

TENTH ANNUAL REPORT

2004 - 2005

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CAT Technologies Ltd.

CAT TECHNOLOGIES LIMITED

BOARD OF DIRECTORS

LAXMI PERSHAD JAISWAL	-	CHIARMAN
DHIRAJ KUMAR JAISWAL	-	MANAGING DIRECTOR
V. VIJYASAI REDDY	-	DIRECTOR
C.K.M. PRASAD	-	WHOLE TIME DIRECTOR
D. VENKAT RAM	-	WHOLE TIME DIRECTOR
NAMRATHA MURALIDHAR	-	WHOLE TIME DIRECTOR
DINESH KUMAR JAISWAL	-	DIRECTOR
ABDUL AZIZ QURAISHI	-	DIRECTOR
ASHOK KULKARNI	-	DIRECTOR

AUDITORS

M/s. P K Bajaj & Co
Chartered Accountants
H No. 4-5-520, Badi Chowdi,
Sultanbazar, Hyderabad-500 195.

BANKERS

State Bank of Saurashtra
Nampally Branch

HDFC Bank Limited
Secunderabad Branch

Bank of India,
Hyderabad Main Branch,

India Overseas Bank
Secunderabad Branch

REGISTERED OFFICE

1st Floor, Champa Mansion,
Nampally Station Road,
Hyderabad – 500 001.

SHARE TRANSFER AGENTS

Purva Shareregistry (India) Pvt. Ltd
33, Printing House, Fort,
MUMBAI – 400 001

CAT TECHNOLOGIES LIMITED

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Members of the Company will be held on **MONDAY, THE 12TH SEPTEMBER, 2005** at **11.00 A.M** at the Registered Office of the Company at 1st Floor, Champa Mansion, 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, 2005 and Profit and Loss Account for the year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Dinesh Kumar Jaiswal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Abdul Aziz Quraishi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY:

To consider and if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 26,00,00,000/- divided into 260000000 (Twenty Six Crores) Equity Shares of Re.1/- each to Rs.36,00,00,000/- divided into 360000000 (Thirty Six Crore) Equity Shares of Re.1/- each and the clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company be amended suitably in accordance with Section 16 and 31 of the Companies Act, 1956 respectively."

6. ACQUISITION OF CAT TECHNOLOGY INC., USA:

To consider and if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT Pursuant to the provisions of Section 372A of the Companies Act, 1956 the Board of Directors be and is here by authorised to acquire the 100 % CAT Technology Inc., USA, for a consideration of \$1 Million US Dollars notwithstanding that such investment together Loans, Guarantee, Security and Investments already made will exceed 60% of the paid-up capital or 100% of the free reserves of the Company."

"FURTHER RESOLVED THAT Board of Directors of the Company be and is hereby authorized to do all such permission and approval as may be required and do all such acts deeds, matters and things that may arise in relation thereto including the determination of the detail terms and conditions as may be required in this connection"

7. ISSUE OF FURTHER SHARES TO INTERNATIONAL OFFERINGS:

To consider and if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Sections 81, 81(1A) and other applicable provisions of the Companies Act, 1956 and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India(RBI), Securities and Exchange Board of India (SEBI) and/or any other competent authorities and enabling provisions of Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and in accordance with the Guidelines issued by the GOI, RBI, SEBI and/or any other competent authorities and clarifications thereon, issued from time to time, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company, (which term shall include any committee constituted/ to be constituted by the Board for exercising the powers conferred on the Board by this resolution) the Board, be and is hereby authorised to create, offer, issue and allot, in or more tranches, whether Rupee denominated or denominated in any foreign currency, such number of Global Depository Receipts (GDRs) either in registered or bearer forms, and which on conversion shall not exceed an amount equal to Rs. 300 million divided into equity shares of Re. 1/- each or any combination of the financial instruments to Foreign Investors (whether institutions, incorporated bodies, mutual funds and/or individuals, or otherwise and whether or not such investors or members of the Company) through public issue(s), private placement(s) or a combination thereof at such time(s), at such price or prices, at a discount or at a premium or at a market price or prices in such manner and on such terms and conditions including security, rate of interest etc., as may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or chief executive officer or any executive director or directors or any other officer or officers of the Company to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in relation thereto including the determination of the detail terms and conditions of the issue."

8. APPROVAL OF REAPPOINTMENT OF SRI DHIRAJ KUMAR JAISWAL AS MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION**

"RESOLVED THAT Pursuant to the provisions of Section 198,269,309, 310 and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, consent of the members be and is here by accorded for the Re-appointment of Sri Dhiraj Kumar Jaiswal, as the Managing Director of the Company with effect from 29.01.2005, for a period of 5 years at a remuneration of Rs. 50,000/- per month inclusive of all perquisites as approved by the Remuneration Committee of the Company."

**BY ORDER OF THE BOARD
FOR CAT TECHNOLOGIES LTD.,**

Place: Hyderabad
Date : 12.08.2005

Sd/-
DHIRAJ KUMAR JAISWAL
CHAIRMAN & MANAGING DIRECTOR

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY INORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- B. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business referred to in item no's: 5,6,7,and 8 above is annexed hereto.
- C. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
- D. The Register of Members and Share Transfer Books of the Company will remain closed from **08.09.2005 to 12.09.2005** (inclusive of both days).
- E. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents.
- F. Members are requested to convert their holdings into Demat. The Company's ID with CDSL and NSDL is INE 170B01011. The Company's Share and Depository Transfer Agents are Purva Sharegistry (India) Private Limited.

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act)

Item No. 5:

The present Authorised Share Capital of the Company is Rs. 26,00,00,000/- and in view of proposed GDR the Authorised share capital of the Company need to be increased to Rs. 36,00,00,000/-

The Increase in Authorised capital and consequent amendment in Memorandum and Articles of Association requires approval of members, Hence this resolution is commended for your approval.

None of the Directors is interested in the resolution.

Item No. 6:

Section 372A of the Companies Act, 1956 provides that the Board of Directors of any Company shall be entitled to give guarantees, make Investment acquire any Body Corporate upto 60% of the paid-up capital and free reserves or 100% of its free reserves whichever is higher. The Board of Directors of your Company is considering the proposal of acquiring M/s CAT Technology Inc., USA for a consideration of 1 Millions US Dollars.

As such an acquisition would exceed the aforesaid limits your approval is sought to authorise the Board to acquire the company, Hence this resolution is commended for your approval.

None of the Directors except Laxmi Pershad Jaiswal, Dhiraj Jaiswal and Dinesh Kumar Jaiswal is interested in the resolution.

Item No. 7:

As Members are aware that in the Extraordinary General Meeting held on 2nd May, 2005 for the purpose of issuing further shares to International Offerings and as the validity of such resolution is for three month same is lapsed. This resolution commended for your approval to enable the company to proceed with the proposed issue.

Hence, this resolution is commended for your approval.

None of the Directors is interested in the resolution.

Item No.8

Tenure the Sri Dhiraj Kumar Jaiswal as Managing Director expired on 28th January, 2005 and considering his vast experience and invaluable contribution may by Sri Dhiraj Kumar Jaiswal Board of Directors at their meeting held on 17.01.2005 re-appointed him Managing Director of the Company for another term of 5 Years w.e.f 29th January, 2005 at a remuneration of Rs. 50,000/- Per Month as approved by the remuneration committee of the Board.

As Appointment / Re-appointment of Managing Personnel require the consent of the members hence, this resolution is commended for your approval.

None of the Directors except Laxmi Pershad Jaiswal, Dhiraj Jaiswal and Dinesh Kumar Jaiswal is interested in the resolution.

**BY ORDER OF THE BOARD
FOR CAT TECHNOLOGIES LIMITED**

Place: Hyderabad
Date : 12.08.2005

Sd/-
DHIRAJ KUMAR JAISWAL
MANAGING DIRECTOR

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DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005.

1. FINANCIAL RESULTS:

During the period under review, the Company's performance has been as under:

Particulars	(Rs. in Lakhs)	
	2004-05	2003-04
Earnings from operations	143.09	132.99
Other earnings	2.09	0.77
Total earnings	145.18	133.76
Operating Expenses	78.92	119.31
Earning before depreciation & Tax	66.26	14.45
Depreciation	60.13	24.72
Profit before tax	6.13	(10.27)
Tax	0.50	Nil
Profit after tax	5.63	(10.27)

2. REVIEW OF PERFORMANCE:

During the financial year 2004-05 your company recorded turnover of Rs. 143.09 Lakhs and recorded a net profit of Rs. 6.95 Lakhs Compared Turnover of Rs. 132.99 Lakhs and loss of Rs. 10.27 Lakhs during the previous financial year.

Your Board of Directors are hopeful that the performance of the company will improve in the coming financial years.

3. DIVIDEND.

Due to insufficiency of profits, your Directors do not recommend any dividend for the financial year 2004-05.

4. PUBLIC DEPOSITS:

Your company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

5. DIRECTORS:

Sri Dinesh Kumar Jaiswal and Sri Abdul Aziz Quraishi, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Reappointment of Sri Dhiraj Kumar Jaiswal as Managing Director of the Company for another tenure of five years w.e.f. 29.01.2005

6. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are to be furnished U/s 217 (2A) of the Companies Act, 1956 read with Companies Act (Particulars of employees) Rules 1988, as the remuneration of none of the employees has crossed the limits specified therein.

7. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors of your company hereby confirm that:

- i. In the preparation of Annual Accounts for the year ended 31st March, 2005, the applicable accounting standards have been followed except for retirement benefits which is being accounted for on cash basis along with the proper explanation relating to material departures, if any, therefrom;
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2005 and of the profit and loss of the company for that period;
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The directors have prepared the annual accounts on a going concern basis.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with clause (e) of Sub-section (1) of Section 217 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and form part of the Directors Report for the period ended 31st March, 2005 is follows:

- A. **Conservation of Energy** – Your Company is not a manufacturing company and hence the details in respect of the above are not applicable. However, measures are taken to reduce energy consumption wherever possible.
- B. **Research & Development** – Research and development of new services, designs, frameworks, processes and methodologies continue to be of importance at your company. This allows company to enhance quality and productivity and customer satisfaction through continuous innovation.
- C. **Technology Absorption** - Not Applicable
- D. **Foreign Exchange Earnings & Outgo: (Rs. in Lakhs)**

	2004-05	2003-04
Foreign Exchange earnings	118.82	95.68
Foreign Exchange outgo	Nil	Nil

9. AUDITORS:

M/s. P K Bajaj & Co., Chartered Accountants, Hyderabad the Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The company is in receipt of confirmation from the statutory auditors that in the event of their re-appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

10. CORPORATE GOVERNANCE:

- a) Report on Corporate Governance: A separate report on Corporate Governance along with Auditor's Certificate on its compliance is enclosed as Annexure – II to this report.
- b) Management Discussion & Analysis Report: Aspects of Management Discussion and Analysis is enclosed as Annexure – I to this report.

11. ACKNOWLEDGEMENTS:

Your Directors have pleasure in recording their appreciation for the assistance extended to the Company by various officials of the Central and State Governments and Commercial Banks.

Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the company.

BY ORDER OF THE BOARD
For CAT TECHNOLOGIES LTD.,

Place: Hyderabad
Date : 12.08.2005

Sd/-
DHIRAJ KUMAR JAISWAL
CHAIRMAN & MANAGING DIRECTOR