

# VMC SOFTWARE

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**VMC SOFTWARE LIMITED**

*15<sup>TH</sup>*

ANNUAL REPORT 1998-99

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## **VMC SOFTWARE LIMITED**

### **DIRECTORS**

Sanjay V. Doshi  
Bhavesh N. Goradia  
Alpa K. Sanghavi

### **AUDITORS**

M/S. Raju & Prasad  
Chartered Accountants

### **BANKERS**

Punjab National Bank  
Nedungadi Bank  
State Bank of India

### **REGISTERED OFFICE**

K-203, International Infotech Park  
Vashi Railway Station Complex  
Vashi, Navi Mumbai - 400 705.

### **SHARE TRANSFER AGENTS**

HAMCO Share Registry (P) Ltd.  
17/B, Dena Bank Building, 2nd Floor  
Horniman Circle, Fort, Mumbai - 400 001.

**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of the Members of VMC Software Limited (formerly Vidhan Mercantile Company Limited) will be held on Saturday, 19th June, 1999 at 11.30 a.m. International Infotech Park, K-203, 2nd floor, Vashi Railway Station Complex, Vashi, Navi Mumbai 400 705 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1999, Profit And Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare dividend
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**Special Business:**

4. To Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 260 read with Article 82(1) of the Articles of Association of the Company, Mr. Bhavesh N. Goradia in respect of whom a notice U/s 257 of the Companies Act, 1956, has been received, be and is hereby appointed as a Director of the company, who shall be liable to retire by rotation."

5. To Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 260 read with Article 82(1) of the Articles of Association of the

Company, Ms. Alpa K. Sanghavi in respect of whom a notice U/s 257 of the Companies Act, 1956, has been received, be and is hereby appointed as a Director of the company, who shall be liable to retire by rotation."

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

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

**ITEM NO.4 TO BE REPLACED AS UNDER  
Item No.4**

At the meeting of the Board of Directors of the Company held on 2nd May 1999, Mr. Bhavesh N. Goradia, was appointed as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956 read with Article 82(1) of the Articles of Association of the Company, Mr. Bhavesh N. Goradia holds office upto the date of the forthcoming Annual General Meeting. A notice in writing has been received from a Shareholder of the Company, pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Bhavesh N. Goradia as candidate for the office of Director alongwith a deposit of Rs. 500, which shall be refunded to him if Mr. Bhavesh N. Goradia is elected as Director.

None of the Directors, except Mr. Bhavesh N. Goradia is concerned or interested in the resolution.

The Directors commend the resolution for the approval of the shareholders.

**Item No.5**

At the meeting of the Board of Directors of the Company held on 2nd May 1999, Ms. Alpa K. Sanghavi, was appointed as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956 read with Article 82(1) of the Articles of Association of the Company, Ms. Alpa K. Sanghavi holds office upto the date of the

forthcoming Annual General Meeting. A notice in writing has been received from a Shareholder of the Company, pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Ms. Alpa K. Sanghavi as candidate for the office of Director alongwith a deposit of Rs. 500, which shall be refunded to him if Ms. Alpa K. Sanghavi is elected as Director.

None of the Directors, except Ms. Alpa K. Sanghavi is concerned or interested in the resolution.

**Registered Office :**

K-203, International Infotech Park  
Vashi Railway Station Complex  
Vashi, Navi Mumbai - 400 705.

**By Order of the Board**

**SANJAY V. DOSHI**

Director

Date : 03/05/99

**NOTES :**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
- 2) The register of members and share transfer books will remain closed from 17th June 1999 to 19th June 1999 (both days inclusive) for the purpose of the Annual General Meeting.
- 3) The members are requested to notify the change of address, if any, to the company.

**DIRECTORS' REPORT :**

To the Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the audited accounts for the year ended 31st March, 1999.

**1. FINANCIAL RESULTS**

	1998-99	1997-98
Gross Profit for the year (Before Tax)	1,49,63,925	3,76,969
Less : Provision for Tax	4,80,000	1,30,000
Profit after tax	1,44,83,925	2,46,969
Earlier year write-offs	1,31,677	0
<b>Profit for the year</b>	<b>1,43,52,248</b>	<b>2,46,969</b>

**4. COMPANY'S BUSINESS GROWTH AND PROSPECTS**

Your Directors wish to inform you that the Company has started software activity in March 1998 with product named "indiashares.com". Other software developed by the Company includes "indianshoppers.com" a shopping mall specialising in Indian novelties. Your Company enhanced the skill and developed e-commerce applications and provided consultancy in "professionalcarrers.com" a highly interactive data base for software, engineers, medicos, accountants, lawyers and other professionals particularly in America. Your Company through their marketing agents in North America has exported software worth Rs.185 lacs during the year. In the current year Company expects to double the turnover. The Company has got itself registered with STPI (Software Technology Park of India) a society under the Dept. of Electronics, Govt. of India in July 1998. The Company has already taken on lease a property in the International Infotech Park for setting-up an educational training institute and the same is likely to be commissioned by the beginning of May 1999. The company has obtained the registration from RBI as an NBFC Company during the 1998-99 and is proposed to apply for

de-registration in 1999-2000 to reflect the true nature of the Company's activities.

The company expects to do very well in the future by developing various other innovative products for varied customers and also the Educational training Institute activities. The Company is also proposing to come out with a public issue of securities during 1999-2000 subject to SEBI approval upto an amount of Rs. 10 Crores for which the necessary permission has been obtained from you in February 1999.

**3. CHANGE OF NAME**

The name of the company has been changed to VMC Software Limited from Vidhan Mercantile Company Limited and the fresh certificate of incorporation consequent of change of name is issued by Registrar of Companies on 5th January, 1999.

**4. DIVIDEND AND BONUS**

The Company has declared and paid 50% Interim Dividend and no final dividend has been declared in order to conserve the resources for further investment in Software Development activities. The Directors propose a resolution for the approval of the Interim Dividend for the approval of the shareholders.

The Board has recommended Bonus shares in the ratio of 1 share for every 2 shares held. The Board intend to maintain atleast 40% Dividend on the enlarged capital base for the financial year 1999-2000.

The Board of Director of the Company has fixed record date for bonus entitlement on 19th June, 1999 which will entitle the shareholder for a bonus of 1 share for every 2 shares held on that day.

**5. DEPOSITS**

The Company did not accept any deposits from the public during the year under review.

**6. PERSONNEL**

None of the employees of the Company come under the provisions of Sec. 217(2-A) of the Company's Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.