

17th
Annual
Report
2000-2001

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VMC Software Limited

Bringing Tomorrow Technology Today

Mission

To excel in Software and related services, and maximise their value through world-class product and quality while developing a highly motivated, competent and committed workforce.

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Board of Directors

DIRECTORS

Mr. Sanjay V. Doshi
Mr. Nitin R. Goradia
Ms. Alpa K. Sanghavi
Mr. Kirit R. Kanakiya
Mr. Dilip R. Kanakiya

REGISTERED OFFICE

K-203, 2nd Floor,
International Infotech Park,
Vashi Railway Station Complex,
Vashi, Navi Mumbai-400 705.

BANKERS

UTI Bank Limited
Punjab National Bank

AUDITORS

M/S Raju and Prasad
Chartered Accountants

**REGISTRARS & SHARE
TRANSFER AGENTS**

Sharex (India) Pvt. Ltd.
Luthra Industrial Premises, (UNIT No.1)
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai- 400 072

Message from Director



Kirit R. Kanakiya

VMC Software Limited, since its inception in 1996, has been harnessing the power of Information Technology to help its clients to gain a competitive edge in the businesses they operate in "If you can dream it you can do it". Inspired by this ideal and driven by will to "do it" VMC has been moving on, and today it is in position to look back with pride on its track record and look forward to future with promise

Driven by a common vision and supported by people with knowledge, insight and experience, VMC Software limited capitalizing on the opportunities created in a dynamic energy marketplace.

We successfully combine an entrepreneurial spirit with experience-based knowledge and a demonstrated ability to execute the business plan. The result is a company capable of satisfying customers' ever-changing needs in IT Sector.

There have been several important milestones in our company's -year history. From inception till date., our company has regularly capitalized on opportunities that ensure maximum returns for our shareholders, customers, partners and employees.

As a company, we have focused our efforts on enhancing our workflows. In order to make a smarter, more synergistic organization, we have invested in all aspects of our business processes and technology infrastructure. This ensures that we have the systems and the people to support our current operations, as well as to accommodate our plans for future growth. VMC world-class information systems provide real-time prices, trade execution and deal management tools and comprehensive financial reporting capabilities. In addition, we have invested in innovative technology that enables VMC risk control group to administer effective Value-at-Risk processes and measures. Technology investments have increased productivity across the entire company, enabling us to closely analyze our transactions and uniquely preparing us for a paradigm shift to eBusiness. By addressing the challenges and responsibilities that come with operating a larger, more diverse organization, VMC is a fully integrated company. A decision-making philosophy based on empowerment and the ability to quickly share information across the entire company enables us to effectively execute our business plan.

As we enter in another financial year, VMC Software Limited continue to implement its strategy for success. Looking forward, as a company, we are committed to building shareholder value by expanding our competitive reach across the entire convergence value.



Profile

VMC Software Limited continued to perform strongly in 1999. Our customers count on us to provide great software that helps them communicate more effectively, work more productively, learn more creatively, and make the most of their leisure time.

We worked hard to meet those needs and to set the standard for features, functionality, simplicity, and seamless integration with the Internet in all of our products.

VMC Software Limited vision is to empower people through great software - any time, any place and on any device. As the worldwide leader in software for personal and business computing, VMC strives to produce innovative products and services that meet our customers' evolving needs. At the same time, we understand that long-term success is about more than just making great products.

VMC is an e-business Solutions Company whose employees help customers in apply information technology to seize opportunities and overcome challenges of the Internet economy. VMC people integrate and deliver the solutions, services, platforms and network infrastructure required by business and government to transform their organizations for success in this new era.

The company offers a rich portfolio of VMC Solutions for e-business based on its expertise in vertical industry solutions, network services, outsourcing, systems integration and multivendor support, coupled with enterprise-class server and related technologies. VMC serves the primary vertical markets worldwide that includes financial services, transportation, communications, publishing and commercial sectors, as well as the public sector, including federal government customers. VMC also offers cross-industry solutions to address e-business challenges common in a range of markets.

The global business community faces a never-ending dilemma: technology continues to be more disruptive, complex and costly to deal with, yet organizations are increasingly more dependent on technology for survival, growth and competitive strategic advantage. Helping clients sort through this dilemma is VMC business.

VMC is a world leader in helping clients use information technologies to achieve business objectives. Our culture of listening to and working with our customers has been and always will be our hallmark. Throughout our history, we have identified emerging, turbulent shifts in technology and applied this knowledge to our clients' problems, helping them achieve the result they require. VMC Software Limited is well positioned to offer competitive cross border IT services and enterprises IT solutions. An expanded overseas market through marketing arrangements with Webell Communications and First Growth Limited Ontario Canada has made firm inroads in extending its services.

It is a privilege for me to introduce you to VMC, a company of world-class employees helping world-class clients.



Notice

NOTICE

Notice is hereby given that the Seventeenth Annual General meeting of the Member of VMC SOFTWARE LIMITED will be held on, Friday 31st August, 2001 at 3.30 p.m. 5th Floor, Hilton Center, Plot No. 66, Sector No. 11, CBD Belapur, Vashi, Navi Mumbai-400 614 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2001, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare the dividend for the Financial Year ended March 31,2001.
3. To appoint a director in place of Ms. Alpa K. Sanghavi, who retires by rotation & being eligible offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of meeting until the conclusion of next Annual General Meeting & fix their remuneration.

Special Business:

5. To Consider and if though 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. Dilip R. Kanakiya in respect of whom a notice Under Section 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."

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 THE 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 Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Item No: 5 of the Notice is annexed.
3. The register of members and shares transfer books will remain closed from Monday 27th August 2001 to Friday 31st August 2001 (both days inclusive) for the purpose of dividend & the Annual General Meeting of the Company.
4. The members are requested to notify the address of the Company's Registrar and Transfer Agents i.e. Sharex (India) Pvt. Ltd. at Luthra Industrial Premises, Unit No. 1, Andheri Kurla Road, Safed pool, Andheri (East) Mumbai- 400 072.

By Order of the Board.

Place: Navi Mumbai

Date: 18.07.2001.

**Sd/-
Alpa K. Sanghavi
Director**

Registered office:

K-203, 2nd Floor, International Infotech Park,
Vashi Railway Station Complex,
Vashi, Navi Mumbai-400 705

Annexure to the notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)

Item No. 5

At the meeting of the Board of Directors of the Company held on 21.04.2001 Mr. Dilip Ramniklal Kanakiya, was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956 read with Articles 82(1) of the Articles of Association of the Company. Mr. Dilip R. Kanakiya 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. Dilip R. Kanakiya as candidate for the office of Director along with a deposit of Rs.500 which shall be refunded to him if Mr. Dilip R. Kanakiya is elected as Director.

None of the Director, except Mr. Dilip R. Kanakiya & Mr. Kirt R. Kanakiya is concerned or interested in the resolution.

By Order of the Board.

Place: Navi Mumbai

Date: 18.07.2001.

**Sd/-
Alpa K. Sanghavi
Director**

Registered office:

K-203, 2nd Floor,

International Infotech Park,

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Director's Report

To the Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the audited accounts for the year ended March 31, 2001.

1. FINANCIAL RESULTS

	For the year ended 31st March, 2001 (Rs. in Lacs)	For the year ended 31st March, 2000 (Rs. in Lacs)
Profit before Depreciation and Tax	243.12	481.85
Depreciation	26.16	20.16
Profit for the year (Before Tax)	216.96	461.69
Less: Provision for Tax including Dividend tax	3.57	5.40
Less: Prior Period items	(2.74)	0.18
Profit after tax	216.13	456.11

2. COMPANY'S BUSINESS GROWTH AND PROSPECTS

Due to the downward trend in IT sector in general & U.S. market in particular, your company's results have been affected adversely. In spite of this the company has maintained the turnover. The company expects to improve the position this year. The company is also exploring the other opportunities to improve the profitability in the coming years.

3. DIVIDEND

The Directors have recommended to the Annual General Meeting declaration of dividend @ 10 % for the year ended 31st March 2001.

In respect of shares held in electronic form, the dividend will be payable on the basis of the beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).

4. DEPOSITS

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

5. PERSONNEL

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

6. DIRECTORS

Mr. Dilip R. Kanakiya was appointed as an additional Director of the Company with effect from 21st April 2001 Pursuant of Article 82(1) of the Articles of Association of the company.

In accordance with Section 260 of the Companies Act, 1956 he retires at the conclusion of the Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, alongwith the requisite deposit proposing Mr. Dilip R. Kanakiya as a candidate for the office of Director of the company. Your Director recommends this appointment as a Director vide resolution No.5 of the notice of Seventeenth Annual General Meeting.

Ms. Alpa K. Sanghavi retires by rotation & being eligible offer herself for re-appointment.

7. AUDITORS

M/s. Raju & Prasad, Chartered Accountants retire at the conclusion of the Annual General Meeting. They have indicated their willingness to continue as Auditors if re-appointed. The Company has received a certificate from them to the effect that their appointment, if made, will be within the prescribed limits under section 224(1B) of the Companies Act, 1956. Members are requested to appoint Auditors and fix their remuneration.

8. DEPOSITORY SYSTEMS

Your Company has entered into an arrangement with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of your Company's Securities in accordance with the provisions of the Depositories Act 1995, which are now fully operational and members may avail of such facilities. With this, the Members have the option /discretion to hold their Demat shares in the Company through the National Securities Depository Limited or the Central Depository Services (India) Limited.

9. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given as Annexure 'A' to this Report.

10. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) which was introduced by the Companies (Amendment) Act, 2000 your Directors' confirm that

- (i) In the preparation of the annual accounts the applicable accounting standards have been followed
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2001 and of the profit or loss of the Company for the year ended 31st March, 2001.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

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By Order of the Board.

Place: Navi Mumbai
Date: 18.07.2001.

Sd/-
Alpa K. Sanghavi
Director

Registered office:

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