



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2019.

1. REVIEW OF PERFORMANCE:

(Amount in Lakhs)

Particulars	2018-19	2017-18
Income (Including Other Income)	8,21,121	3,40,11,031
Expenses (Including exceptional items)	23,14,934	3,50,02,368
Profit/(Loss) before Interest, Depreciation & Tax (PBIDTA)	(14,93,813)	(9,91,340)
Finance Charges	3,63,134	6,74,017
Depreciation & amortization	5,03,839	5,10,986
Net Profit/(Loss) Before Tax	(14,93,813)	(9,91,340)
Provision for tax including Deferred Tax	5,06,736	6,76,734
Net Profit/(Loss) after tax	(20,00,550)	(16,88,074)
Add / (Less): Share of Profit / (Loss) on Associate Companies	-	-
Add / (Less): Minority Interest - Share of Profit / (Loss)	-	-
Net Profit/(Loss)	(20,00,550)	(16,88,074)
EPS		
Basic	(0.25)	(0.21)
Diluted	(0.25)	(0.21)

2. GLOBAL OPERATIONS:

Your Company has recorded a consolidated income (as per Ind AS) of Rs. 58,43,73,265/- for the Financial Year under review and of Rs. 1,31,29,729/- only.

3. INDIAN OPERATIONS:

During the financial year 2018-19 your Company recorded turnover Rs. 60,254/- and incurred a Net Loss after tax of Rs. 20,00,550/- as compared to Turnover of Rs.3,40,10,114/- and Net Loss after tax of Rs. 16,88,074/- during the previous financial year.

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

**4. TRANSFER TO RESERVE:**

It is not proposed to transfer any amount to reserve during the financial year ended March 31, 2019

5. DIVIDEND:

Due to losses, your directors do not recommend any dividends for the financial year 2018-19.

6. DEPOSITS:

Your Company has not accepted any deposits falling under Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, during the year.

7. SUBSIDIARY/ASSOCIATE COMPANIES:

The Company has 2 subsidiaries as on 31st March 2019. They are

- i) Cat Technology Inc
- ii) Cat Technology FZE.

In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the company and its subsidiaries, which form part of the Annual Report. Further a statement containing the salient features of the financial statement of our subsidiaries in **Form AOC-1** is appended as **Annexure – 1** to the Board's report. The statement also provides the details of performance, financial position of both the subsidiaries.

Further, the Audit Committee of the Company reviews the financial statements of the subsidiary companies. The Audit Committee also reviews investment made by subsidiary companies and the statement of all significant transactions and arrangements entered into by the subsidiary companies.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the company are available on our website. The said information is also available for inspection during business hours at the registered office of the Company, Hyderabad, India and separate of copy of such statements will be provided at the request of the members.

8. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the remuneration of none of the employees has crossed the limits specified therein.

Some of the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.



9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors of your Company hereby confirm that:

- a) In the preparation of Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- b) 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, 2019 and of the profit and loss of the Company for that period;
- c) 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;
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls by the Company and that such internal financial controls are adequate and operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS:

a. Board Meetings:

The Board of Directors of the Company met 07 (Seven) times during the year 2019-20. The details of which are given in the Corporate Governance Report. The gap intervening between two meetings of the board did not exceed 120 days as prescribed in the Companies Act, 2013.

b. Changes in Directors & Key Managerial Personnel:

During the year there was no changes in the constitution of Board of Directors.

c. Re-Appointment:

Ms. Nisha Jaiswal, Director of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

d. Independent Directors:

The Mr. Omar Mohammad, Independent Director who was appointed at the 19th Annual General Meeting held on 29th September 2014 for a period of Five (5) years, will continue to be on the Board till the conclusion of Annual General Meeting to be held in the calendar year 2019. Being eligible for re-appointment, board has recommended for reappointment for another term of 3 years.



The following Independent Directors as there on the board”

Mr. Omar Mohammed

Mr. Shailender Singh Thakur

Mr. Saibaba Gopathi

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of independence as laid down in Section 149(6) of the Act.

e. Board Committees:

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee.

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

f. Remuneration policy:

The policy framed by the Nomination and Remuneration & Compensation committee under the provisions of Section 178(4) of the Act, is as below:

The remuneration policy of the Company has been so structured in order to match the market trends of the IT industry. The Board in consultation with the Nomination and Remuneration & Compensation Committee decides the remuneration policy for directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration / Commission, if any, payable to Directors is determined by the contributions made by the respective directors for the growth of the Company.

Presently, the Non-Executive Directors do not receive any remuneration from the Company except sitting fees.

g. Board Evaluation:

As required under the provisions of Section 134(3)(p), the Board has carried out an annual performance evaluation of its own performance, and the manner in which such performance evaluation was carried out is as under.

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration & Compensation Committee shall carry out evaluation of Director's performance.

The criteria of evaluation is to exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors / Committees



of which he is a member/ general meetings, participation constructively and actively in the meetings of the Board /committees of the Board etc.

h. Vigil Mechanism:

The Company has established a whistle-blower policy and also established a mechanism for Directors and employees to report their concerns. Under this policy, your Company encourages its employees to report any reporting of fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire).

Likewise, under this policy, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation.

The Audit Committee periodically reviews the functioning of this mechanism. No personnel of the Company was denied access to the Audit Committee. Further, the details of the same is explained in the Corporate Governance Report.

i. Related Party Transactions.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions and also not entered into any contracts / arrangements / transactions with related parties were in the ordinary course of business and on an arm's length basis. Hence disclosure pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable to the company.

11. MATERIAL CHANGES AND COMMITMENTS FROM THE DATE OF CLOSURE OF FINANCIAL YEAR:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

During the financial year SEBI vide its No. WTM/GM/EFD/01/2019-20 dated 03 April, 2019 has prohibited company and promoters of the Company from accessing the capital market and dealing in securities or instruments for a period of 5 year from the date of Order. Company has filed appeal before SEBI Appellate authority against this Order.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Since the CSR norms are not applicable to the Company, the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not required to be made.

**14. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF). Also, the provisions of the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 are not applicable to the Company.

15. COST RECORDS:

The provision of Cost audit as per section 148 doesn't applicable on the Company.

16. AUDITORS:

M/s. Vinay T & Co., Chartered Accountants, Hyderabad, Statutory Auditors of the Company resigned due to some pre-occupations. Accordingly, on the basis of the recommendation of the Audit Committee, the Board of Directors proposed to appoint M/s. Ramu and Ravi, Chartered Accountants as statutory auditors of the Company till ensuing AGM. Further member at their Extra-Ordinary General Meeting held on 30.03.2019 appointed M/s. Ramu and Ravi, Chartered Accountant, Hyderabad (FRN. 006610S), as Statutory Auditor of the Company for the financial year 2018-19 and who shall hold office till the conclusion of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Ramu and Ravi, Chartered Accountants (FRN: 006610S) as Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of the 29th AGM to be held in the year 2024. M/s. Ramu and Ravi, Chartered Accountants have furnished the Certificate of their eligibility for appointment in compliance with Section 141 of the Companies Act, 2013.

Further pursuant to section 142 of the Companies Act, 2013 payment of remuneration to Auditors requires approval of members in general meeting, hence resolution commended for the approval of Shareholders to authorize the board to negotiate and fix their remuneration for FY 2019-20.

M/s Ramu and Ravi., Chartered Accountants, (the retiring Auditors), have carried the Statutory Audit and the Notes on financial statement referred to in the Auditors' Report issued by them are self-explanatory and hence do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this annual report. have carried the Statutory Audit. With regard to observation of Auditors in their Auditors Report regarding Statutory Dues pending for payment of more than 6 months, your Directors would like to bring to your kind notice that delay in mainly due to short terms cash flow problems of the company and management is working towards streamling cashflow to avoid delays in payment of dues. The Auditors' Report is enclosed with the financial statements in this annual report.



17. DETAILS OF FRAUD REPORT BY AUDITOR:

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

18. SECRETARIAL AUDITORS:

In accordance with the provisions of Section 204 of the Companies Act, 2013 and as a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s. V K Bajaj & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for Financial year 2018-19 is herewith appended as **Annexure - 2** to the Board's report.

With regard to adverse remarks in Secretarial Audit Report related to appointment of Company Secretary one of the Key Managerial Persons, your board of Directors would like inform you that company is putting all effort to recruit Company Secretary at the earliest in spite of acute financial positions of the company.

19. AUDIT COMMITTEE RECOMMENDATION:

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

20. EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, and extract of Annual Return in Form MGT 9 is annexed herewith as **Annexure - 3** to the Boards' Report.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186:

During the year company has not given any Loans, provided any Guarantees and not made any further investments. Disclosure of Loans and Investments outstanding as as 31.03.2019 are as follows

Sl. No	Name of the Investee	Nature of Investment	Currency	Amount in INR
1.	Cat Technology FZE, UAE	100% Subsidiary	Dhiram	64,00,30,593
2.	Cat Technology Inc, US	100% Subsidiary	USD	4,00,00,000
3.	Cat Technology Fze – Unsecured Loan	Unsecured Loan	Dhiram	17,88,414

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

Company is engaged in the business of information technology and IT enabled services and operations of the company are not energy intensive, hence the particulars relating to



conservation of energy, Technology Absorption, as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 are Nil.

Foreign Exchange earnings and outgo (in Lakhs)

Particulars	March 31, 2018
Foreign exchange earnings	60,254/-
Foreign exchange outgo	Nil

23. MANAGEMENT DISCUSSION & ANALYSIS REPORT :

As per Regulation 34(2) and para B of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis report is attached and forms part of this report, as **Annexure - 4**.

24. CORPORATE GOVERNANCE REPORT:

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligation to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity. We also endeavour to enhance long term shareholder value and respect minority rights in all our business decisions.

Our Corporate Governance Report for the fiscal 2019 forms part of this Annual Report as **Annexure - 5**

25. RISK MANAGEMENT:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework.

26. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

During the year there were no complaints referred to the ICC.



27. 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, Investors, Suppliers, Bankers for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptions commitment and loyalty to the Company

By the Order of the Board
For CAT TECHNOLOGIES LIMITED

Date: 14.08.2019
Place: Hyderabad

Sd/-
Dhiraj Kumar Jaiswal
Managing Director
DIN: 01119055

Sd/-
Nisha Jaiswal
Director
DIN: 01978821