



BOARD OF DIRECTORS

Laxmi Pershad Jaiswal	- Chairman
Dhiraj Kumar Jaiswal	- Managing Director
C K M Prasad	- Whole Time Director
D 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 India
Bank of India
HDFC Bank
Development Credit Bank Ltd.

REGISTERED OFFICE :

- 1st Floor, Champa Mansion,
Nampally Station Road
Hyderabad-500 001
Telephone : 040-23202769 / 23203943
Fax : 040-23204092
e-mail : info@cattechnologies.com

**SHARE AND DEPOSITORY
TRANSFER AGENTS :**

- **AARTHI CONSULTANT PRIVATE LIMITED**
H.No.1-2-285, Domalguda,
Hyderabad-500029



NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of the Company will be held on **THURSDAY, 30TH SEPTEMBER, 2010 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, 2010 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 Mr. Syed Mohiuddin Ahmed, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Vinod Kumar Sriram, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Deepak Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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.

BY ORDER OF THE BOARD
For CAT TECHNOLOGIES LIMITED

Place:Hyderabad
Date: 26.08.2010

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. 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 **TUESDAY 28TH SEPTEMBER, 2010 TO THURSDAY, 30TH SEPTEMBER, 2010 (BOTH DAYS INCLUSIVE)**.
- 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 De-mat. 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.



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

REVIEW OF PERFORMANCE:

Global Operations

Your Company has recorded a consolidated income of Rs.1594.18 millions for the Financial Year under review and profit of Rs. 621.96 millions Your Company has achieved robust growth for the year 2009-10 from the global IT Software and IT Enabled Services.

Indian Operations

During the financial year 2009-010 your Company recorded turnover of Rs. 82.88 millions and earned a net profit after tax of Rs. 3.01 millions compared to Turnover of Rs. 99.01 millions and net profit after tax of Rs. 22.99 millions 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 2009-10.

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.

DIRECTORS:

Mr. Syed Mohiuddin Ahmed, Deepak Singh and Mr. Vinod Kumar Sriram, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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, 2010, 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, 2010 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, 2010 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)

	2009-10	2008-09
Foreign Exchange earnings	851.19	916.66
Foreign Exchange outgo	4.71	1.68



SUBSIDIARY COMPANIES:

Pursuant to provisions of Section 212 of the Companies Act, 1956, the audited Balance Sheet and Profit and Loss account, auditor's 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:

B Srinivas Rao, Chartered Accountant, Hyderabad as Statutory Auditors of the Company retire at conclusion ensuing Annual General Meeting and has expressed his unwillingness for re-appointment as auditors of the company on statutory grounds. Further Company is in receipt of confirmation from Ramu & Ravi , Chartered Accountants, 814, Raghavaratna Towers, Chirag Ali Lane, Abids, Hyderabad. expressing their willingness for appointment as statutory auditor of the Company and confirmed 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.

Audit committee of company recommended for appointment of Ramu & Ravi,Chartered Accountants, 814, Raghavaratna Towers, Chirag Ali Lane, Abids, Hyderabad. and Board recommend their appointment.

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**

Sd/-
LAKSHMI PARSAD JAISWAL
CHAIRMAN

Place: Hyderabad
Date: 26.08.2010



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, 2010
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. 3.37 Millions
 - (b) For the previous financial : Rs. 4.01 Millions
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, 2010
2. Shares of the subsidiary held by the Company on the above date
 - (a) Number and face value : Shares of Rs.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. 615.58 Millions
 - (b) For the previous financial : Rs. 50.27 Millions
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 rapid technological innovation are creating an increasingly competitive environment that is driving corporations 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. The role of technology has evolved from supporting to transformation. 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. The role of technology has evolved from supporting corporations to transforming them. There is an increasing need for highly skilled technology professionals in the markets in which we operate. At the same time, corporations are reluctant to expand their internal IT departments and increase costs. These factors have increased corporations reliance on their outsourced technology service providers and are expecting to continue to drive future growth for outsourced technology services.

OPPORTUNITIES AND THREATS

The advent of 2010 has signaled the revival of outsourcing within core markets, along with the emerging markets increasingly adopting outsourcing for enhanced competitiveness. Though full recovery is expected in two quarters, improved efficiency and changing demand outlook signifies early signs of recovery. The growth of IT and IT- enabled services in India by India companies is attributed to factors such as high-quality delivery, abundant skilled resources, low cost of delivery and Infrastructure development.

- According to the NASSCOM Strategic Review 2010, IT services is expected to grow by 2.4 percent in 2010 and 4.2 percent in 2011 as companies coming out of recession harness the need for information technology to create the competitive edge.
- Organisations expect IT to play a major role in reducing enterprise costs by changing business processes, workforce practices and information use.
- Government IT spending continues to rise across the world, focusing on infrastructure and security.

Even though India has a 51% market share of the off-shoring market, there is tremendous headroom for growth as current off-shoring market is a miniscule of the outsourcing industry. However, realization of the potential involves several challenges India faces currently, namely, rise in costs with wage inflation and increased attrition, heavy dependency on Tier-1 locations



which generate over 90% of the revenues, and concerns around security-both physical and data related, in service delivery. We believe in our competitive strengths and with our Global Delivery Model consider addressing the recession as an opportunity to provide greater value to existing clients and add new clients.

OUTLOOK OF THE COMPANY

We began the year with a lot of apprehension and uncertainty, not knowing how long we would face the effects of the recession. Over the course of the year, we took a few firm steps towards being a disciplined and efficient organization. Though we saw revenue decline in beginning FY 2010, we still managed to show higher profits largely due to certain measures taken during the year. Going by the current demand, we expect that the trend of revenue will decline very soon and return to growth levels that we saw earlier.

Your Company 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. Its 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 are 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.

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. The Company focuses on bringing about business impact to its clients by maximizing returns on their investments in IT and Business Process Outsourcing.

Outsourcing the development, management and ongoing maintenance of technology platforms and solutions has become increasingly important. 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.

The nature of technology outsourcing is changing. 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. BPO seeks to leverage the benefits of service delivery globalization, process design and technology to drive efficiency and cost effectiveness in customer business process. 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.



Recognizing the need for scale and capacity in competing for large contracts against larger players, your Company is making substantial investments in expanding its base of people and world class infrastructure facilities.

We are continuously exploring opportunities to extend our competencies to tap adjacent markets and expand our customer base and offerings. In line with this strategy, we have identified market adjacencies like consumer/automotive electronics, where we see good fit and opportunity for Cat Technologies Limited. We plan to acquire new customers in these adjacencies so that revenue from these accounts should increase for the future.

DISCUSSION ON FINANCIAL/OPERATIONAL PERFORMANCE

Global Operations

Your Company has recorded a consolidated income of Rs.1594.18 Millions for the Financial Year under review and profit of Rs. 621.96 Millions Your Company has achieved robust growth for the year 2009-10 from the global IT Software and IT Enabled Services.

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has adequate internal control systems, procedures, checks designed to provide reasonable assurance on achievement of the objectives relating to efficiency and effectiveness of operations, reliability of financial reporting and compliance with applicable laws and regulations.

An Audit Calendar to cover major operational areas as suggested by the Board of Directors was evolved and the same has being adopted by the Management. The observations of the Auditors are reviewed at periodical intervals by the top management and the Audit Committee.

HUMAN RESOURCES

The Company has its own system to control all its branches and divisions to ensure proper and adequate control, facility, transparency and accuracy. The employer – employee relationship has been cordial. The Company considers the quality of its human resources as its important asset and it endeavors to attract and recruit best possible talent and to retain and groom it to meet its needs. We believe that the quality and level of service that our professionals deliver are amongst the good in the industry.

The Company has a large pool of resources of domain experts, technology experts and a work force comprising of competent teams in various functional areas, with qualified managers having overseas projects experience.