

FIFTH ANNUAL REPORT

1999-2000

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CAT TECHNOLOGIES LIMITED

Registered Office :

First Floor, Champa Mansion, Nampally Station Road,
HYDERABAD - 500 001. Andhra Pradesh State, INDIA

Telephones : 040-3202769, 3203943 Fax : 040-3204092
e-mail : info@cattechnologies.com

CAT TECHNOLOGIES LIMITED**FIFTH ANNUAL REPORT****BOARD OF DIRECTORS**

Shri Dhiraj Kumar Jaiswal
Managing Director

Shri V Vijayasai Reddy
Director

Shri Laxmi Pershad Jaiswal
Director

Shri Chivukula Kesav Mallikarjun Prasad
Director

Smt Namratha Muralidhar
Director

Shri Dhaduvai Venkat Ram
Director

Shri Ramesh Kumar Jaiswal
Director

Shri Dinesh Kumar Jaiswal
Director

Shri Abdul Aziz Quraishi
Director

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AUDITORS	BANKERS
M/s Sodha Chandak & Associates, Chartered Accountants, 101, Aashiana, 11th Road, Opposite BMC Hospital, Santacruz (East), MUMBAI - 400 055	State Bank of Saurashtra

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Contents of this Annual Report verified by: www.editin.com

CAT TECHNOLOGIES LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CAT TECHNOLOGIES LIMITED WILL BE HELD ON FRIDAY, THE 3RD NOVEMBER, 2000 AT 10:30 A.M. AT THE CONFERENCE HALL, HOTEL SAI PRAKASH, NAMPALLY STATION ROAD, HYDERABAD-500 001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the period ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri V Vijayasai Reddy, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Laxmi Pershad Jaiswal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. Appointment of Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 314, 302 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and subject to such other approvals in law including approval of the Central Government and under the loan agreements with the Financial Institutions / Banks as may be required, the Board of Directors of the Company hereby accord its approval for appointment of Shri Dhiraj Kumar Jaiswal as Managing Director of the Company for five years with effect from 28th January, 2000 and to the payment of the following remuneration and to the provision of the following benefits and amenities with liberty to the Board of Directors to alter and vary such salary and perquisites so as not to exceed the limits specified in Part II of the Schedule XIII to the Companies Act, 1956 or any statutory modifications or re-enactments thereof as may be agreed to by the Board of Directors and Shri Dhiraj Kumar Jaiswal:

1.	Salary:	Rs 50,000 per month
2.	Commission :	At the rate of 3% on the net profits of the year, subject to the maximum of Rs. 10,00,000 per annum
3.	Housing	Rent free fully furnished accommodation to be valued as per Income Tax Rules or House Rent Allowance of 60% of the salary.
4.	Medical Reimbursement	Reimbursement of all the medical and hospitalisation expenses for self and family.
5.	Leave	On full pay and allowances in accordance with the Rules of the Company but not exceeding one month's leave for every eleven months of service.
6.	Leave Travel Concession	For self and family once in a year
7.	Club Fees	Fees of clubs
8.	Personal Accident Insurance	For self and family
9.	Gratuity	One month's salary for each completed year of service.

CAT TECHNOLOGIES LIMITED

10.	Provident Fund & superannuation Fund	Contribution in accordance with the Rules of the Company
11.	Telephone	Free use of telephone at residence
12.	Car	Car with driver
13.	Encashment of Leave	Encashment of leave at the end of term of office shall not be included in the computation of ceiling on perquisites.
14.	Reimbursement of expenses	Reimbursement of all entertainment and other expenses properly incurred for the business of the Company.

"RESOLVED FURTHER THAT Shri Dhiraj Kumar Jaiswal, Managing Director shall, subject to the supervision, control and direction of the Board, be vested with substantial powers of management."

6. To consider and if thought fit to pass, with or without modifications the following resolution as an ordinary Resolution:

"RESOLVED THAT the authorised Share Capital of the Company be increased from Rs 5,50,00,000/- (Rupees Five Crores and Fifty Lakhs only) to Rs. 10,00,00,000/- (Rupees Ten Crores only) by addition of 45,00,000 Equity Shares of Rs.10/- each."

7. To consider and if thought fit to pass, with or without modifications the following resolution as an ordinary Resolution:

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following:

"The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore only) Equity Shares of Rs.10/- (Rupees Ten only) each. The company has power to increase or reduce its capital according to the provisions of the Articles of Association and the Companies Act, 1956."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered or added in the following manner:

I. Articles 4 shall be substituted with the following new Article :

"The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore only) Equity Shares of Rs.10/- (Rupees Ten only) each."

II. After Articles 14, insert the following Heading and Article as Article 14 A:

Dematerialisation of Securities

(I) for the purpose of this Article

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository;

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to Act as a depository under the Securities and Exchange Board Act, 1992;

"SEBI" means Securities and Exchange Board of India;

"Security" means such security as may be specified by SEBI from time to time.;

CAT TECHNOLOGIES LIMITED**(II) Dematerialisation of Securities:**

Notwithstanding any thing contained in the Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

(III) Options for investors:

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold security with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of the information, the depository should enter in its record the name of the allottee as the beneficial owner of the security.

(IV) Securities in Depositories to be in fungible form:

All Securities held by a depository shall be dematerialised and be fungible form. Nothing contained in Sections 153, 153A, 153B, 187C, 372A of the Act shall apply to a depository in respect of the Securities held by it on behalf of the beneficial owner.

(V) Right of Depositories and Beneficial Owners:

- a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose effecting transfer of ownership of security on behalf of the beneficial owner.
- b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.
- c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

(VI) Service of Documents:

Notwithstanding anything contained in the Act or these Article to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

(VII) Transfer of Securities:

Nothing contained in Section 108 of the Act, or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the company.

(VIII) Allotment of Securities dealt with by a Depository :

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof immediately on allotment of such securities.

(IX) Distinctive Numbers of Securities held in a Depository :

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

(X) Register and Index of beneficial owners

CAT TECHNOLOGIES LIMITED

The Register and Index of Beneficial Owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

III. The Article 74 be altered by substituting with the following new Article viz.,

"Every Director other than the Managing Director and the Whole-time Directors shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by such Director."

IV. In the Article 89 (b) the words " Rs. 4,00,00,000 (Rupees Four Crores only)" shall be Substituted with the following words:

Rs. 10,00,00,000 (Rupees Ten Crores only)

V. In the Article 106 the words "Shri. Vijaya Sai Reddy, the Managing Director of the company Appointed" shall be substituted with the following words:

"The Managing Director of the Company"

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

"RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 the approval of the Company be and is hereby accorded, for keeping the Registers and the Index of Members and copies of all Annual Returns prepared under Section 159 and 160 of the Companies Act, 1956 together with the copies of Certificates and documents required to be annexed thereto under Sections 160 and 161 of the Companies Act, 1956 at the office of the Share Transfer Agents of the Company viz., M/s Purva Sharegistry (India) Private Limited, 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai - 400 001 instead of being kept at the Registered Office of the Company."

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

"RESOLVED THAT Shri Chivukula Kesav Mallikarjun Prasad who was appointed as Additional Director of the Company with effect from 28th January, 2000 under Article 72 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Smt Namratha Muralidhar who was appointed as Additional Director of the Company with effect from 28th January, 2000 under Article 72 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri Dhaduvai Venkat Ram who was appointed as Additional Director of the Company with effect from 28th January, 2000 under Article 72 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri Ramesh Kumar Jaiswal who was appointed as Additional Director of the Company with effect from 28th January, 2000 under Article 72 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

CAT TECHNOLOGIES LIMITED

- 14 To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Dinesh Kumar Jaiswal who was appointed as Additional Director of the Company with effect from 28th January, 2000 under Article 72 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

- 15 To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Abdul Aziz Quraishi who was appointed as Additional Director of the Company with effect from 28th January, 2000 under Article 72 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT the Board of Directors be and are hereby authorised pursuant to the provisions of Section 293 (1)(d) of the Companies Act, 1956, to borrow money from time to time at its discretion from any financial institution or any other lending institution/ Scheduled Bank or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate Rs 10 Crores notwithstanding that the money to be borrowed by the company (apart from temporary loans obtained from the Companies Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose."

- 17 To pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the Circulars issued by the Securities and Exchange Board of India and amendments to the Listing Agreement(s) and subject to such conditions and modifications as may be imposed in granting such approvals and which may be agreed by the Board, the consent of the Company be and is hereby accorded to delist the Equity Shares of the Company with immediate effect from The Stock Exchange, Ahmedabad and The Bangalore Stock Exchange, Bangalore."

- 18 To pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions contained in the Articles of Association of the Company, Section 79A, 81(1A) and all other applicable provisions if any of the Companies Act, 1956 ("the Act") and in accordance with the regulations/guidelines contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") [including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force] and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including ESOS Compensation Committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) consent of the Company be and is hereby accorded to the Board to grant to such employees as are in the permanent employment of the company in the management cadre, at such time the grant is made including the Directors of the company, as may be decided solely by the Board, an option to subscribe to such number of equity shares of the company of the face value of Rs. 10/- each and the Employees' Stock Option Scheme (ESOS) and therefor to offer, issue, allotment of such number of equity shares of the company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, listing of Securities as the Board may decide, as set out in the Explanatory Statement hereto, not exceeding 50,000 equity shares of the company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue, allocate and allot such number of equity shares as may be required in pursuance of the above issue and that the equity shares offered, issued, allotted or listed shall rank in all respects pari passu with the existing equity shares of

CAT TECHNOLOGIES LIMITED

the company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

19 To pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and subject to the approvals of Reserve Bank of India, SEBI and other appropriate authorities and subject to conditions as may be prescribed by them while granting the approvals and sanctions, the Board of the Company or Committee of the Board duly constituted for the purpose be and is hereby authorised to issue and allot equity shares or Equity linked Securities with or without premium, in one or more than one tranche(s) as the Board may, in their absolute discretion, decides for an aggregate value not exceeding Rs. 4.50 crores (Rupees Four Crores and fifty lakhs only) or its equivalent value in US Dollars, exclusive of premium, if any as the case may be, to the Indian Public, Non Resident Indians, Overseas Corporate Bodies, Banks, Financial Institutions, Mutual Funds, Foreign Institutional Investors, Companies or other Bodies Corporate, existing Shareholders, Promoters of the Company and their associate Companies or such other person(s) or otherwise as the Board may, in their absolute discretion decide and on such terms and conditions as the Board may consider fit including the number of shares/securities to be issued, face value, rate of dividend/Interest, the number of equity shares to be allotted on conversion, period of conversion and such other incidental matters, either through private Placement on Preferential basis or through Public Issue or Rights Issue as may be decided by the Board on the basis of relative merits of each option."

"FURTHER RESOLVED THAT the Board be and is hereby authorised to appoint Lead Managers, Managers, Arrangers, or any other form of intermediaries on such terms and conditions as may be decided by the Board."

4th September, 2000

BY ORDER OF THE BOARD
for CAT TECHNOLOGIES LIMITED

Registered Office:
First Floor, Champa Mansion,
Nampally Station Road,
HYDERABAD-500 001

Dhiraj Kumar Jaiswal
Managing Director

NOTES:

1. The relative explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the business set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
3. The instrument of proxy for use at the meeting must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 31st October, 2000 to 3rd November, 2000 (both days inclusive.)
5. Members/ Proxies should bring their attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to notify any change in their registered address/residential status immediately to the Registered Office of the Company.

CAT TECHNOLOGIES LIMITED

7. SHAREHOLDERS ARE REQUESTED TO KINDLY BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING. PLEASE NOTE THAT COPIES OF THE REPORT WILL NOT BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

Item No 5 :

Shri Dhiraj Kumar Jaiswal has been appointed as Managing Director for a period of five years by the Board of Directors in their meeting held on 28th January, 2000. The approval of the shareholders has been sought for the same.

Shri Dhiraj Kumar Jaiswal has made significant contribution to the growth of the Company. The Directors consider that it will be in the interest of the Company to avail of the services of Shri Dhiraj Kumar Jaiswal as Managing Director on terms of remuneration and perquisites detailed in the resolution under item No.5.

The terms of remuneration as set out in the Resolution may be treated as an Abstract of the terms and conditions of appointment and Memorandum of interest under Section 302 of the Companies Act, 1956.

Shri Dinesh Kumar Jaiswal and Shri Laxmi Pershad Jaiswal, who are related to Shri Dhiraj Kumar Jaiswal are considered to be interested or concerned in this resolution.

The Board of Directors commend the resolution for adoption

Item Nos 6, 7 & 8 (I) :

The present authorised Share Capital of the Company is Rs. 5.5 Crores Equity Capital. The company's present paid up capital is Rs. 5,05,04,000. In view of the proposed expansion plans your company is required to increase the capital base of our company by issue further equity shares to the existing equity shareholders or outsiders. The Board of Directors considered it expedient to enhance the authorised capital and it is therefore proposed to increase the Authorised Capital of the company from the present Rs. 5.5 Crores to Rs 10 Crores. Since any increase in Authorised Capital involves amendment to the Memorandum and Articles of Association. The resolutions set out at Item Nos: 6, 7, & 8 (I) above are to carry out the consequential amendments in the Memorandum of Association and Articles of Association of the Company.

None of the Directors is concerned or interested in this resolution.

The Board of Directors commend the resolution for adoption

Item No 8 (II) :

With the introduction of the Depositories Act, 1956, and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method for holding and trading in the Securities of a Company. The Securities Exchange Board of India (SEBI) has directed that the equity shares of our company have been brought under compulsory dematerialisation (demat) with effect from 8th May, 2000. It is therefore, proposed that our Company's Article of Association be suitably altered, as set out in the Resolution to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such system. As per the provisions of Section 31 of the Companies Act, 1956, the company may add any article of the Articles of Association by way of a special resolution.

None of the Directors is concerned or interested in the said resolution.

The Board of Directors commend the resolution for adoption