



16th

Annual Report 2010-2011



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

RAMU & RAVI

Chartered Accountants
814, Raghavaratna Towers,
Chirag Ali Lane, Abids,
Hyderabad.

BANKERS

State Bank of India
HDFC Bank Limited
Bank of India
Development Credit Bank

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 TRANSFER AGENTS

Aarthi Consultants Pvt. Ltd
H. No. 1-2-285, Domalguda,
Hyderabad – 500 029



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held on **FRIDAY, 30TH SEPTEMBER, 2011 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, 2011 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. Dinesh Kumar Jaiswal, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Laxmi Pershad 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. RE-APPOINTMENT OF MR. C K M PRASAD AS WHOLE-TIME DIRECTOR:

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 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 to the re-appointment of Sri C K M Prasad, as the Whole Time Director of the Company with effect from 01.12.2010, for a period of 5 years at a remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) per month plus all perquisites as per Company's policies as approved by the Remuneration Committee of the Company.”

BY ORDER OF THE BOARD
FOR CAT TECHNOLOGIES LIMITED

Place: HYDERABAD
Date: 26-08-2011

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 **Wednesday 28th September, 2011 to Friday, 30th September, 2011** (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 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.



EXPLANATORY STATEMENT

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

ITEM NO. 5:

Members are herewith informed that Board of Director at their meeting held on 15th October, 2010 have approved, subject to approval of members, the re-appointment of Mr. C K M PRASAD as the Whole-time Director of the Company at a remuneration of Rs. 60,000/- per month, plus all perquisites as per Company's policies as approved by the Remuneration Committee of the Company however total salary shall not exceed limits specified in Schedule XIII of Companies Act, 1956, for the period of 5 years w. e .f 01st December, 2010.

Pursuant to provisions of Section 269 read with Schedule XIII, any payment of remuneration to managerial persons requires approval of members at General meeting hence this resolution commended for your approval.

None of the Directors are interested or concerned in the proposed resolution.

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

Place: HYDERABAD
Date: 26-08-2011

Sd/-
DHIRAJ KUMAR JAISWAL
MANAGING DIRECTOR



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

REVIEW OF PERFORMANCE:

Global Operations:

Your Company has recorded a consolidated income (as per Indian GAAP) of Rs. 3486.98 Millions for the Financial Year under review and profit of Rs. 572.32 Millions. Your Company has achieved robust growth for the year 2010-11.

Indian Operations:

During the financial year 2010-11 your Company recorded turnover of Rs. 74.56 Millions and incurred a net loss after tax of 1.29 Millions compared to Turnover of Rs. 82.88 Millions and net profit after tax of Rs. 3.01 Million 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 2010-11.

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. Dinesh kumar Jaiswal and Mr. Laxmi Pershad Jaiswal, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board recommends their re-appointment.

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, 2011, 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, 2011 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, 2011 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)**

	2010-11	2009-10
Foreign Exchange earnings	804.60	851.19
Foreign Exchange outgo	-	4.71

**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:

Ramu & Ravi, Chartered Accountants, Hyderabad as statutory Auditors of the Company retire at the ensuing annual general meeting and being eligible offer themselves for re-appointment.

Further Company is in receipt of confirmation from Ramu & Ravi, Chartered Accountants 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.

Board recommends their re-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

Place: HYDERABAD
Date: 26-08-2011

Sd/-
DHIRAJ KUMAR JAISWAL
MANAGING DIRECTOR



**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, 2011**
- 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. 40.90 Millions
 - (b) For the previous financial : Rs. 3.37 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, 2011**
- 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. 583.86 Millions
 - (b) For the previous financial : Rs. 615.58 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

OVERVIEW

The financial statements have been prepared in line with the requirements as specified under the Companies Act 1956, Securities Exchange Board of India (SEBI) and generally Accepted Accounting Principles in India (GAPP). The estimates and judgments relating to the financial statements have been made on a reasonable basis so that the financial statements reveal a true and fair picture of the essence of the transactions and reasonably present the state of affairs, profits and cash flow of the company for the year. Our Management accepts responsibility for the objectivity of these financial statements as well as for the estimates and judgments used therein.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian information technology (IT) - business process outsourcing (BPO) sectors including the domestic and exports segments continue to gain strength, experiencing high levels of activity both onshore as well as offshore. The companies continue to move up the value-chain to offer higher end research and analytics services to their clients. 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.

India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM Strategic Review 2011, IT services exports (excluding exports relating to business process outsourcing (BPO), hardware, engineering design and product development) from India are estimated to grow by 22.7% in fiscal 2011, to record revenues of US\$ 33.5 billion. The same review also forecasts that BPO exports from India are estimated to grow by 14% in fiscal 2011 to record revenues of US\$ 14.1 billion. There are several key factors contributing to the growth of IT and IT-enabled services (ITES) in India and by Indian companies. Some of these factors are high-quality delivery, significant cost benefits and abundant skilled resources.

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Companies are focusing on their core competencies and using outsourced technology service providers to adequately address these needs. The role of technology has evolved from supporting corporations to transforming their business. 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 the reliance of corporations on their outsourced technology service providers and are expected to continue to drive future growth for outsourced technology services.

OPPORTUNITIES AND THREATS:

Indian IT-BPO industry grew by 19% to reach USD 76 billion in FY 2010-2011. Exports were estimated to grow by 18.7 per cent in FY 2010-2011 and reach USD 59.0 billion. Domestic Market is at an inflection point; healthy growth of 16% in FY 2010-2011. Industry has added 240,000 jobs in FY 2010-2011. Software and services export revenues expected to grow by 16-18 per cent and domestic revenues to grow by 15-17 per cent