil Mechanism 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 and is available on website of the Company [www.cybertech.com](http://www.cybertech.com).

**(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, 2013 (the Act) and comply in material aspects with the accounting standards, notified under section 133 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 Chief Financial officer on the financial statements of the company was placed before the Board at its meeting held on August 13, 2015.

**(7) Directors' Responsibility Statement**

The draft Directors' Responsibility Statement signed by Executive Director dated May 26, 2015 which is to be included in Board's Report for F.Y.2014-15 was reviewed by Audit Committee at its meeting held on May 26, 2015.

**(8) Risk Management Policy**

The Company has announced Risk Management Policy which is available on the website of Company [www.cybertech.com](http://www.cybertech.com).

The risk management practices adopted by the management ensure that management controls risks. During the F.Y. 2014-15 following type of risk was reviewed by the Audit Committee/Board.

Forex Risk : The company has adopted Forex Policy for management of forex risk which is implemented.

**(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 put 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: [www.cybertech.com](http://www.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, 2015
- b. Time : 3.30 P.M.
- c. Venue : CyberTech House, Plot No. B-63/64 Road No. 21/34 J.B. Sawant Marg., MIDC, Wagle Industrial Estate, Thane-400 604
- d. Financial year : 2015-16  
Finance Calendar

Financial Reporting for quarter 1 (Ending June 30, 2015)	On or before 2nd Week of August , 2015
Financial Reporting for quarter 2 (Ending September 30, 2015)	On or before 2nd Week of November, 2015
Financial Reporting for quarter 3 (Ending December 31, 2015)	On or before 2nd Week of February , 2016
Financial Reporting for quarter 4 (Ending March 31, 2016)	On or before 4th week of May, 2016

- e. Date of book closure : September 19, 2015 to September 30, 2015
- f. Dividend Payment : Dividend, if approved at the AGM shall be paid/credited on or after October 26, 2015



# CyberTech Systems and Software Limited

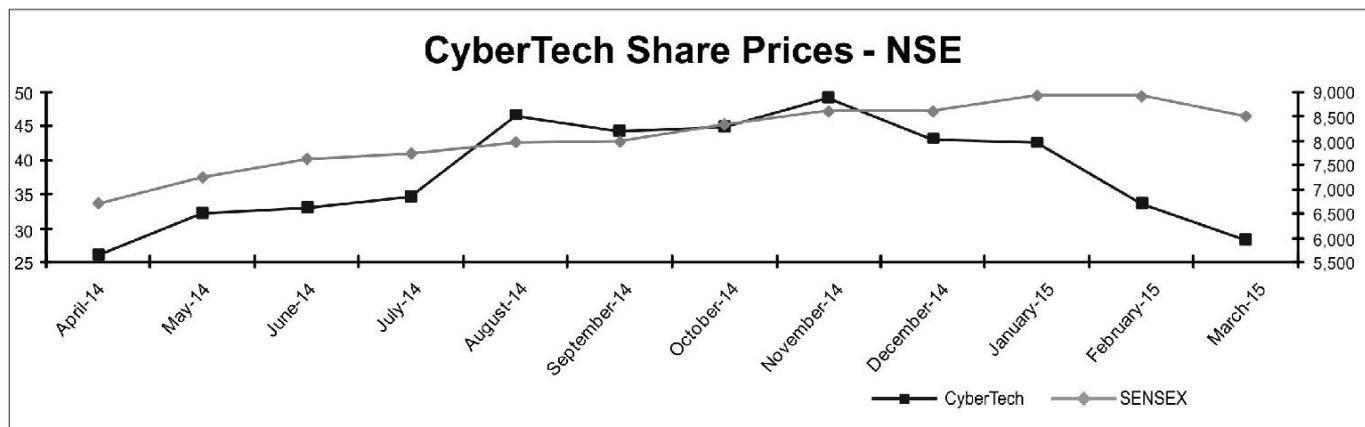
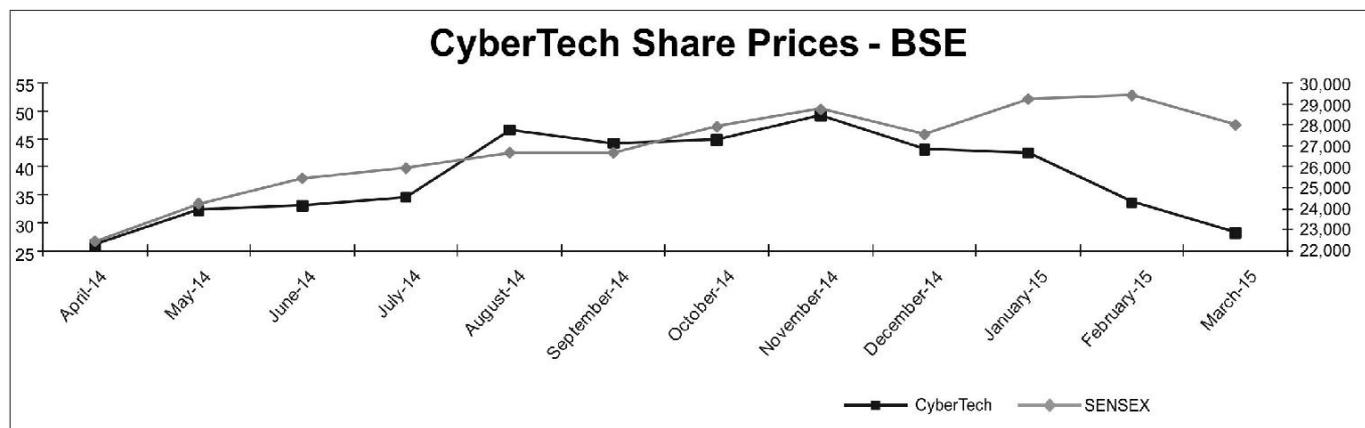
g. Listing on Stock Exchanges and Code :

(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 2014	27.50	21.30	27.50	23.30
May 2014	39.55	21.00	40.40	24.10
June 2014	36.50	30.20	36.50	28.20
July 2014	43.95	31.05	41.45	32.40
August 2014	51.00	34.25	50.95	33.55
September 2014	52.80	37.35	52.90	38.00
October 2014	45.95	40.85	45.85	38.85
November 2014	74.90	43.80	76.00	43.45
December 2014	50.90	39.20	50.00	39.10
January 2015	48.50	42.30	48.25	41.90
February 2015	44.00	31.15	44.25	31.50
March 2015	36.90	23.65	35.95	23.50



- 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, 2015**

Category	No. of shares held	%
Foreign Promoter Company	650000	2.4257
Foreign Promoters	9363014	34.9414
Non Nationalised Banks	18	0.0001
Non Resident Indians	312525	1.1663
Non Resident Non Repatriable	1172641	4.3761
Directors/ Relatives of Directors	50000	0.1866
Relatives of Directors(NRI)	163355	0.6096
FII's/FFI's	575	0.0021
Bodies Corporate(Domestic)	1824904	6.8103
Foreign company	3900000	14.5542
Trusts	1300345	4.8527
Clearing members	138877	0.5183
Insurance Companies/FI's	48133	0.1796
Public	7871956	29.3770
<b>Total</b>	<b>26796343</b>	<b>100.0000</b>

**Distribution of Shareholding as on March 31, 2015**

No. of shares held	Shareholders		Nominal value	
	Number	%age	Rs.	%age
1 – 5000	8433	80.7063	12915470	4.8199
5001 – 10000	932	8.9195	7770630	2.8999
10001 – 20000	498	4.7660	7483920	2.7929
20001 – 30000	186	1.7801	4689440	1.7500
30001 – 40000	85	0.8135	3017470	1.1261
40001 – 50000	75	0.7178	3552680	1.3258
50001 – 100000	90	0.8613	6525230	2.4351
100001 & above	150	1.4355	222008590	82.8503
<b>Total</b>	<b>10449</b>	<b>100.0000</b>	<b>267963430</b>	<b>100.0000</b>

- l. Dematerialization of shares and liquidity: As on March 31, 2015, 20,631,173 Equity Shares (76.9924% 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 Estate, Thane (West) – 400 604.