

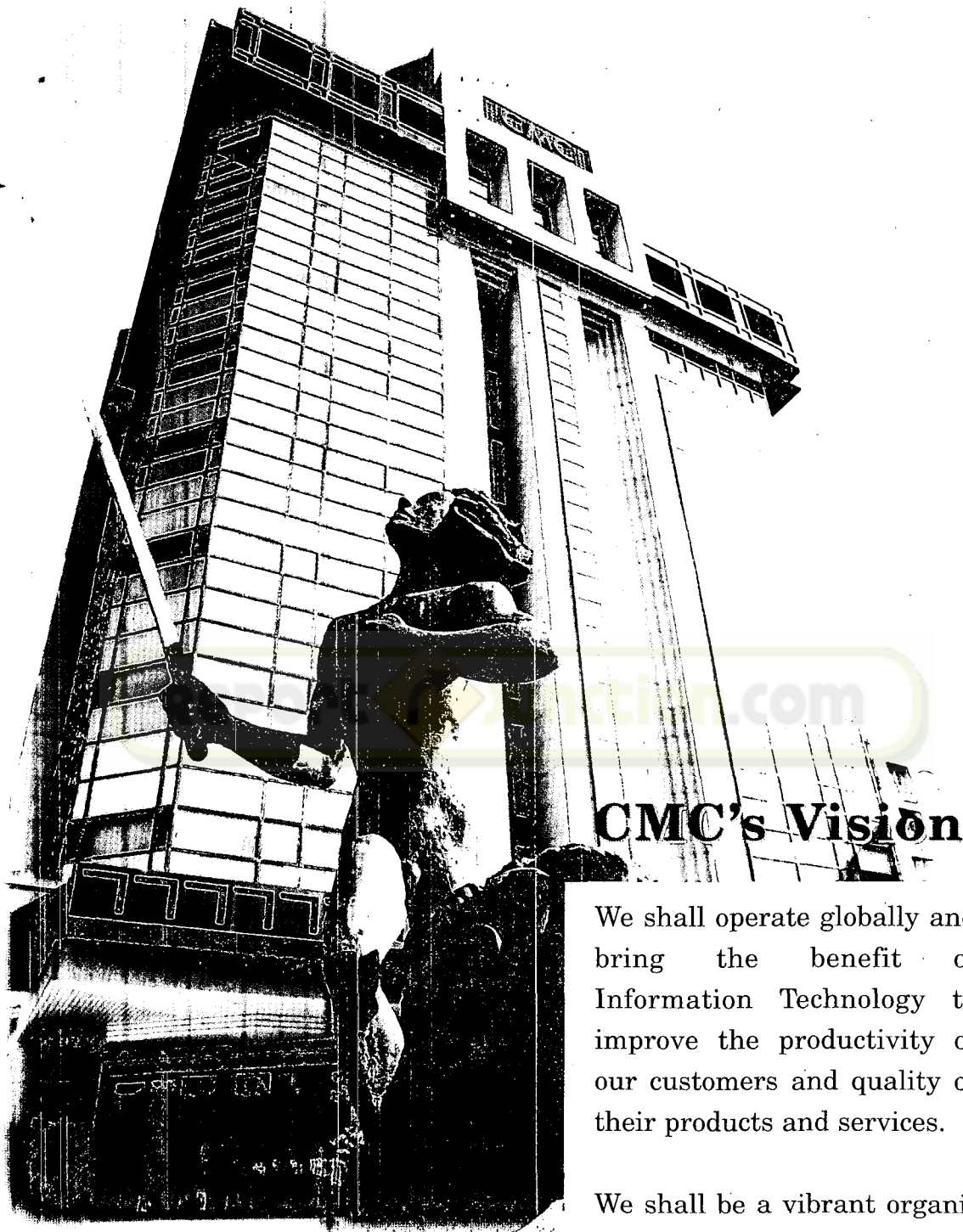
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A n n u a l R e p o r t  
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CMC Limited



*Wherever there is Challenge in Information Technology*

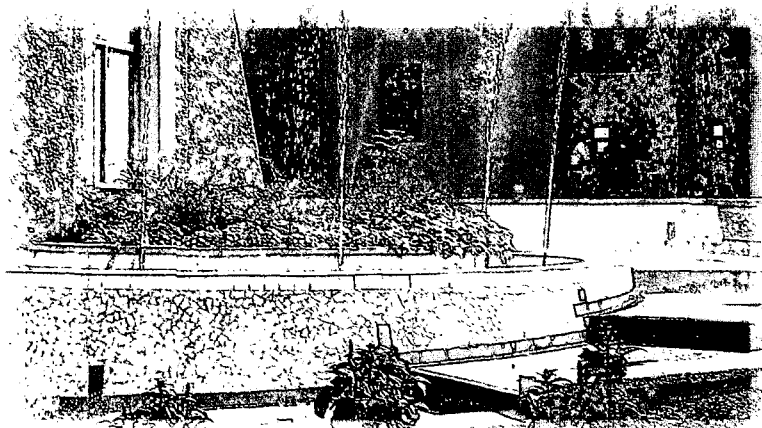
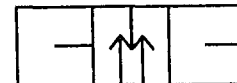


CMC House, Mumbai  
India's First Intelligent Building

## CMC's Vision

We shall operate globally and bring the benefit of Information Technology to improve the productivity of our customers and quality of their products and services.

We shall be a vibrant organisation where openness, trust, teamwork, simplicity and innovation are valued and promoted.



MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

*Seen here is CMC's Registered Office and CMC's Centre  
at Hyderabad*

*This architectural marvel, arising from a bed of rocks, houses genius  
and breeds excellence*

*Unleashing creativity, innovation and brilliance in a quest of  
stream of contemporary technology*

## C O N T E N T S

Board of Directors	2
Notice	3
Directors' Report	4
Auditors' Report	15
Balance Sheet and Profit & Loss Account	18-19
Audited Annual Accounts of Baton Rouge International Inc., Louisiana, U.S.A. (A Wholly-Owned Subsidiary of CMC Limited, India)	41



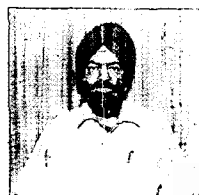
## BOARD OF DIRECTORS



Mr R P Jhunjhunwala  
Chairman & Managing Director  
(From 1.8.97)



Dr K K Krishnan Kutty  
Chairman & Managing Director  
(upto 31.7.97)



Shri J S Maini



Dr M Krishnamurthi



Dr A K Chakravarti  
(From 25.2.97)



Shri W S Saraf



Shri S S Ghosh



Shri Peter L Sinai

### Addl. GM & Company Secretary



Dr K R S Murthy



Shri S K C Mathur

### Executive Directors

Shri S K Agarwal (Finance)  
Shri S Kapoor (System Integration)  
Shri P K De (Customer Services)

### Auditors

M/s Anil Ashok & Associates  
Chartered Accountants  
4117, Naya Bazar  
New Delhi-110 006

### Bankers

Canara Bank  
State Bank of Bikaner & Jaipur

### Registered Office

CMC Centre  
Old Bombay Highway  
Gachibowli  
Hyderabad-500019 (A.P.)

### Corporate Office

1, Ring Road  
Kilokri  
Opp. Maharani Bagh  
New Delhi-110014

### Registrars & Share Transfer Agents

M/s MCS Limited  
Sri Venkatesh Bhawan  
212-A, Shahpurjat  
New Delhi-110049

AR  
9/1/96

**NOTICE****SUBJECT: 21ST ANNUAL GENERAL MEETING**

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of CMC Limited will be held on September 29, 1997 at 2.30 pm at Registered Office, CMC Centre, Old Bombay Highway, Gachibowli, Hyderabad-500019 to transact the following Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 1997 and Profit & Loss Account for the year ended March 31, 1997 alongwith the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Dr M Krishnamurthi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri J S Maini, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr A K Chakravarti, who retires by rotation and being eligible, offers himself for reappointment.
5. To declare dividend.

**BY ORDER OF THE BOARD**  
**For CMC LIMITED,**

**Place: New Delhi**  
**Date : August 19, 1997**

**SKC MATHUR**  
**ADDL GM & COMPANY SECRETARY**

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member. The Proxy Form must be deposited with the Company not later than 48 hours before the meeting.
2. The Register of Members and the Share Transfer books of the Company will remain closed from September 16 to September 30, 1997 (both days inclusive).



## DIRECTORS' REPORT 1996-97



**Mr R P Jhunjhunwala**  
*Chairman & Managing Director*

**To  
The Shareholders  
CMC Limited**

*Your Directors are happy to present the 21st  
Annual Report of the Company for the year  
ended March 31, 1997 together with the Audited  
Accounts and Auditors' Report thereon.*



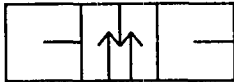


## FINANCIAL HIGHLIGHTS

		(Rs. Lakhs)
	1996-97	1995-96
Revenue	22865	17786
Expenditure	21053	16863
Profit/(Loss) before tax	1812	923
Less: Prior period adjustments	9	41
Profit/(loss) before extra-ordinary items	1803	882
Extra-ordinary items		
a) Add: i) Excess provision written back	—	139
ii) Profit on sale of office space at Bombay	—	2479
b) Less: Provisions/expenditure		
i) Obsolescence	189	535
ii) Salary/Provident fund arrears	270	390
iii) Bad/doubtful debts	70	568
iv) Non-moving inventory, w.i.p, peripherals	—	77
v) DoT charges-Retrospective increase	—	120
vi) Payment of sales tax	—	309
vii) Provision for leave encashment	457	35
viii) Provision for productivity linked incentive	160	-
Profit before tax	657	1466
Provision for taxation	400	200
Profit after tax	257	1266
Less : Proposed dividend (8%)	121	-
	136	1266
Add : Profit/(loss) brought forward from previous year	934	168
	1070	1434
Less : Transfer to General Reserve	-	500
Balance of profit taken to Balance Sheet	1070	934

## DIVIDEND

Your Directors have pleasure in recommending for your consideration payment of dividend at 8% for the year ended 31st March, 1997.



## STRATEGIC BUSINESS UNITS (SBUs) PERFORMANCE

### CUSTOMER SERVICES

The Customer Services Strategic Business Unit crossed the Rs.100 crores mark and achieved a revenue of Rs.117 crores during the year 1996-97 which is an increase of 20% over the previous year. The SBU also



*Helping her "go places" ... CMC completes over ten years of its IT association with the Indian Railways, the second largest Railways in the world*

exceeded the various other operational MOE parameter targets with networking projects receiving the major focus. During the year, some major orders received were from Indian Railways for augmenting the Passenger Reservation Computer Systems at Northern Railway and Eastern Railway, Department of Space, Defence Research & Development Laboratories, Indian Oil Corporation, Unit Trust of India, National Stock Exchange, Agricultural Universities, IPCL, IOL, etc. The SBU also signed several synergic tie-ups during the year, noteworthy among them being appointed National Systems Service Provider by Compaq Asia.



**P K De**  
Executive Director-CS

It is quite significant to note that your Company continues to be the No.1 Company in third-party maintenance.

### SYSTEMS INTEGRATION



**S Kapoor**  
Executive Director - SI

During the year, your Company was ranked second in domestic software development activity as per the survey conducted by a leading IT Publication.

The Systems Integration Strategic Business Unit focussed its attention on consolidation and undertaking projects in niche areas where your Company has already established itself such as stock exchanges, power sector, defence, etc. Replication of solution was the key business direction during the year.

Proactive development and marketing was also undertaken for new emerging areas such as Insurance Sector, ERP, open universities and Development Authorities. Core groups were organised for centralised development and implementation of projects through regional teams.

Some of the major projects undertaken during the year were:

1. Successful implementation of VECTOR (Online Trading System) for Ludhiana, Cochin, Coimbatore, Indore and Baroda Regional Stock Exchanges. Orders from Kanpur and Jaipur Stock Exchanges are under implementation.



*A splash of colour from the little CMCites ... an integral part of the CMC fraternity*





2. Large value turnkey software projects for Indira Gandhi National Open University, Airport Authority of India and Power Finance Corporation.
4. Irrigation project for Teesta River in West Bengal.
5. UNIFACE based software project for Linktek Corporation of Canada.
6. Computerisation project for National Games at Bangalore.
7. Upgradation and replacement of Load Dispatch System for Andhra Pradesh & Tamil Nadu State Electricity Boards etc.



*The Chief Minister of Andhra Pradesh, Shri Chandrababu Naidu, being explained the intricacies of CMC's work during the inauguration of the Hyderabad Stock Exchange*

The SBU signed strategic tie-ups with BaaN - the second largest ERP Solution Provider in the world and NCR for marketing CMC's Banking packages during the year.



**N Sivaram**  
VP (Intl.)

### INTERNATIONAL

International Strategic Business Unit showed a growth of 40% over the last financial year with a revenue of Rs.3369 lakhs compared to Rs.2416 lakhs in the previous year. This significant performance improvement was achieved by enhancing business presence in the USA as well as embarking on new projects in other countries. Approximately 225 man years of effort was spent in meeting the customer requirements.

The prestigious Marine Cargo Handling System for the Kelang Port was implemented during the year. Major orders for MACH were received from Ports of Bremerhaven and Eurokai, Germany. These projects will be completed in the next 18 months. The offshore software development work for M/s Linktek Corporation of Canada and Compass Design Automation of USA were progressing well and a further 3 year contract for development/support work for Linktek's "FreeBalance" Financial Management System was signed. The Hotel Reservation & Information System for Tourism Authority of Iran was revived with enhanced scope and increased value. Other first time orders were received from Digital, Hong Kong, Singapore and Malaysia; Knowledge Base Systems, Thailand; Archimed, Germany; ABB and Softlink of Switzerland. The work on support contract for London Underground Ltd continued to progress well.

Professional services continued to play a major role in your Company's International



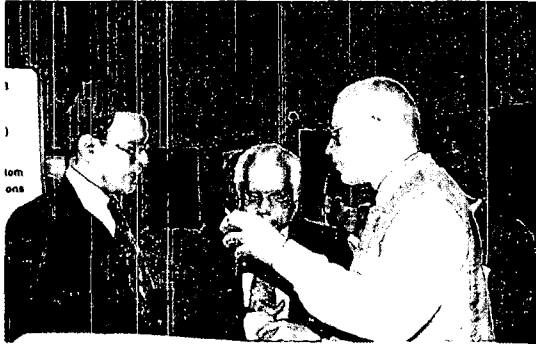
*CMC's MACH continues to reign supreme, outbidding global players in the ports market*



*Free interaction and accessibility . . . promotes individual as well as group excellence*



Operations and during the year these services were provided to customers from Korea, Hong Kong, Mauritius, Switzerland, Netherlands and UK. First time pilot projects were executed for Japanese customers Mitsubishi Electric and Niissho Iwai.



*Mr. Shyamal Ghosh, Secretary, DoE, being told about TC4 during its launch at IT India / Comdex '96*

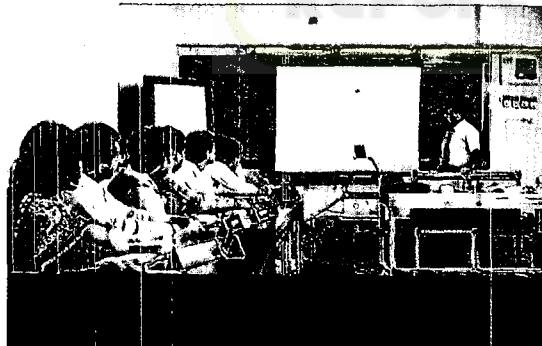
#### **TC-4**

Total Concept Banking Solution (Version 4) was launched by your Company during the year in Delhi. A demonstration of the product was subsequently organised at Comdex '96.

The base product TC-4 was developed and delivered to BRI in April 1996 and it is expected to have Rel 2.3 by November, 1997 which will be Y2K enabled and field installable. The package will be operational by end of 1997 at some of the prospecting sites. With the availability of TC-4 on the portable Field Demonstration Unit (FDU), renewed marketing efforts were made internationally by BRI alongwith NCR, whose leadership position in the High Availability Transaction

Processing (HATP) market was well suited for TC/4 open system solution, besides the fact that all TC 2/3 solutions were operating on NCR equipment.

Your Company was also seriously looking into the opportunities in Indian market, especially those banks which were getting World Bank funding for computerisation.



*Education and Training is a major commitment for CMC*

#### **EDUCATION & TRAINING**

During the year, the Education & Training Strategic Business Unit increased their Franchisee Centres from 35 to 85 which resulted in increase in revenue from the activity from Rs.52 lakhs to Rs.530 lakhs, making an over ten-fold increase. The overall SBU revenue grew from Rs.6.61 crores in the previous year to Rs.12.02 crores, a growth of about 82%. The new collaboration agreements with Mysore University, AMU, Kota Engg. College, TTTI (Chandigarh), ESCI, IICM (Ranchi) and ICAI (Calcutta) were signed and joint centres were launched during the year.



**P Dasgupta**  
V P (E&T)

New ATCs with Novell at Pune and Calcutta and with Borland at Mumbai, Calcutta, Bangalore and Hyderabad were started. Post Graduate Diploma in Computer Applications (PGDCA) program from most of the locations were also



*Relieving the stress . . . a welcome break after a hard day's work*