



CRESSANDA COMMERCIAL & FINANCING LIMITED



**16TH ANNUAL REPORT
2000 - 2001**

**SIXTEENTH
ANNUAL GENERAL MEETING**

On Monday, the 30th July, 2001
at 4.00 p.m.

at

Barodawala Mansion,
Ground Floor,
81, Dr. Annie Besant Road,
Worli, Mumbai-400 018
Maharashtra

Request to Shareholders

1. Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as copies of the Report will not be distributed at the Meeting.
2. Kindly send all your transfer deeds together with Share Certificates for transfer of shares to our Registrar and Share Transfer Agents at the following address:

Sharepro Services

Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (E),
Mumbai - 400 099.

3. Kindly notify change of your address and write to the Registrar and Share Transfer Agents in respect of any matter connected with your shares.



CRESSANDA COMMERCIAL & FINANCING LIMITED

BOARD OF DIRECTORS

Mr. Philip John Scott Gray *Chairman*

Ms. Rashmi Agarwal *Managing Director*

Mr. Manoj Murarka

Mr. Mahesh Anantharaman

Mr. Sandeep Talwar

Mr. Rahul Agarwal

Mr. Rohit Agarwal

Mr. Kalpesh Shah

Mr. Vinay Karve *Whole-time Director*

Mr. Rakshit Jain

COMPANY SECRETARY

Mr. Ravikant Baheti

AUDITORS

M/s. Shah & Co.
Chartered Accountants

BANKERS

Citibank. N.A., Mumbai

REGISTERED OFFICE

26/27, Khatau Building,
A.D. Modi Marg, Fort,
Mumbai - 400 023.

CORPORATE OFFICE

Barodawala Mansion.
Ground Floor,
81, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.



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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of Cressanda Commercial & Financing Ltd. will be held at its Corporate Office at Ground Floor, Barodawala Mansion, 81, Dr. Annie Besant Road, Worli, Mumbai 400018 on Monday, 30th July, 2001 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint M/s. Shah & Co. Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions:

3. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Philip John Scott Gray who was appointed by the Board of Directors as an Additional Director with effect from 12th January, 2001 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Manoj Murarka who was appointed by the Board of Directors as an Additional Director with effect from 11th December, 2000 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Rahul Agarwal who was appointed by the Board of Directors as an Additional Director with effect from 11th December, 2000 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Sandeep Talwar who was appointed by the Board of Directors as an Additional Director with effect from 11th December, 2000 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Kalpesh Shah who was appointed by the Board of Directors as an Additional Director with effect from 11th December, 2000 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Mahesh Anantharaman who was appointed by the Board of Directors as an Additional Director with effect from 12th January, 2001 and who by virtue of the provisions of Section 260



of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Rakshit Jain who was appointed by the Board of Directors as an Additional Director with effect from 12th January, 2001 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

10. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Rohit Agarwal who was appointed by the Board of Directors as an Additional Director with effect from 25th May, 2001 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

11. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Ms. Rashmi Agarwal who was appointed by the Board of Directors as an Additional Director with effect from 13th March, 2001 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing her candidature for office of Director, be and is hereby appointed as a Director of the Company."

12. As an ORDINARY RESOLUTION:

"RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, the consent of the Company be and is hereby accorded to the appointment of Ms. Rashmi Agarwal as the Managing Director of the Company for a period of three years from 13th March, 2001 upon and subject to the terms and conditions including remuneration as are set out in the agreement entered into between the Company and Ms. Rashmi Agarwal, a copy whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board and Ms. Rashmi Agarwal."

13. As an ORDINARY RESOLUTION:

"RESOLVED THAT, Mr. Vinay Karve who was appointed by the Board of Directors as an Additional Director with effect from 11th December, 2000 and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company."

14. As an ORDINARY RESOLUTION:

"RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, the consent of the Company be and is hereby accorded to the appointment of Mr. Vinay Karve as the Whole-time Director of the Company for a period of three years from 11th December, 2000 upon and subject to the terms and conditions including remuneration as are set out in the agreement entered into between the Company and Mr. Vinay Karve, a copy whereof is placed before this meeting which, agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board and Mr. Vinay Karve."

15. As a SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows: Insert the following Heading and Article as Article 13A after Article 13 :

13A DEMATERIALISATION OF SECURITIES

- i. For the purpose of this Article:



Definitions

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996;

"Depositories Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof;

"Depository" means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992;

"SEBI" means the Securities and Exchange Board of India; and

"Security" means such security as may be specified by SEBI from time to time.

ii. Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

iii. Option for Investors

Every person subscribing to / acquiring securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

iv. Securities in Depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

v. Rights of Depositories and Beneficial Owners

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

vi. Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

vii. Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

viii. Allotment of Securities dealt with by a Depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

ix. Distinctive numbers of Securities held in a Depository

Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.



x. Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

16. As a SPECIAL RESOLUTION

"RESOLVED THAT subject to the approval of the Central Government under section 21 of the Companies Act, 1956, the name of the Company be changed from 'Cressanda Commercial and Financing Limited' to 'Cressanda Solutions Limited' and accordingly the name 'Cressanda Commercial and Financing Limited' be substituted by the name 'Cressanda Solutions Limited' wherever it occurs in the Memorandum and Articles of Association of the Company."

By order of Board of Directors
for **Cressanda Commercial & Financing Ltd.**

Ravikant Baheti
Company Secretary

Mumbai, May 25, 2001

Registered Office:
26/27, Khatau Building,
Alkesh Dinesh Modi Marg,
Fort, Mumbai - 400 023.

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 proxy need not be a member. The proxies to be effective should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from July 23, 2001 to July 30, 2001 (both days inclusive) in connection with Annual General Meeting.
4. Members are requested to intimate to the Company, changes, if any, in their Registered Address along with Pin Code Numbers.
5. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M., except on holidays up to the date of Annual General Meeting.



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

Item Nos. 3 to 10:

Mr Philip John Scott Gray, Mr Manoj Murarka, Mr Rahul Agarwal, Mr Sandeep Talwar, Mr Kalpesh Shah, Mr Mahesh Anantharaman, Mr Rakshit Jain and Mr Rohit Agarwal were appointed as Additional Directors of the Company effective from the dates mentioned in their respective resolutions. Pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956 these Directors hold office only up to the date of this Annual General Meeting and are eligible for appointment. The Company has received notices in writing and the deposits pursuant to Section 257 of the Companies Act, 1956 from members proposing their candidature for the office of Director at this Annual General Meeting. The Board recommends their appointment as Directors of the Company.

Item Nos.11 & 12:

The Board of Directors of the Company at its Meeting held on 13th March, 2001 appointed Ms. Rashmi Agarwal as an additional director of the Company. Pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956 Ms. Rashmi Agarwal holds office only up to the date of this Annual General Meeting and is eligible for appointment. The Company has received notice in writing and the deposits pursuant to Section 257 of the Companies Act, 1956 from a member proposing Ms. Rashmi Agarwal's candidature for the office of Director at this Annual General Meeting. The Board recommends her appointment as Director of the Company.

At the aforesaid Meeting of the Board of Directors Ms. Rashmi Agarwal was appointed as Managing Director of the Company for a period of three years with effect from 13th March, 2001 on the terms and conditions as set out in the agreement entered into between the Company and Ms. Rashmi Agarwal. Her appointment and remuneration and perquisites payable by the Company are subject to approval of the Members of the Company under sections 198, 269, 309 and 310 of the Companies Act, 1956.

Ms. Rashmi Agarwal is a women pioneer of the Indian stock markets, having successfully run the Batlivala & Karani Group for over 25 years. She entered into a joint venture with HSBC for stock broking in India in 1993. She has also been instrumental in promoting various companies in the IT, Housing Finance and other sectors. During her tenure she has held several responsible positions and has the necessary professional knowledge and expertise.

The remuneration payable to Ms. Rashmi Agarwal as set out in the Agreement entered in to between the Company and her is as follows:

1. Period of Appointment: Three years w.e.f. 13th March, 2001
2. Remuneration:

(i) Salary:

Not exceeding Rs.60,000/- per month.

(ii) Accommodation:

Accommodation (furnished or otherwise) or the house rent allowance in lieu thereof; and house maintenance expenses, society charges and the like relating thereto on actual basis.

(iii) Perquisites:

Perquisites together with utilities thereof such as gas, electricity, water, furnishing and repairs, servants allowance, education allowance for dependent children, entertainment and newspaper and periodicals allowance, medical reimbursements, leave travel allowance for self and family, club fees, medical insurance, reimbursement of mobile telephone bill and resident telephones bills and the like in accordance with the rules of the Company or as agreed by the Board of Directors, the total value of such perquisites to be restricted to an amount not exceeding her annual salary.

(iv) Retirement Benefits:

Company's contribution to Provident Fund or Superannuation Fund or Annuity Fund, to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961 and Gratuity payable in accordance with the rules of the Company and the value of such benefits shall not be included in the computation of the ceiling on remuneration or perquisites aforesaid.

**(v) Use of Car and Telephone:**

Provision of the Company car and driver for the Company's business and telephone at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(vi) Leave:

In accordance with the Rules and Regulations of the Company.

During the term of employment of the Managing Director, in the event in any financial year, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule XIII to the Companies Act, 1956 unless otherwise approved by the Central Government, the remuneration shall be paid as per the monetary ceiling prescribed in Schedule XIII to the Companies Act, 1956 or any re-enactment thereof.

Ms. Rashmi Agarwal will not be entitled to sitting fees for attending Meetings of the Board of Directors or Committee(s) thereof.

The Board of Directors are authorized to increase, augment, and/ or enhance or vary the remuneration to be paid and provided from time to time to Ms. Rashmi Agarwal in accordance with the provisions of the Companies Act, 1956 and/or any statutory modification or re-enactment thereof, and/or the guidelines for managerial remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time; and Ms. Rashmi Agarwal shall perform such duties and exercise such powers as may from time to time be assigned to her by the Board of Directors of the Company.

The Directors therefore, recommend the passing of the Ordinary Resolution.

None of the Directors other than Ms. Rashmi Agarwal may be considered to be concerned or interested in the proposed resolution.

The Agreement entered in to between the Company and Ms. Rashmi Agarwal is available for inspection to the members at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. except on holidays up to the date of Annual General Meeting.

Item Nos.13 & 14:

The Board of Directors of the Company at its Meeting held on 11th December, 2000 appointed Mr. Vinay Karve as an additional director of the Company. Pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956 Mr. Vinay Karve holds office only up to the date of this Annual General Meeting and is eligible for appointment. The Company has received notice in writing and the deposits pursuant to Section 257 of the Companies Act, 1956 from a member proposing Mr. Vinay Karve's candidature for the office of Director at this Annual General Meeting. The Board recommends his appointment as Director of the Company.

At the aforesaid Meeting of the Board of Directors Mr. Vinay Karve was appointed as Whole-time Director of the Company for a period of three years with effect from 11th December, 2000 on the terms and conditions as set out in the agreement entered into between the Company and Mr. Vinay Karve. His appointment and remuneration and perquisites payable by the Company are subject to approval of the Members of the Company under sections 198, 269, 309 and 310 of the Companies Act, 1956.

Mr. Vinay Karve holds Masters degree in Commerce, is a Law Graduate and is also a Chartered Secretary from the Institute of Company Secretaries of India. He is responsible for the Legal and Compliance division of the Company. Having worked with the Tata Group, Essar Group, he brings rich experience and is instrumental in guiding the company in its restructuring efforts.

The remuneration payable to Mr. Vinay Karve as set out in the agreement entered in to between the Company and Mr. Vinay Karve is as follows:

1. Period of Appointment: Three years w.e.f. 11th December, 2000
2. Remuneration:

(i) Salary:

Not exceeding Rs.60,000/- per month.

(ii) Accommodation:

Accommodation (furnished or otherwise) or the house rent allowance in lieu thereof; and house maintenance expenses, society charges and the like relating thereto on actual basis.