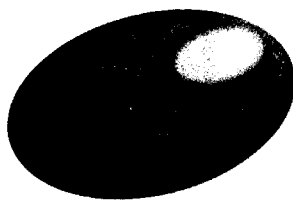


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Cressanda
SOLUTIONS

Cressanda Solutions Ltd.
EIGHTEENTH ANNUAL REPORT
2002-2003

**EIGHTEENTH
ANNUAL GENERAL MEETING
of
Cressanda Solutions Limited**

On Tuesday, 30th September 2003
at 4.00 P.M.

at

3rd Floor, Union Bank of India Building,
Dalal Street, Fort,
Mumbai - 400 023.

Request to Shareholders

1. Shareholders are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the report will not be distributed at the meeting.
2. The Shareholders are requested to apply for change from physical shares to shares in electronic form (demat) with our Registrar and Share Transfer Agent.
3. Kindly send all your transfer deeds together with share certificates for transfer of shares to our Registrar and Share Transfer Agent at the following address:

Sharepro Services

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

4. Kindly notify change of your address and write to our Registrar and Share Transfer Agent in respect of any matter connected with your shares.



CRESSANDA SOLUTIONS LIMITED

BOARD OF DIRECTORS

Ms. Rashmi Agarwal	<i>Chairperson and Managing Director</i>
Mr. Manoj Murarka	
Mr. Sandeep Talwar	<i>Appointed as Addl. Director w.e.f. 28th April 2003</i>
Mr. Rahul Agarwal	<i>Resigned as Director w.e.f. 28th April 2003</i>
Mr. Mahesh Anantharaman	<i>Resigned as Director w.e.f. 28th April 2003</i>
Mr. Rohit Agarwal	<i>Appointed as Addl. Director w.e.f. 28th April 2003</i>
Mr. Kalpesh Shah	
Mr. Vinay Karve	
Mr. Vivek Misra	<i>Appointed as Addl. Director w.e.f. 31st January 2003</i>
Mr. Rohit Khaitan	<i>Appointed as Addl. Director w.e.f. 30th June 2003</i>

COMPANY SECRETARY

Mr. Ravikant Baheti

AUDITORS

M/s Sundeep Mohindru & Associates,
Chartered Accountants,
New Delhi

BANKERS

Hongkong & Shanghai Banking Corporation, New Delhi

REGISTERED OFFICE

26/27, Khatau Building,
Alkesh Dinesh Modi Marg,
Fort, Mumbai – 400 023

CORPORATE OFFICE

G-1, Delhi Blue Apartment,
2, Factory Road,
Safdarjung Ring Road,
New Delhi – 110 029



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Cressanda
SOLUTIONS

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of Cressanda Solutions Limited will be held at 3rd Floor, Union Bank of India Building, Dalal Street, Fort, Mumbai 400 023 on Tuesday, 30th September, 2003 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, 2003 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Vinay Karve, who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint M/s Sundeep Mohindru & Associates, Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Meeting, until the conclusion 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 resolution:

4. As an Ordinary Resolution:

"RESOLVED THAT Mr. Vivek Misra who was appointed by the Board of Directors as an Additional Director with effect from 31st January, 2003 and who by the 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. Sandeep Talwar who was appointed by the Board of Directors as an Additional Director with effect from 28th April, 2003 and who by the virtue of the provisions of section 260 of the Companies Act, 1956 holds office up to 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. Rohit Agarwal who was appointed by the Board of Directors as an Additional Director with effect from 28th April, 2003 and who by the virtue of the provisions of section 260 of the Companies Act, 1956 holds office up to 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. Rohit Khaitan who was appointed by the Board of Directors as an Additional Director with effect from 30th June, 2003 and who by the virtue of the provisions of section 260 of the Companies Act, 1956 holds office up to 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".

By order of the Board of Directors
for **Cressanda Solutions Limited**

Ravikant Baheti
Company Secretary

Date: Friday July 18, 2003

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. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, September 22, 2003 to Tuesday, September 30, 2003 (both days inclusive) in connection with Annual General Meeting.
3. Members are requested to intimate to the Company, changes, if any, in their Registered Address along with PIN Code Numbers.
4. The Company, consequent upon the introduction of the Depository system (DS), entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares of the Company. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item 4

Mr. Vivek Misra was appointed as an Additional Director of the Company effective from the date mentioned in the resolution, pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956. The Company has received a notice under Section 257(2) Companies Act, 1956 from a member proposing his candidature for the office of Director at this Annual General Meeting. The Board recommends his appointment as Director of the Company.

None of the Directors, except Mr. Vivek Misra, is concerned or interested in the resolution at Item No.4.

Item 5

Mr. Sandeep Talwar was appointed as an Additional Director of the Company effective from the date mentioned in the resolution, pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956. The Company has received a notice under Section 257(2) Companies Act, 1956 from a member proposing his candidature for the office of Director at this Annual General Meeting. The Board recommends his appointment as Director of the Company.

None of the Directors, except Mr. Sandeep Talwar, is concerned or interested in the resolution at Item No. 5.

Item 6

Mr. Rohit Agarwal was appointed as an Additional Director of the Company effective from the date mentioned in the resolution, pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956. The Company has received a notice under Section 257(2) Companies Act, 1956 from a member proposing his candidature for the office of Director at this Annual General Meeting. The Board recommends his appointment as Director of the Company.

None of the Directors, except Mr. Rohit Agarwal, is concerned or interested in the resolution at Item No. 6.

Item 7

Mr. Rohit Khaitan was appointed as an Additional Director of the Company effective from the date mentioned in the resolution, pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956. The Company has received a notice under Section 257(2) Companies Act, 1956 from a member proposing his candidature for the office of Director at this Annual General Meeting. The Board recommends his appointment as Director of the Company.

None of the Directors, except Mr. Rohit Khaitan, is concerned or interested in the resolution at Item No. 7.

**By order of the Board of Directors
for Cressanda Solutions Limited**

Date: Friday July 18, 2003

**Ravikant Baheti
Company Secretary**

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

OTHER INFORMATION

Mr. Vivek Misra, holds a Masters Degree in Commerce. He is the member of Audit Committee. He has a vast experience with him of more than a decade in the areas of internal audit, statutory audit and management audit. He is associated with various audit & consultancy firms.

Mr. Sandeep Talwar, is a software technocrat and was co-founder of Adroit Computer Technique Pvt. Ltd. now merged with Cressanda Solutions Ltd. He is instrumental in running the Indian software development operations and is also responsible for all international marketing other than the U.S.A. He brings with him years of experience and expertise in software industry.

Mr. Rohit Agarwal, holds a Bachelor's degree in Commerce. He is responsible for the administration, finance, human resources and domestic marketing of Cressanda Solutions Ltd. and is based in New Delhi. He brings with him years of experience and expertise in software industry.

Mr. Rohit Khaitan, holds a Bachelor's degree in Commerce. He brings with him years of experience and expertise in automobile, transport, logistics and Business Process Outsourcing industries.

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

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DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Annual Report of the Company with the Audited Statement of Accounts for the Financial Year ended March 31, 2003.

Financial Results

Particulars	Rs. In lacs	
	2002-2003	2001-2002
Income from Operations	558.29	306.38
Operating Profit/(Loss)	140.07	(48.92)
Depreciation	126.33	40.81
Profit/(Loss) before Tax	9.21	(89.73)
Provision for Tax	0.07	0.65
Profit/(Loss) after Tax	9.14	(90.38)
Profit/(Loss) brought forward	(191.11)	(100.73)
Balance carried forward to Balance Sheet	(181.97)	(191.11)

Business Activity & Operations

2002-03 was a challenging year for the Indian software industry. It's all round growth was affected by several factors. The United States, which is one of the largest markets for Indian software exports, has witnessed a substantial slide in the economy. The impact on the Indian software industry is due to globally adverse economic environment making a huge blow to the Indian software exports. The Companies world over have reduced their IT spending on technology and are seeking increased return on their IT investments. At the same time, clients are looking to consolidate their IT spend with fewer, financially robust, high-quality vendors that provide comprehensive end-to-end services/solutions.

The Income from Operations of the Company, during the year under review, increased by about 82.22% from Rs. 306.38 lacs in the last year to Rs. 558.29 lacs. Profit before depreciation and tax was Rs. 140.07 lacs as compared to last year's loss of Rs. 48.92 lacs. Your management believes that the company has performed satisfactorily during the year.

Dividend

The Directors have not recommended any dividend for the year.

Change of Name of subsidiary

During the year the wholly owned subsidiary of the Company has changed its name from Adroit Computer Technique Inc., USA to Cressanda Solutions Inc., USA.

Fixed Deposit

During the year under review the Company has not accepted any fixed deposits from the Public and as such no amount of principle or interest was outstanding on the date of the Balance sheet.

Corporate Governance

Your Company is committed to Corporate Governance, firmly believes in and consistently follows Corporate Governance practices, leading to increasing transparency and accountability to all its shareholders.

The Company has adequate internal control structures that ensure strict compliance with legal requirements and reliable financial reporting. It ensures that management implements and maintains effective business controls, including internal financial controls. The effectiveness of these controls is monitored by self-assessment and by audits performed by internal and external auditors.

Good Corporate Governance encompasses the practices and procedures to be observed by the management with regard to laws, regulations, procedures and disclosures that must be adhered to at all times. Cressanda being a responsible partner of the society has always acted with integrity towards its shareholders, customers, employees, the government and its business partners.

A detailed Corporate Governance Report is set out in **Annexure 'A'**

Directors' Responsibility

Pursuant to Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the Directors confirm that:

- 1 in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2 the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year;
- 3 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;
- 4 the Directors have prepared the Annual Accounts on a going concern basis.

Subsidiary Companies

Your Company has two wholly owned subsidiaries viz. Ecom Concepts (India) Pvt. Ltd. and Cressanda Solutions Inc. The Accounts of these subsidiary companies together with the Auditors' Report for the year ended on 31st March 2003 are attached with this report as required under the section 212(1) of the Companies Act, 1956.

Directors

During the year under review, Mr. Vivek Misra, Mr. Sandeep Talwar, Mr. Rohit Agarwal and Mr. Rohit Khaitan have been appointed as Additional Directors and are eligible for reappointment as Directors in the forthcoming Annual General Meeting. Mr. Mahesh Ananthraman and Mr. Rahul Agarwal resigned from directorship of the Company. Your Directors place on record their sincere appreciation for the contribution made by these directors during their tenure. Mr. Vinay Karve, Director, retires by rotation, in adherence to the provisions of the Companies Act, 1956 and the Articles of Association of the Company. Being eligible, he offers himself for re-election.

Auditors

The Auditors, Sundeep Mohindru & Associates retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has obtained a written certificate from the auditors, to the effect that their appointment, if made, in the ensuing Annual General Meeting, will be in accordance with the statutory limits of the audit of the companies as per sub-section (1B) of section 224 of the Companies Act, 1956

A detailed Auditors' Report on Corporate Governance is set out in **Annexure 'B'**