

Condition	Control (%)	MCI (%)	AD (%)
1	95	85	75
2	100	95	85
3	95	85	75
4	90	75	65

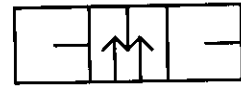
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# CMC Limited



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*"A might no human will nor force can gain  
A knowledge seated in eternity,  
A bliss beyond our struggle and pain  
Are the high pinnacles of our destiny"*

- Painting by Shakti Maira from CMC's collection of paintings.
- Quote titled 'Transformation' from the sonnets of Sri Aurobindo.



## BOARD OF DIRECTORS

### Chairman & Managing Director

**Shri S S Ghosh**

#### Directors

**Shri R P Jhunjhunwala**  
(upto 9/4/99)

**Shri J S Maini**

**Dr A K Chakravarti**

**Dr KRS Murthy**  
(From 30/11/99)

**Shri H C Gandhi**  
(From 30/11/99)

**Prof Pankaj Jalote**  
(From 30/11/99)

**Shri Roopen Roy**  
(From 30/11/99)

**Addl. GM & Company Secretary**  
**Shri SKC Mathur**

**Head - Corporate  
Finance & Accounts**  
**Shri R M Srivastava**

**Registered Office**  
CMC Centre  
Old Mumbai Highway  
Gachibowli  
Hyderabad-500019 (A.P.)

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

#### Executive Directors

**Shri S Kapoor** (Systems Integration)

**Shri P K De** (Customer Services)

**Smt Saroj Vinayek** (Vigilance)

**Dr P Dasgupta** (Technology)

#### Auditors

**M/s Gupta & Gupta**  
Chartered Accountants  
4-8, Asaf Ali Road  
New Delhi-110002

#### Bankers

**Canara Bank**  
**State Bank of Bikaner & Jaipur**

#### Registrars & Share Transfer Agents

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

#### Listing

**The Hyderabad Stock Exchange Ltd.**

**Chennai Stock Exchange Ltd.**

**The Stock Exchange, Mumbai**

**The Delhi Stock Exchange Association Ltd.**

**National Stock Exchange of India Ltd.**

**The Calcutta Stock Exchange Association Ltd.**

#### Depositories

**National Securities Depositories Ltd.**

**Central Depository Services (India) Ltd.**



## NOTICE

### SUBJECT: 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of CMC Limited will be held on September 29, 1999 at 2.30 P.M. at Registered Office, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500019 to transact the following Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 1999 and Profit & Loss Account for the year ended March 31, 1999 alongwith the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri J S Maini, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr A K Chakravarti, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr KRS Murthy, who retires by rotation and being eligible, offers himself for reappointment.
5. To declare dividend.

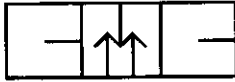
BY ORDER OF THE BOARD  
For CMC LIMITED,

Place: New Delhi  
Date : July 28, 1999

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 Thursday, September 16, 1999 to Wednesday, September 29, 1999 (both days inclusive).



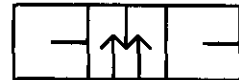
## DIRECTORS' REPORT 1998-99



Shri S.S. Ghosh  
*Chairman & Managing Director*

To  
The Shareholders  
CMC Limited

*Your Directors have pleasure in presenting the 23rd Annual Report of the Company for the year ended March 31, 1999 together with the Audited Accounts and the Auditors' Report thereon.*



## FINANCIAL HIGHLIGHTS

	(Rs. Lakhs)	
	1998-99	1997-98
Revenue	34617	29590
Expenditure	31234	27178
Profit/(Loss) before tax	3383	2412
Less: Prior period adjustments	(167)	(67)
	3550	2479
Less: Provisions/expenditure		
i) Obsolescence	52	118
ii) Salary/Provident Fund arrears	1900	500
iii) Bad/doubtful debts	73	161
iv) Non-moving inventory, peripherals	82	65
v) Provision for leave encashment	187	155
vi) Provision for productivity linked incentive	—	325
Profit before tax	1256	1155
Provision for taxation (including dividend tax)	540	475
Profit after tax	716	680
Less: Proposed dividend	152	152
	564	528
Add: Profit/(loss) brought forward from previous year	1598	1070
Balance of profit taken to Balance Sheet	2162	1598

## WORKING RESULTS

During the period under review, your Company achieved a turnover of Rs. 34617 lakhs with about 25% growth in value addition. The profit after tax has also grown to Rs.716 lakhs from Rs. 680 lakhs in 1997-98. There has also been improvement on different financial parameters in 1998-99 over that of in 1997-98 and some of them are given below:

	1998-99	1997-98
Value addition to Person Power	7.08	5.91
PBIT/ Capital employed (%)	19.55	18.79
Share Price (BSE)	Rs.523.25 (As on 31/3/99)	Rs. 94.50 (As on 31/3/98)

## DIVIDEND

Your Directors recommend for your consideration payment of dividend at 10% for the year ended March 31, 1999.



## STRATEGIC BUSINESS UNITS (SBUs) PERFORMANCE:

Your Company's Strategic Business Units continue to grow. Unit-wise achievements are given below:

### CUSTOMER SERVICES:

Customer Services SBU of your Company achieved a record revenue of Rs.181 crores, with a value addition of Rs.72 crores during the year.

While business in the areas of hardware and software support, environmental engineering, networking and turnkey projects, including, equipment supply and facilities management was consolidated, the consultancy services for various IT requirements were provided and a number of MoUs with major organizations were signed to provide solutions.

A major breakthrough in the area of E-Governance was made by signing two large projects involving setting up of a fibre optic backbone LAN in various Ministries and Departments of the States of Maharashtra and Andhra Pradesh. The applications involved setting up of an Executive Information System, Registry Application System, State Excise Department Automation, Employees State Insurance, Electoral Roll Management System etc. A project of supply and system integration of desktops/laptops for the Hon'ble MPs of the 12th Lok Sabha was also completed. These applications have vast replication potential. Other all-India projects completed include, computerisation of Life Insurance Corporation and Union Bank of India Branch Automation, Marketing Network for Vishakhapatnam Steel Plant, Networked Computer Systems for Indian Oil Corporation and CMC developed Automatic Ticketing Machines for Indian Railways. Major regional projects, such as, computerisation of Calcutta Stock Exchange, Customs Site preparation at various locations, CLASS project for Andhra Pradesh & Karnataka States and Cochin Port Trust were also completed.

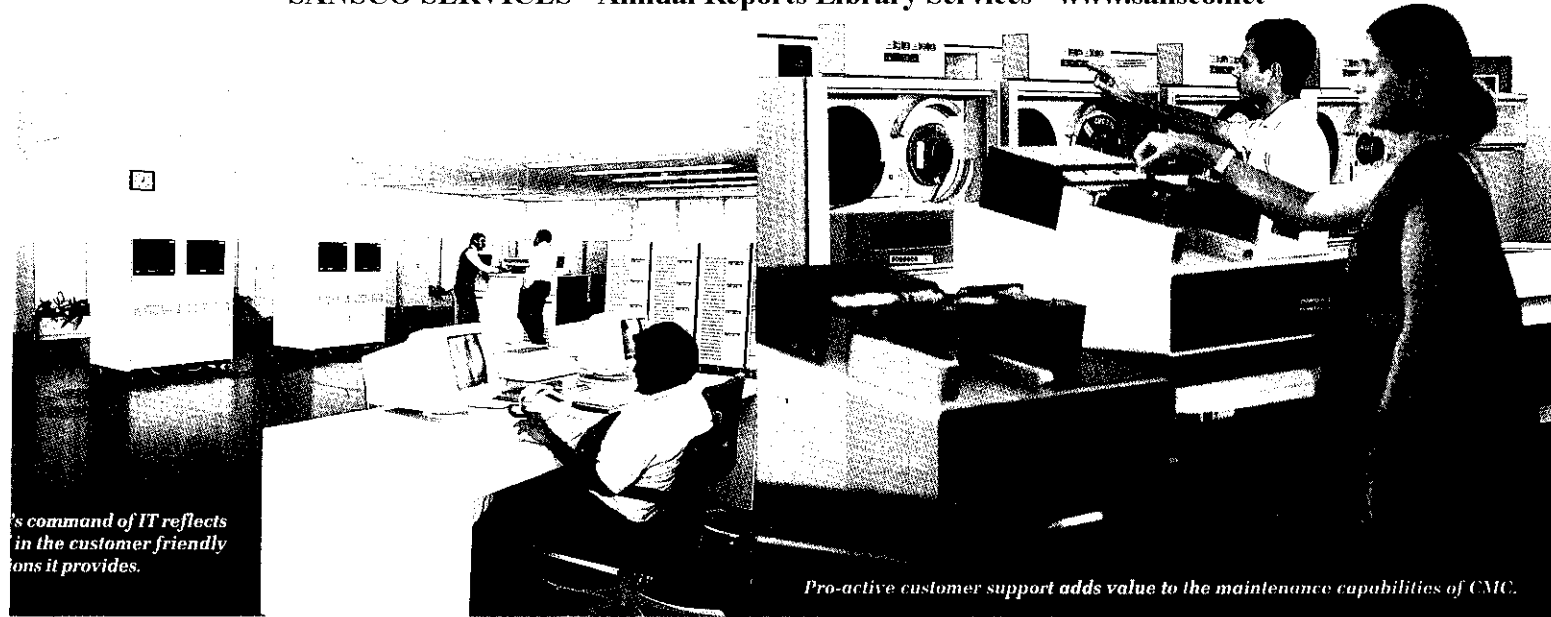
Hardware and Software support services and operating systems maintenance continue to remain the backbone of the Business Unit. A net value addition of Rs.56 crores was achieved by this activity alone. The major customers include Railways, ONGC, Stock Exchanges, Customs & Excise, RBI, Department of Space, Defence Research & Development Organization, National Remote Sensing Agency, etc. Facilities Management services were also provided to Customs & Excise and National Centre for Medium Range Weather Forecast.

Networking projects formulate a sizeable futuristic business for the Business Unit. Major projects were completed at United Telecom Ltd., VSAT based networking for Madras Refinery Ltd., NSDRC networking with Compaq servers, NML Jamshedpur, Campus LAN for National Physical Laboratory Delhi, Campus LAN for Indian Council of Forestry Research and Education at Dehradun, etc.

International Business with expertise in the area of network administration, Unix system support, VLSI software design tool support, etc. were given a major thrust and over 30 engineers were assigned to Baton Rouge International, USA, and to SUN/Digital/Compaq Corporations in South-East Asia and Japan.

The business growth through diversification of business portfolio as the key strategy and keeping in view the vast potential provided by the Y2K activities, verification/validation tools for desktop PCs, intel servers, network equipment and application software in order to make them Y2K compliant were offered. Y2K compliant solutions to RBI, Canara Bank, Bharat Petroleum and Chemicals Ltd., ACC Ltd. and GIC Housing Finance were provided. Indigenous solution for blast furnace control at Vizag Steel replacing the outdated imported Systems and a Mine Management System for Northern Coalfields Ltd. were implemented.





's command of IT reflects  
in the customer friendly  
ons it provides.

Pro-active customer support adds value to the maintenance capabilities of CMC.



Signing of an MoU with StorageTek



Having arrangements with multinationals like, IBM, HP, Compaq, Sun Microsystems, Silicon Graphics, Cabletron, Cisco, AMP, NORDX-CDT, StorageTek, etc.; the Business Unit is supporting all major ranges and makes of desktops, servers, super mini & large mainframe computer systems and continues its supremacy over all other third party maintenance companies by retaining more than 20% market share on an all-India basis.

### **Equipment Supply Group (ESG)**

ESG fulfills the needs of all SBUs for import of computer systems, peripherals, software, networking equipment, including structured cabling on an all India basis. This group specialises in the art of Systems Integration which leads to the most cost effective solutions for a wide spectrum of customers. Agreements with major multinational vendors like, IBM, HP, Compaq, Sun Microsystems, Silicon Graphics, Stratus, Cisco, and Cabletron were renewed. Some of the new OEM agreements signed by ESG during recent years were with NORDX-CDT, AMP, Computer Associates, StorageTek and Silicon Graphics.

### **Material Management Centre (MMC)**

MMC plays the role of vital support function to Customer Services and other SBUs by developing overseas vendors for critical spare parts supply at optimum cost and faster turnaround time, which enables customers to get higher system availability on a continuous basis throughout the year. Third party vendor development by MMC added significantly to value addition during the year to third party maintenance activity.

## **SYSTEMS INTEGRATION**

Systems Integration SBU of your Company continues to address the domestic market with focus on replication of projects in the identified niche areas. Enhancement of domain knowledge, technology understanding of the core groups functionality, upgradation of technology in sectoral projects and improvement of skills and knowledge of technical personnel were some of the key areas which received continued attention during the year.

Some of the important highlights and achievements of the Business Unit were as follows:

1. Having successfully implemented Screen Based Trading in Mumbai, Calcutta and Chittagong Stock Exchanges, apart from several other regional Stock Exchanges, CMC continued to provide enhancements and maintenance services to all these Stock Exchanges. The Depository Solution to Bombay Stock Exchange was implemented and has gone live with on-site maintenance support.
2. In addition to orders received for Fingerprint Analysis and Criminal Tracing System (FACTS) from Tamil Nadu, Jammu & Kashmir and Mauritius Police during 1997-98, new orders received from Andhra Pradesh, Kerala and Delhi Police were being implemented.
3. In the area of Power SCADA solutions, orders from Karnataka State Electricity Board for implementing Load Dispatch System, NTPC for Generation Data Acquisition Monitoring System (GDAMS), Haryana, Punjab and Rajasthan State Electricity Boards for Demand Side Management Systems (DSM) and Powergrid Corporation of India Ltd. for retrofitting the Control Centre under their Western Region Load Dispatch Centre were received.
4. In the area of building solutions by proactive investments for other sectors of Indian economy, Genisys was developed for General Insurance business and an order from New India Assurance for computerisation has been implemented in a large number of branches across the Country.