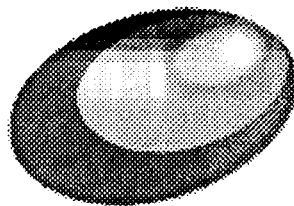


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Cressanda Solutions Ltd.
NINETEENTH ANNUAL REPORT
2003-2004

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

On Thursday, the September 30, 2004
at 4.00 P.M.

at

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

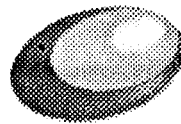
Request to Shareholders

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 (de-mat) 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.



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CRESSANDA SOLUTIONS LIMITED

BOARD OF DIRECTORS

Mr. Rahul Agarwal

Mr. Rohit Agarwal

Mr. Sandeep Talwar

Mr. Rohit Khaitan

Mr. Kalpesh Shah

Mr. M.N. Shenoy

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

A-90, Ishan House,
1st Floor, Sector-2
Noida-201301 (U.P)



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NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of Cressanda Solutions Limited will be held at 3rd Floor, Union Bank of India Building, Dalal Street, Fort, Mumbai-400023 on Thursday, September 30, 2004 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2004 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint M/S Sundeep Mohindru & Associates, 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.
3. To appoint a Director in place of Mr. Kalpesh Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sandeep Talwar, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

5. As an Ordinary Resolutions

"RESOLVED THAT Mr. Rahul Agarwal who was appointed by Board of Directors as an Additional Director with effect from December 2, 2003 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 Resolutions

"RESOLVED THAT Mr. M.N. Shenoy who was appointed by Board of Directors as an Additional Director with effect from December 2, 2003 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 a Special Resolutions

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to all such statutory approvals as may be necessary, approval of members of the Company be and is hereby accorded to the appointment of Mr. Rahul Agarwal as Chairman & Managing Director for a period of three years with effect from August 1, 2004 at the remuneration and other terms and conditions as contained in the agreement dated July 31, 2004 an abstract whereof as set out in the explanatory statement relating to this resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of Board of Directors
for **Cressanda Solutions Ltd.**

Date: July 31, 2004

Registered Office:

26/27, Khatau Building, A.D. Modi Marg
Fort, Mumbai-400023

Ravikant Baheti
Company Secretary


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 thereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 28, 2004 to Thursday, September 30, 2004 (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 resolution 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 Annual General Meeting.
6. 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 5

Mr. Rahul 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. Rahul Agarwal and Mr. Rohit Agarwal, being relative of each other, is concerned or interested in the resolution at Item No.5.

Item 6

Mr. M.N. Shenoy 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. M.N. Shenoy, is concerned or interested in the resolution at Item No. 6.

Item 7

Mr. Rahul Agarwal was appointed as an Additional Director of the Company with effect from December 2, 2003. Now, it is proposed to appoint him as Chairman & Managing Director of the Company with effect from August 1, 2004. For the same, the consent of members of the Company is being sought through this resolution

Terms and Conditions:

1. Salary, Perquisites and Allowances
2. Other Benefits

Nil

a) Motor Car

Free use of chauffeur driven car for Company's business will not be considered as perquisite.

b) Telephone

Free cell phone facility will not be considered as perquisite.



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Mr. Rahul Agarwal will also be entitled, inter alia, to contributory PF, Gratuity and Leave Encashment as per the Company's rules.

The aggregate of remuneration as above shall not exceed the limits laid down in Schedule-XIII to the Companies Act, 1956.

The aforesaid appointment and remuneration payable is however subject to the approval of the members in the ensuing Annual General Meeting.

The agreement dated July 31, 2004 is available for inspection by the members of the Company between the hours of 10.30 a.m. to 12.30 p.m. on any working day

The explanatory statement is and should also be treated as an abstract under Section 302 of the Companies Act, 1956.

The Directors recommend that the resolutions as set out in item no. 7 of the notice be adopted.

By order of Board of Directors
for **Cressanda Solutions Ltd.**

Date: July 31, 2004

Registered Office:

26/27, Khatau Building, A.D. Modi Marg
Fort, Mumbai-400023

Ravikant Baheti
Company Secretary

OTHER INFORMATION

Mr. Rahul Agarwal holds a Bachelor's degree in commerce. He has vast experience in Securities and Housing Finance business, having successfully run the Global Housing Finance Corporation Limited for over 10 years. He has also been instrumental in promoting various Companies in the IT, Housing Finance and other Sectors. During his tenure he has held several responsible positions and has the necessary professional knowledge and expertise.

Mr. M.N. Shenoy holds a Bachelor's degree in Arts and Law and is CAIIB qualified. He is enriched with vast experience of 45 years in banking and housing finance business. He worked for 42 years with a Public Sector Bank.



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, 2004.

Financial Highlights

	Rs. In Lacs	
	2003-2004	2002-2003
Gross Income from Operations	488.19	558.29
Operating Profit/(Loss)	94.58	140.07
Depreciation	66.77	126.33
Finance Charges	3.55	4.53
Extraordinary items	3.39	—
Profit/(Loss) before Tax	20.87	9.21
Provision for Tax	0.08	0.07
Profit/(Loss) after Tax	20.79	9.14
Profit/(Loss) brought forward	(181.96)	(191.11)
Balance carried forward to Balance Sheet	(161.17)	(181.97)

Operations

During the year, the Gross Income from Operations of the Company was Rs.488.19 Lacs and Operating Profit was Rs.94.58 Lacs.

Dividend

The Directors have not recommended any dividend for the year.

Business Activity

It 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.

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.



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Corporate Governance

Your Company is committed to Corporate Governance, firmly believes in and consistently follows good 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

During the year, your Company has sold 51% stake in the equity share capital of its wholly owned subsidiary, M/s Ecom Concepts (India) Pvt. Ltd. The accounts of subsidiary company, Cressanda Solutions, Inc., together with the Auditors' Report for the year ended on March 31, 2004 are attached with this report in Annexure 'B', as required under the section 212(1) of the Companies Act, 1956.

Directors

During the year under review, Ms. Rashmi Agarwal, Mr. Manoj Murarka, Mr. Mahesh Anantharaman and Mr. Vivek Misra resigned from directorship of the Company. Your directors place on record sincere appreciation for the contribution made by their directorship during their tenure. Mr. Kalpesh Shah and Mr. Sandeep Talwar, Directors, retire by rotation, in adherence to the provisions of the Companies Act, 1956 and the Articles of Association of the Company. Being eligible, they offer themselves for re-election.

Auditors

The Auditors, M/s 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'


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Conservation Of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company does not own any manufacturing facilities and consequently the disclosure of information on conservation of energy, technology absorption etc., required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Director's) Rules, 1988 not being applicable, is not given.

A. RESEARCH AND DEVELOPMENT

Research and Development activities by way of software development for commercial applications on turnkey basis – right from systems study, design, development to implementation and training are being undertaken on an ongoing basis. Also involving in applications for the Internet, developing portal sites, web sites, e-commerce and supply chain solution.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

	INR
(a) Income from software development services and products	3,33,40,006
(b) Expenditure in foreign currency	11,45,166

Particulars of Employees

The Company has no employees during the year in respect of which the statement pursuant to sub-section (2A) of Section 217 of the Companies Act, 1956 as amended by the Companies Amendment Act, 1988 read with the Companies (Particulars of Employees) Rules, 1975, is required to be annexed.

Acknowledgements

Your Directors thank the Company's clients, business associates, vendors, investors and bankers for their continued support to its growth. Your Directors also place on record their appreciation for significant contribution made by the employees at all levels.

For and on behalf of the Board of Directors,

Sandeep Talwar
Director

Rahul Agarwal
Director

Place: New Delhi

Date: Friday July 15, 2004

Cressanda Solutions Limited

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