



Cressanda Solutions Limited

ANNUAL REPORT
2012 - 2013

Board of Directors :

Mr. Ajit Kumar Tulsian

Mr. Aman Pradeep Choudhary

Mr. Ankit Kumar Agarwal

Registered Office :

21 New Marine Lines, Churchgate,

Office No. 307, 3rd Floor,

Maker Bhavan 3,

Mumbai – 400 020.

Auditors :

M/s. Agarwal Sangneria & Co.

Chartered Accountants

Registrar and Share Transfer Agent :

Share Pro Services (India) Private Limited

13 AB, Samhita Warehousing Complex,

2nd Floor, Sakinaka Telephone Exchange

Lane, Off Andheri Kurla Road,

Sakinaka, Mumbai – 400 072

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Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders of Cressanda Solutions Limited will be held at N.J. Nair Conference Room, 4th Floor, Bholgilal Hargovindas Building, 18/20 K Dubash Marg, Kalaghoda, Fort, Mumbai – 400001 on Saturday the 7th day of September 2013 at 10:00 a.m. for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Ajit Kumar Tulsian, who retires by rotation, and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION:

“RESOLVED THAT Agarwal & Sanganerla Chartered Accountants, (Firm Registration No. 317224E) be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.”

“RESOLVED FURTHER THAT the remuneration payable together with the out-of –pocket expenses, if any, and the installments in which the remuneration is payable to the Auditors shall be such as shall be mutually agreed upon between the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit pass with or without modification the following as an SPECIAL RESOLUTION: “RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’) and the provisions of Article 72(b) of the Article of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from appropriate authorities or bodies, each of the 4,40,00,000 equity shares of the nominal value of Rs 10/- each in the authorised share capital of the Company be sub-divided into 44,00,00,000 equity shares of Re 1/- each and that Clause V (being the Capital Clause) of the Memorandum of Association of the company relating to equity shares be altered accordingly”

BY ORDER OF THE BOARD

Sd/-
Aman Choudhary
Director

Place: Kolkata
Dated: 24th July 2013
NOTES:

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect to the business under items 4 is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
3. Proxies should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books will remain closed from 30th August to 7th September 2013, both days included.

5. No dividend has been proposed by the board for the year ended March 31, 2013.
6. Notice of the annual general meeting and Annual Report of the company will be sent to those shareholders whose name will appear in the register of members received from the depositories as on Friday, August 2nd, 2013.
7. Members are requested to send their queries, if any, to reach the Company's Registered office at least 10 days before the date of the meeting so that information can be made available at the meeting.
8. As required by the Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment as Item No. 2 is given below

Name of the Director : Mr Ajit Kumar Tulsian

Date of Birth	24 th January 1958
Date of Appointment	11/02/2013
Qualifications	Chartered Accountant
Expertise in specific functional area	Financial Consultant, Taxation and Auditing Professional
Directorship held in other public companies (excluding Directorships in foreign and private companies & alternate directorships)	None
Memberships / Chairmanships of Committees in public companies	None
Shareholding, if any, in the Company	None
Disclosure of relationship	Director and Shareholder in the promoter company

Annexure to Notice**Explanatory Statement pursuant to Section 173 of the Companies Act, 1956:**

The following explanatory statement sets out material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the notice.

Special Business

For Item No.4

Mr. Ajit Kumar Tulsian Director informed the members that the market price of the shares has witnessed significant spurt over past several months. Hence in order to improve the liquidity of the company's share in the stock market and to make it affordable to small investors, it is decided to sub divide the nominal value of equity shares from Rs. 10 per share to Rs. 1 per share.

BY ORDER OF THE BOARD

Sd/-
Aman Choudhary
Director

Place : Kolkata
Dated : 24th July 2013

Directors' Report

To The Members

Your Directors have pleasure in presenting their Annual Report together with Audited Statement of Accounts for the year ended 31st March 2013.

Financial Results

Particulars	Previous year ended 31/03/2013 Amount (Rs.)
Total Income	1,06,23,186.75/-
Total Expenditure	56,83,421.56/-
Profit before depreciation, interest & taxation	55,56,983.10/-
Depreciation & Amortisation	1,26,438.46/-
Profit/(Loss) before Tax	49,39,765.19/-
Provision for Taxation – Current, FBT & Deferred	9,35,000/-
Profit/(Loss) after Tax	40,03,673.19/-
Amount carried forward to Balance Sheet	62,81,735.55/-

Dividend

The Directors do not recommend payment of dividend for the financial year.

Corporate Governance

The company has complied with all the mandatory requirements as prescribed under clause 49 of the Listing Agreement with Bombay stock Exchange Limited (BSE). A separate section on corporate governance forms part of Annual Report. A certificate regarding compliance of condition of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

Directors retiring by rotation

Mr Ajit Kumar Tulsian, Director of the company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed;
- The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of financial year and of the profit of your Company for the year;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- The Annual Accounts have been prepared on a going concern basis.

Audit Committee

The Audit Committee comprises of Mr. Ajit Kumar Tulsian (Chairman), Mr. Ankit Agarwal. The Audit Committee meets 4 times during the year under review.

Auditors

M/s Agarwal Sangneria & Co., Chartered Accountants retires at the conclusion of the ensuing Annual General Meeting, and being eligible, offer them for reappointment. The Company has received a Certificate from the auditors to the effect that their reappointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

Auditor's Report

The observations made by the Auditors in their report are appropriately dealt with in the notes forming part of the accounts for the year which are self-explanatory and hence do not require any further explanation.

Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read it with Companies (Particulars of Employees) Rules, 1975 is not given, as there were no employees drawing remuneration prescribed under the said section.

Additional Information

Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology, foreign exchange earnings and outgo are not applicable to the Company u/s 217(1)(e) of the Companies Act, 1956, for the year.

Acknowledgement

The Directors wish to place on record their sincere appreciation for the committed and dedicated services of the employees of the Company, who have ensured that the company continues to grow at a faster pace. The Board also wishes to thank Government of India, various State Governments and the Company's Bankers for all the help and encouragement they extend to the Company. Your Directors deeply acknowledge the continued trust and confidence that the Shareholders, Customers, the Dealers and the Suppliers have placed in your Company.

For and on behalf of the Board

Sd/-
Aman Choudhary
Director

Place : Mumbai
Date: 10th July 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**OVERVIEW:**

The financial statements have been prepared in compliance with the requirements of the Companies act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management of the Company accepts responsibility for integrity and Objectivity of these financial statements as well as various estimates and judgments.

GLOBAL AND INDIAN ECONOMY AND REALTY AND SOFTWARE SECTOR IN INDIA:

The real estate sector in India is of great importance. The real estate companies are coming up with various residential and commercial projects to fulfill the demand for residential and office properties in Tier-II and Tier-III cities. The growth in real estate in Tier-II and Tier-III cities is mainly due to increase in demand for organized realty and availability of land at affordable prices in India.

The Indian software industry is poised for a strong revenue growth driven by social media, mobility, analytics and cloud. The Indian IT industry has been primarily identified with software services. A number of software product firms have grown over the last decade from a little over 100 in the year 2000 to nearly 2,400 in 2013. According to the industry body NASSCOM, the revenue from the software product segment currently stands at \$2.2 billion and is expected to reach \$10 billion by 2020.

Business Environment and Outlook:**Diversification Strategy**

We continue to take steps to diversify our business along various dimensions. The advantage of this is both in terms of tapping a wide spectrum of business opportunities as well as diverse competencies to achieve excellence in all that we do. This strategy also provides immense scope for cross learning and innovation.

The Company plans to operate in areas like E-Governance projects, software design & development, Customer support out-sourcing, Infra properties development etc. Our range of services will include internet and intranet solutions, system integration, networking solutions and infra projects outsourcing and labour contracts.

Customers are looking for service-providers who can offer them services, which are cost-effective, possess domain expertise and can handle greater complexity and program management responsibility and capabilities on technology that can result in productive gains. The company targets new customer segments and market verticals.

Threats Risks & Concerns**(i) Competitive pressures :**

IT is one sector that is spreading its wing fast throughout the world and India is becoming a preferred destination for global IT players. As a result the competitive pressure is intensifying. The company has to operate in this competitive scenario and acquire a grip in the market to hold its foot firmly and upkeep the brand name.

(ii) Talent supply constraint:

Both the IT as well as the infrastructure sector seek Talent. This increases the cost of the talent. The company has to ensure that it acquires good talent and retains it in order to constitute its major competitive edge. The company maintains excellent work environment and competitive package for this purpose.

(iii) Technology Obsolescence:

These are the days when technology takes no time to become obsolete. Thus, to be at par with its competitors, the company has to ensure that it constantly updates and upgrades its technology.

(iv) Government Policies:

As and when there is a change in the Government, there might be a change in its policies too. Any adverse changes in its policies may affect the business operations of the company.

(v) Downturn in industries being served:

Any downturn in the industry being served could have an impact on the Company's business.

Internal Control System

The Company has in place adequate system of internal control commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized uses or loss, executing transactions with proper authorization and ensuring compliance of corporate policies.

Financial Performance

During the year under review, the Company earned a total income of Rs.1,06,23,186.75/- as compared to Rs.7,92,93,435/- in the previous year. The Company has incurred a Net Profit of Rs.40,03,673.19/- (Previous Year Net Profit of Rs. 15,46,279.19/-).

Outlook

As a forward looking statement it can be noted that the Company appears to heading better all round performance during the coming years. Towards this, the Company is working on various software packages. The company looks forward to a favorable year.

Disclaimer

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

On Behalf of the Board of Directors

Sd/-
Aman Pradeep Choudhary
Director

Place: Mumbai
Date: 10th July 2013

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-2013
(Pursuant to Clause 49 of the Listing Agreement)

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code of Corporate Governance

1) Company's Philosophy on Code of Governance

The Company's activities are carried out in accordance with good corporate practices and the company is constantly striving to better them by adopting best practices. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help it achieve its goal of maximizing value of its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision; i.e. becoming one of the highly competitive organization in its field along with upholding the core values of transparency, integrity, honesty and accountability, being the fundamental of our Organization.

The Board of Directors believe that excellence in Corporate Governance Practices can be achieved only if the spirit of Corporate Governance is followed right from the top management to the last level employee of the Company.

2) BOARD OF DIRECTORS

The Board comprises of 3 Directors, as on March 31, 2013. All the Directors are well experienced in their respective fields with experience in overall Management, Finance and Law. They bring a wide range of skills and experience to the Board.

Since the commencement of financial year 2012-2013 till March 31, 2013, a total of 8 Board Meetings were held on the following dates viz. 30.04.2012, 30.05.2012, 31.07.2012, 31.10.2012, 31.01.2013, 04.02.2013, 11.02.2013 and 31.03.2013. The maximum time gap between two board meetings did not exceed the limits prescribed in Clause 49 of listing agreement.

The details of attendance of the Directors at the Board Meeting during the year and at the Annual General Meeting are given below:

Sr. No.	Name of Directors	Category	No. of meeting for which the director was eligible	No. of meetings attended	Whether attended last AGM	Number of Other Directorship	No. of membership of Committees in other Public Ltd Companies
1	Mr. Rahul Agarwal	Non-Executive Director	7	7	Yes	6	0
2	Mr. Rohit Agarwal	Non-Executive Director	7	7	Yes	4	0
3	Mr. M N Shenoy	Executive Director	7	7	Yes	9	0
4	Mr. Rohit Khaitan	Non-Executive Director	7	7	No	0	0
5	Ms. Geetha Darbha	Non-Executive Director	7	7	No	0	0
6	Mr. Ajit Kumar Tulsian	Non-Executive Director	2	2	No	1	None
7	Mr. AmanPradeepChoudhary	Executive Director	2	2	No	1	None
8	Mr. Ankit Kumar Agarwal	Executive Director	2	2	No	1	None

Note:

An EGM was conducted on Monday, the 30th day of July, 2012 pursuant to an Order made on the 22nd day of June, 2012 by the High Court Judicature at Bombay. The Hon'ble High Court had directed that a meeting of the Equity Shareholders of the company be held, to consider and pass a resolution approving the Scheme of Amalgamation and Arrangement of Smartchamps It and Infra Limited with the company. Also to approve the reduction of Share Capital of the company from Rs. 9,00,00,000/- (Rupees Nine Crores only) divided into 90,00,000 (Ninety Lakhs) shares of Rs. 10/- each to Rs. 45,00,000/- (Rupees forty five lakhs only) divided into 4,50,000 shares of Rs. 10/- each. This is to be done through adjustment of paid up capital with the Accumulated Losses of Rs. 8,55,00,000/- of the Company.

Both the resolutions were approved at the meeting.

Particulars of Retired Directors:

Mr. Rahul Agarwal, Mr. Rohit Agarwal, Mr. M.N. Shenoy, Mrs. Geetha Darbha and Mr. Rohit Khaitan retired during the year under review.

3) Board Committees

The Board has constituted the following Committees of Directors

(a) Audit Committee**(i) Terms of Reference**

The role and terms of reference of Audit Committee are as set out in clause 49(II) (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

(ii) Composition

The Audit committee comprised of Mr. Rahul Agarwal and Mr. M.N. Shenoy for the major portion of the year and then of Mr. Ajit Kumar Tulsian and Mr. Ankit Agarwal for the rest of the year.

All the directors have good knowledge of corporate and project finance, accounts and Company law. The committee held four meetings during the year. The audit committee considered audit reports covering operational, financial and also the quarterly results of the Company. The minutes of the meetings of the audit committee are placed before the Board.

Attendance of the Members at the Meetings of Audit Committee held during 2012-2013;

Audit Committee Members	Category	Meetings during the year 2012-2013	
		Held	Attended
Mr. Rahul Agarwal	Non-Executive Director	3	3
Mr. M.N. Shenoy	Executive Director	3	3
Mr. Ajit Kumar Tulsian	Non-Executive Director & Compliance Officer	1	1
Mr. Ankit Kumar Agarwal	Executive Director	1	1