



13th Annual Report



BOARD OF DIRECTORS:

Laxmi Pershad Jaiswal	:	Chairman
Dhiraj Kumar Jaiswal	:	Managing Director
Chivukula Kesav Mallikarjun Prasad	:	Whole Time Director
Dhaduvai Venkat Ram	:	Director
Dinesh Kumar Jaiswal	:	Director
Deepak Singh	:	Director
Vinod Kumar Sriram	:	Director
Syed Mohiuddin Ahmed	:	Director

AUDITORS

- **B. SRINIVAS RAO**
Chartered Accountant
5-4-10, J.N. Road, Abids,
Hyderabad - 500 001.

BANKERS

State Bank of Saurashtra
Bank of India
HDFC Bank
Development Credit Bank

Share and Depository Transfer Agents:

AARTHI CONSULTANT PRIVATE LIMITED
H.No.1-2-285, Domalguda, Hyderabad - 500 029

REGISTERED OFFICE:

1st Floor, Champa Mansion, Nampally Station Road,
Hyderabad - 500 001
Telephone : 040-66661284/ 66661285
Fax : 040-66661286
e-mail: info@cattechnologies.com



NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held on **SATURDAY 27TH DECEMBER, 2008** 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, 2008 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 C K M Prasad, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Sri Dinesh Kumar Jaiswal, who retires by rotation and being eligible, offers himself for re-appointment.
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. TO APPOINT OF MR. DEEPAK SINGH AS DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT Pursuant to the provisions of Section 257 and all other applicable provision, if any, of the Companies Act, 1956 Mr. Deepak Singh who was co-opted as an Additional Director by the Board at their meeting held on 24th December, 2007 and who holds office as such up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation.”

6. TO APPOINT OF MR. SRIRAM VINOD KUMAR AS DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT Pursuant to the provisions of Section 257 and all other applicable provision, if any, of the Companies Act, 1956 Mr. Sriram Vinod Kumar who was co-opted as an Additional Director by the Board at their meeting held on 24th December, 2007 and who holds office as such up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation.”



7. TO APPOINT OF MR. SYED MOHIUDDIN AHMED AS DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT Pursuant to the provisions of Section 257 and all other applicable provision, if any, of the Companies Act, 1956 Mr. Syed Mohiuddin Ahmed who was co-opted as an Additional Director by the Board at their meeting held on 24th December, 2007 and who holds office as such up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation."

BY ORDER OF THE BOARD
FOR CAT TECHNOLOGIES LIMITED

Place: Hyderabad

Date: 28.11.2008

Sd/-

DHIRAJ KUMAR JAISWAL
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.
- B. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- C. 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 and 7 above is annexed hereto.
- D. 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.
- E. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, **26th December, 2008 to 27th December, 2008** (inclusive of both days).
- F. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents.
- G. Members are requested to convert their holdings into Demat. The Company's ID with CDSL and NSDL is **INE170B01037**. The Company's Share and Depository Transfer Agents are M/s. Aarthi Consultants Private Limited

Cat Technologies Limited



EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

ITEM NO.5, 6 & 7:

To broad base the board for better governance and to comply with Clause 49 of the Listing Agreement, the Board of Directors of the Company co-opted Mr. Deepak Singh, Mr. Sriram Vinod Kumar and Mr. Syed Mohiuddin Ahmed as Additional Director of the company at their meeting held on 24th December, 2007 and they will hold office up to the date of this Annual General Meeting.

Considering their vast experience, the Board feels their appointment as a director of the company will immensely benefit the company. Further the company has received a notice in writing from the members along with the deposit of Rs.500/- under section 257 of the Companies Act, 1956.

Pursuant to provisions of Section 257 of the Companies Act, 1956 any appointment of director requires the approval of the members in their meeting, hence this resolution commended for your approval.

None of the Directors is interested in this resolution except Mr. Deepak Singh, Mr. Sriram Vinod Kumar and Mr. Syed Mohiuddin Ahmed.

BY ORDER OF THE BOARD
FOR CAT TECHNOLOGIES LIMITED

Place: Hyderabad

Date: 28.11.2008

Sd/-
DHIRAJ KUMAR JAISWAL
MANAGING DIRECTOR

Cat Technologies Limited



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2008.

REVIEW OF PERFORMANCE:

Indian Operations

During the financial year 2007-08 your company recorded turnover of Rs. 654.23 Lakhs and incurred a Net Profit of Rs.92.85 Lakhs Compared to Turnover of Rs. 405.76 Lakhs and Net profit of Rs. 177.43 Lakhs during the previous financial year.

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

DIVIDEND:

Due to expansion plans of the company, your Directors do not recommend any dividend for the financial year 2007-08.

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.

SHARE CAPITAL

During the Financial year the paid up Share Capital of your Company has increased from Rs. 575.40 Lakhs to Rs. 3157.64 Lakhs comprising of 31576488 Equity Shares of Rs. 10/- each.

During the Year Company has issued 4304348 Global Depository Receipt represented by 25826088 Equity Shares of Rs. 10/- each and GDR is listed on **Luxembourg Stock Exchange**.

DIRECTORS:

During the year Mr. Sriram Vinod Kumar, Mr. Deepak Singh and Mr. Syed Mohuddin Ahmed co-opted as Additional Directors by the Board of Directors at their meeting held on 24th December, 2007 and they will hold office up to the date of this Annual General Meeting. Company is in receipt of nomination for the appointment of them as director of the company. Considering their vast experience and expertise board recommend their appointment.

During the year Mrs. Namratha Muralidhar, Mr. Ashok Kulkarni Mr. V Vijay Saireddy and Mr. Abdul Aziz Qureshi resigned as Directors of the company due their pre-occupation and your board put on record their appreciation, for the services rendered by them as Directors of the Company.

Cat Technologies Limited

**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.

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, 2008, 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, there from;
- 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 2008 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.

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, 2008 is follows:

- A. **Conservation of Energy** – Your Company is engaged in Software Development and IT Enabled Services 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)**

	2007-08	2006-07
Foreign Exchange earnings	439.57	229.67
Foreign Exchange outgo	1.26	9.14

Cat Technologies Limited

**SUBSIDIARY COMPANIES:**

During the year your Company has acquired 100% stake of M/s. CAT TECHNOLOGY INC, USA and also set up an wholly owned subsidiary in UAE viz. CAT TECHNOLOGY FZE using the proceeds of GDR issue.

Pursuant to provisions of Section 212 of the Companies Act, 1956 the audited Balance Sheet and Profit and Loss account, auditors report of subsidiary Companies namely Cat Technology Inc and Cat Technology FZE are attached to the Audited Balance Sheet of the Company.

The Consolidated Financial Statements represented by the Company includes the Audited Financial Information of its subsidiaries.

AUDITORS:

Audit committee of company recommended for appointment of B Srinivas Rao, Chartered Accountant, Hyderabad as Statutory Auditors of the company. Further company is in receipt of confirmation from Sri B Srinivas Rao, Chartered Accountant expressing their willingness for appointment as statutory auditor of the company and confirmed that in the event of his 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.

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.

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 LIMITED

Place: Hyderabad
Date: 28.11.2008

Sd/-
LAKSHMI PARSAD JAISWAL
CHAIRMAN



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the subsidiary

M/s. CAT TECHNOLOGY INC

- 1. Financial year of the subsidiary ended on: 31st March, 2008**
- 2. Shares of the subsidiary held by the Company on the above date .**
 - (a) Number and face value : 100 Common Shares US \$ 10/-
Each fully paid-up
 - (b) Extent of holding : 100%
- 3. Net aggregate amount of profit or losses of the subsidiary for the above financial year of the subsidiary not dealt with in the Company's account so far as it concerns the members of the Holding Company**
 - (a) For the financial year of the subsidiary : Rs. USD83,862
 - (b) For the previous financial : Rs. N.A.
- 4. Net aggregate amount of profit or losses of the subsidiary for the above financial year of the subsidiary dealt with in the Company's account**
 - (a) For the financial year of the subsidiary : NIL
 - (b) For the previous financial year : NIL

Name of the subsidiary

M/s. CAT TECHNOLOGY FZE

- 1. Financial year of the subsidiary ended on: 31st March, 2008**
- 2. Shares of the subsidiary held by the Company on the above date**
 - (a) Number and face value : 1 Share of A.E.D. 1,50,000/-
 - (b) Extent of holding : 100%
- 3. Net aggregate amount of profit or losses of the subsidiary for the above financial year of the subsidiary not dealt with in the Company's account so far as it concerns the members of the Holding Company**
 - (a) For the financial year of the subsidiary: A.E.D 9,666,673
 - (b) For the previous financial : NIL
- 4. Net aggregate amount of profit or losses of the subsidiary for the above financial year of the subsidiary dealt with in the Company's account**
 - (a) For the financial year of the subsidiary: NIL
 - (b) For the previous financial year : NIL



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Rapidly changing global economic and business conditions and technological innovation are creating an increasingly competitive environment that is driving companies to transform their operations globally. To address the changing needs, your Company is focusing on its core competencies and using strategic partners to manage their applications and products, improve productivity and manage operations more efficiently.

While the expectations of the customers have increased manifold there continues to be an increased motivation to satisfy the clients with improved quality of service and accelerated delivery schedules with a focus on developing long term relationships and strengthening strategic partnerships. The ability to design, develop, implement and maintain business and technology solutions, addressing the business and customer needs has become a competitive advantage and a priority. On the other hand, the prevalence of multiple technology platforms and a greater emphasis on network, data and information security and redundancy have increased the complexity and cost of IT systems, resulting in greater technological risks. There is a growing need for global companies to look for specialists with experience in their areas of business, technology and operations to drive their companies' strategic goals and objectives.

FUTURE OUT LOOK

Cat is at the forefront of a new generation of offshore IT service providers that offer differentiated services and is adept in delivering specific business technology solutions. Your Company's strength lies in its innate ability to understand the requirements of its clients and to continuously build the competencies and capabilities to provide integrated IT and BPO solutions unique to client specific needs and industry demands.

Your Company's unique capabilities augmented by a clear understanding of industry trends and deep knowledge of global business models allows it to leverage strong partnerships, intrinsic technology innovations and talent to deliver excellence through global delivery.

The Company is expanding its footprint and establishing operations in many countries. In order to enhance its ability to serve its customers better, the Company has been continuously expanding on its service and capabilities. The Company is building deep customer relationships and has a well diversified geographic spread. The Company's process capabilities and range of services provide a compelling value proposition for both existing and new customers.

Your Company has achieved good market reputation in the domain area of HR BPO, which is a high growth business area in the outsourcing space. Your Company leverages strategic partnerships with global leaders in technology and business solutions, with the goal of providing clients with end-to-end business solutions.

Your Company's strength to invest in domains and technology capabilities ahead of the demand curve; to de-risk client engagements; and to differentiate through flexible business models and value added services. Your Company focuses on bringing about business impact to its clients by maximizing returns on their investments in IT and Business Process Outsourcing.