

CRESSANDA SOLUTIONS LIMITED

11/3, Firni Road, Near MCD Boys Primary School, Smalkha, New Delhi-110 037

PHONE: +91-120-439-6666 FAX +91-120-439-6667 E-MAIL: info@cressanda.com, WEBSITE: www.cressanda.com



NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of CRESSANDA SOLUTIONS LIMITED will be held on Thursday the 30th day of September, 2010 at 10.30 a.m. at Flat No. 102, Arihant Building, 15th Road, Bandra (West), Mumbai - 400 050 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the financial year ended as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rohit Agarwal, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mrs. Geetha Darbha, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint M/s. Agarwal Sangneria & Co., Chartered Accountants as statutory auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

BY ORDER OF THE BOARD
FOR CRESSANDA SOLUTIONS LIMITED

A handwritten signature in black ink, appearing to be 'Rohit Agarwal', written in a cursive style.

DIRECTOR

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

Mumbai : 2nd September, 2010

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

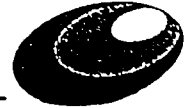
For Cressanda Solutions Ltd

A handwritten signature in black ink, appearing to be 'Rohit Agarwal', written in a cursive style.
Director/Authorized Signatory

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Cressanda
SOLUTIONS

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THAT PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 25th September, 2010 to Thursday, 30th September, 2010 (both days inclusive).
3. Members are requested to notify immediately the change of address, if any to the Company.
4. Members /Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
6. 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 Annual General Meeting.
7. 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.

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DIRECTORS' REPORT

Dear Members,

Your Director's have pleasure in presenting their Twenty Fifth Annual Report and Audited Annual Accounts of the Company for the year ended on 31st March, 2010.

1. FINANCIAL RESULTS :

	(figures in Rs. Lacs)	
	For the year 2009-2010	Previous Year 2008-2009
Income	147.63	361.45
(Loss) / Profit before Depreciation & Tax	(3.99)	61.77
Less : Depreciation	23.66	28.44
(Loss) / Profit before tax	(27.84)	32.07
Less : Provision for Tax	---	---
Prior Period Adjustments	1.60	0.34
Provision for deferred tax	---	---
Provision for Tax	---	1.41
(Loss) / Profit after tax	(29.44)	30.27
Add : Balance B/f from Previous Year	(579.01)	(609.28)
Balance Carried to Balance Sheet	(608.45)	(579.01)

2. OPERATION

During the year under review the income from the operation from software development services was Rs. 141.15 Lacs as against Rs. 338.67 Lacs achieved during the corresponding period of previous year. After offsetting the expenses the Company incurred a loss of Rs. 29.44 Lacs during the year as against the profit of Rs. 31.73 Lacs earned during the corresponding period of previous year. The drop in income and consequent set back in the profitability was mainly due to the global slow down and the recessionary trend in the information technology sector. The directors are confident that the Company will be able to post better result in the current year. The directors are optimistic about the future of the Company.

2. DIVIDEND

The Directors do not recommend any dividend for the year.

4. DIRECTORS

Mr. Rohit Agarwal and Mrs. Geetha Darbha Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm as under :-

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1. In preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures
2. That they had selected such accounting standards, 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 and loss of the company for that period.
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the relevant acts for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the accounts had prepared on a going concern basis.

6. CONSOLIDATED FINANCIAL STATEMENT

As required under Accounting standards AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accounts of India, the consolidated financial statements have been prepared on the basis of the financial statements of the company and its subsidiary.

7. AUDITORS

M/s. Agarwal Sangneria & Co., Chartered Accountants, statutory auditors of the Company hold office until the conclusion of this Annual General Meeting. The Directors recommend their re-appointment as auditors of the Company.

8. AUDITOR REPORT

The observations made by the auditors in their report are self explanatory and need no further elaboration.

9. ENERGY CONSERVATION, 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 271 (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, and 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 solutions.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Income from software development	Rs. 1,08,52,545/-
(b) Expenditure in foreign currency	Rs. Nil

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10. PARTICULARS OF EMPLOYEES

During the year under review there was no employee employed in the financial year who were in receipt of remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) rules, 1975.

11. FIXED DEPOSITS

The company has not accepted and/or renewed deposits from public for the period under review within the meaning of Section 58(A) of the Companies Act 1956 and the rules made there under.

12. MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report is appended to this report.

13. CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended together with the Certificate on Corporate Governance from the Practising Company Secretary, Mr. S. Lakshminarayanan.

14. APPRECIATION

Your Directors take the opportunity to thank all staff members for their Co-operation and contribution to the Company's Operation during the year. Your Directors also wish to place on record their appreciation for the support and co-operation by the Banks, Business Associates and Financial institutions during the period under review.

BY ORDER OF THE BOARD
FOR CRESSANDA SOLUTIONS LIMITED

A handwritten signature in black ink, appearing to read "Rohit Jain", is written over a horizontal line. The signature is fluid and cursive.

DIRECTOR

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

Mumbai : 2nd September, 2010

CORPORATE GOVERNANCE REPORT

(As required under clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. **Company's Philosophy on Corporate Governance :**

The Company's philosophy on Corporate Governance envisages the attainment of the high level of accountability in the functioning of the Company and the conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and with the Government departments.

2. **Board of Directors:**

> Composition, Category of Directors and their other Directorships and Committee Memberships:

The present Board consists of six directors. The composition of Board of Directors, the number of other directorship or board committees of which he is a member / Chairman are as under:

Name of Director	Category	Other Directorships/ Board Committees (Numbers)	
		Directorships	Board Committee
Mr. M. N. Shenoy	Independent, Non-Executive Director & Compliance Officer	15	NIL
Mr. Rahul Agarwal	Promoter Executive Director	15	NIL
Mr. Rohit Agarwal	Promoter & Non-Executive Director	3	NIL
Mr. Sandeep Talwar (upto 19 03 2010)	Executive Director	NIL	NIL
Mrs. Geetha Darbha	Executive Director	NIL	NIL
Mr. Rohit Khaitan	Non Executive and Independent Director	NIL	NIL

The Company does not have majority (50%) of its consecution as independent directors.

Board Meetings:

During the year under review, the Board of Director met 14 times on 24.04.2009, 13.06.2009, 29.06.2009, 30.06.2009, 30.07.2009, 31.07.2009, 16.08.2009, 17.08.2009, 07.09.2009, 06.01.2010, 29.01.2010, 16.02.2010, 19.03.2010 & 31.03.2010.

➤ Attendance of Directors at the Board Meetings and Last Annual General Meeting :

Name of Director	Board Meetings Attended	Attendance at the Last Annual General Meeting
Mr. M. N. Shenoy	14	Yes
Mr. Rahul Agarwal	14	Yes
Mr. Rohit Agarwal	14	Yes
Mrs. Geetha Darbha	14	No
Mr. Rohit khaitan	14	No

No Extra Ordinary General Meeting was held during the year under review.

3. Audit Committee:

➤ Terms of reference:

The terms of reference of this committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement.

➤ Composition:

The Audit Committee comprises Mr. M. N. Shenoy (Chairman), Mr. Rahul Agarwal and Mr. Rohit Agarwal. The Committee is chaired by an Independent director and consists of members who have accounting and financial knowledge.

➤ Meeting and the Attendance during the year:

The Audit Committee met five times during the year under review. The Committee also met prior to the finalization of accounts for the year ended 31st March, 2010.

Name of Director	No. of Meetings Attended
Mr. M. N. Shenoy	5
Mr. Rahul Agarwal	5
Mr. Rohit Agarwal	5

4. **Shareholders/ Investors Grievance Committee:**

The Company has constituted a shareholders/ investors grievance committee, to look into redressal of investors' complaints and requests like delay in transfer of shares, non-receipt of annual report etc.

The committee comprises of Two Non-Executive Director and One Executive Director. Mr. M. N. Shenoy is the Non-Executive Chairman of the Committee and Mr. Rohit Agarwal and Mr. Rahul Agarwal are members of the Committee.

➤ **Attendance in the year 2009-10 :**

During the year ended 31st March, 2010 the Committee met Four times and all the members were present.

➤ **Details of Shareholders' Complaints Received:**

During the year ended 31st March, 2010 the Company has not received any complaints from shareholders and no complaints are pending as on the date of report.

5. **Share Transfer Committee:**

The Company has Share Transfer Committee since 1996. At present members of the Committee are Mr. M. N. Shenoy, the Chairman of the Committee and Mr. Rohit Agarwal, Mr. Rahul Agarwal are the members of the committee.

There were no shares pending for transfer and no grievance outstanding from the shareholders as on 31st March, 2010.

6. **CEO / CFO Certification:**

As per clause 49 V of the Listing Agreement, the Directors of the Company has certify to the Board about the financial statements of the Company.

7. **Details of Annual General Meeting:**

Financial Year	Location	Date	Time
2006 - 2007	Flat No. 102, Arihant Building, 15 th Road, Bandra (West), Mumbai - 400 050	29/09/2007	4.00 P. M.
2007- 2008	Flat No. 102, Arihant Building, 15 th Road, Bandra (West), Mumbai - 400 050	29/09/2008	4.00 P.M.
2008- 2009	Flat No. 102, Arihant Building, 15 th Road, Bandra (West), Mumbai - 400 050	30/09/2009	4.00 P.M.

resolutions set out in the respective notices were passed by the Shareholders. There were no resolutions put through postal ballot last year. There is no business at the ensuing AGM requiring implementation of the postal ballot under the applicable rule.

8. Disclosures:

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of Company at large

There are no materially significant related party transactions during the Financial Year 2009 - 10 that may have potential conflict with the interest of the Company at large.

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory, on any matter related to capital markets, during the last three years.

9. Means of Communication:

- Half -Yearly result is not sent to each shareholders.
- Quarterly results are taken on record by the Board of Directors.
- No presentation has been made to Institutional Investors or to analysts.
- Quarterly results have not been displayed on company's website as the company has no website.
- The Management Discussion and Analysis Report are attached with the Director's report in this Annual Report.

10. General Shareholder Information:

I. Annual General Meeting

Date and Time : 30th September, 2010 at 10.30 A.M.
Venue : Arihant Building, F at No. 102, 15th Road, Khar (W), Mumbai - 400 052

II. Financial Calendar 2010-2011 (Tentative)

Results for the quarter ending June 30, 2010 : Last Week of July 2010
Results for the quarter ending September 30, 2010: Last Week of October 2010
Results for the quarter ending December 31, 2010 : Last Week of January 2011
Results for the quarter ending March 31, 2011 : Last Week of April 2011

III. Book Closure Date : 25th September, 2010 to
30th September, 2010
(Both days inclusive for the purpose of the Annual General Meeting)

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

V. Dividend Payment Date : No dividend is recommended for the
Financial year 2009-2010

VI. Listing of Equity Shares on Stock Exchange

Your Company's equity shares are listed on Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400023. Our shares are also demat with NSDL & CDSL. The Company has paid listing fees for the year 2009-2010.

VII. Stock Code :

- a) The Stock Exchange, Mumbai : 512379
b) The ISIN No. : INE117K01013

VIII Share transfer System

Shares sent for physical transfer are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Share Transfer Committee of the Company meets as required. We have appointed Sharepro Services (I) Private Limited as a Registrars & Share Transfer Agents of the Company.

IX. Distribution of Shareholding:

No. of Equity Shares held	As on 31 st March, 2010			
	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shareholding
1 - 5000	373	88.60	256292	2.85
5001 - 10000	13	3.09	100049	1.11
10001 - 20000	11	2.61	158782	1.76
20001 - 30000	3	0.71	68500	0.76
30001 - 40000	2	0.48	73868	0.82
40001 - 50000	5	1.19	239568	2.66
50001 - 100000	7	1.66	517872	5.75
100001 & Above	7	1.66	7585069	84.29
TOTAL	421	100.00	9000000	100.00

X. Shareholding Pattern (as on 31st March, 2010) :

Category of Holder	No. of Shares	% of Equity
Promoters / Person acting in concert	52,91,700	58.80%
Banks / Financial Institutions	NIL	NIL
Private Corporate Bodies	NIL	NIL
Indian Public	28,05,812	31.18%
NRIs	9,02,488	10.02%
TOTAL	9000000	100.00%

XI. Details on use of public funds obtained in the last three years:

No funds have been raised from the public during the last three years.

XII. Outstanding GDR / ADRs / Warrants and Convertible bonds, conversion date and likely impact on the equity:

The Company has not issued any GDRs, ADRs during the year.

XIII. Secretarial Audit.

The Company has also conducted secretarial audit relating to the issue of shares, request for dematerialization of shares, Register of Members and change in share capital for every quarter.

XIV. Investors' correspondence may be addressed to :

Sharepro Services (I) Private Limited
(Unit : CRESSANDA SOLUTIONS LIMITED)
13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072
Tel No. : (022) - 67720300/351/352
Fax No. : (022) - 28591568
E-mail : sharepro@shareproservices.com

>

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To
The Members of
CRESSANDA SOLUTIONS LIMITED

1. We have examined the papers and documents placed before me regarding the compliance of condition of Corporate Governance by **CRESSANDA SOLUTIONS LIMITED** for the year ended 31st March, 2010, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.
2. The Compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited review of the p/cedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an express of opinion on the financial statements of the Company.
3. On the basis of our review and according to the information and explanations given to us, we are of the opinion that the Company has, for the year ended March 31, 2010, marginally complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with the Stock Exchange(s) except for the following.
 - a) The Company has not furnished the Quarterly Financial Results & the limited review report quarterly to the Stock Exchanges/Corporate Governance
 - b) The Company has also not published the Quarterly Financial Results in the news papers as required by the Stock Exchanges/Corporate Governance.
 - c) The Company does not have the majority (50%) minimum independent Directors in the Board of Directors as required by the Corporate Governance requirements
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' grievances Committee.
5. We further state that such compliance is neither an assurance nor compliance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Lakshminarayanan
Practicing Company Secretary
ACS : 6423 CP : 2788

Place : Mumbai
Date : 02-09-2010

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior management Personnel have affirmed compliance with Cressanda Solutions Limited Code of Business Conduct and Ethics for the year ended 31st March, 2010.

For Cressanda Solutions Limited

Place: Mumbai
Date : 02-09-2010

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial year 2009-2010 proved to be remarkable year for economic growth of the country and for the growth of industry as well. The industry segment of chemicals and dyes also showed growth as a whole reflecting the international scenario all over. The performance of your company was satisfactory in terms of turnover of the company compared to last year.

OPPORTUNITIES AND THREATS

The Company is taking all possible steps to grab the opportunities for the growth of the Company. The economic scenario of the country allows the company to grow further in a very effective and efficient manner and further to enhance the available resources of the company.

The risk associated with the business be it external or internal affects the performance of the company in a long run. Competition and economic conditions prevailing all over may affect the business of the company.

FUTURE OUTLOOK

The overall economic scenario of the industry expected to be good and accordingly, your Company is also expected to do well in the coming years. The demand and supply of the products in market may affect the performance of the company. The Company is striving hard to meet the demands of the market with the available limited resources. The company is striving hard to achieve the desired results.

RISKS AND CONCERNS

In the normal course of business, the Company is exposed to external risks such as overall demand fluctuations in the industry in which it operates, relative market shares for its products due to the impact of competition as well as internal risks.

The Company is taking appropriate steps to guard itself against these risks by a suitable product positioning strategy. The risk associated with the products of the Company is always a cause of concern for the Company.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control procedures commensurate with the size of the company and nature of its business. The internal control system is continuously reviewed by the management to ensure orderly and efficient conduct of business. The system emphasis on the functions of purchase, sales, finance etc. to adhere to the well-defined corporate policies.

FINANCIAL PERFORMANCE

The company has made a turnover of Rs 147.632 Lacs as against Rs 361.45 Lacs of the previous year. During the year under review the loss after tax was Rs 29.44 Lacs as against profit of Rs 30.27 Lacs of the previous year.

HUMAN RESOURCES

The Company continued to have cordial and harmonious relations with its employees during the year under review.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis report describing the Company's objective, expectations or predictions may be "forward - looking statements" within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations, tax laws and other statutes or other incidental factors.

CRESSANDA SOLUTIONS LIMITED

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

Attendance Slip – Ordinary Shares

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company at Flat No. 102, Arihant Building, 15th Road, Bandra (West), Mumbai - 400 050, at 10.30 a.m. on Thursday, the 30th September, 2010.

.....
Full name of the Shareholder
(in block capitals) Signature

Folio No. : / DP ID No. * & Client ID No. *
* Applicable for members holding shares in electronic form.

.....
Full name of Proxy
(in block capitals) Signature

NOTE : Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting

CRESSANDA SOLUTIONS LIMITED

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Proxy – Ordinary Shares

I, We
of In the district of being
a Member/Members of the above named Company, hereby appoint
of In the district of or failing him
of in the district of
..... as my/our Proxy to attend and vote for me/us and on my/our
behalf at the Twenty Fifth Annual General Meeting of the Company at Flat No. 102, Arihant
Building, 15th Road, Bandra (West), Mumbai - 400 050, at 10.30 a.m. on Thursday, the 30th
September, 2010 and at any adjournment thereof.

Signed this day of 2010

DP ID Client ID

Reg Folio No.

No of shares held



N: B: The proxy should be deposited at the Registered office of the Company not later then 48 hours before the commencement of the meeting. A proxy need not be a member.

AGARWAL SANGANERIA & Co.
Chartered Accountants

AUDITORS' REPORT

To the Members,
Cressanda Solutions Limited

We have audited the attached Balance Sheet of **CRESSANDA SOLUTIONS LIMITED**, as at March 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
- c) The Balance Sheet, profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by

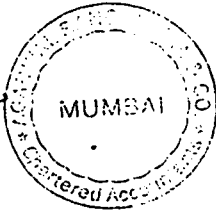
the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2010;
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

For Agarwal Sangneria & Co
Chartered Accountants
Firm Regn No. 317224E

Pawan Kr. Agarwal

Pawan Kr. Agarwal
Partner
C.A. Membership No. 053496



Place: New Delhi
Date: 2nd September, 2010

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in the Auditor's Report to the members of Cressanda Solutions Ltd. for the year ended 31st March, 2010. We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Physical verification of major assets was conducted by the management during the year which in our opinion is reasonable having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the Company has not disposed off substantial part of fixed assets and therefore do not affect the going concern assumption.
2. The Company is a service company, primarily rendering information technology services. Accordingly it does not hold any physical inventories. Thus paragraph 4(ii) of the Companies (Auditor's Report,) Order 2003. ('The Order') is not applicable.
3. a) The Company has not granted any loans, secured or unsecured to Companies, Firms and Other Parties listed in the register maintained under section 301 of the Act, 1956 except to two companies. The maximum amount outstanding during the year was Rs 48,57,177 and year end balance was Rs 38,57,177.

b) The loans given are interest free and the other terms and conditions of loans given by the Company secured or unsecured are prima facie not prejudicial to the interest of the Company.

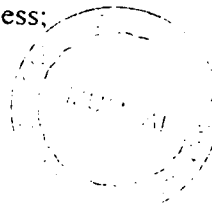
c) Since the loans given by the company are in the nature of advance, so question of repayment of the principal amount does not arise.

d) We have been informed that there is no overdue amount more than Rs 1 lac, accordingly the requirement of this clause does not arise.

e) The Company has not taken any loans, secured or unsecured from Companies, Firms and Other Parties listed in the register maintained under section 301 of the Act, 1956 except from three companies and one director. The maximum amount outstanding during the year was Rs 35,18,007 and year end balance was Rs. 26,48,007.

f) According to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken by the Company are not prima facie prejudicial to the interest of the Company.

g) The Company is regular in repayment of the principal amount including interest.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of services. The activities of the Company do not involve purchase of inventories and sale of goods. The management of the company has identified the areas where internal control needs further improvement so as to commensurate with the size and nature of the business;



5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 has been entered;

(b) The transaction entered into the register in pursuance of section 301 of the Companies Act, 1956 have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time;

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.

7. In our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business;

8. According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act 1956 for any of the services rendered by the Company.

9. (a) According to the information and explanations given to us and as per records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, cess and any other statutory dues applicable to it.

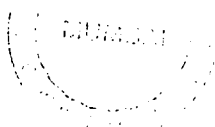
(b) According to the information and explanations given to us, there are no dues of income tax that have not been deposited on account of any dispute and there are no amounts involved and the forum where the dispute is pending except for the assessment year 2001-2002 with the Commissioner of Income Tax, Appeals XIII, New Delhi. The CIT has disallowed vide order dated 01.02.2005 expenditure amounting to Rs. 1,19,43,788/- in the case of Doctor Sahib. Com (P) Ltd. which has merged with Cressanda Solutions Limited w.e.f. 01.04.2001. The Company has appealed to ITAT against the order of Commissioner of Income Tax, Appeals XIII, and New Delhi. The order of tribunal is still pending for hearing.

10. The company has accumulated losses at the end of the financial year which is not less than 50% of its net worth and has incurred cash losses of Rs. 520,950 in the current financial year and thereon no cash losses in the immediately preceding financial year;

11. During the year the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;

13. The Company is not a Chit/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.



14. Based on our examinations of the records and explanations provided to us, the company is not in the business of dealing or trading in shares, securities, debentures except other investments, and we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the company has held the investments in its own name;

15. On the basis of the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions of which are prejudicial to the interest of the Company.

16. According to the information & explanations given to us, the term loans were applied for the purpose for which the loans were obtained;

17. The funds raised on short-term basis have not been used for long-term investment or vice versa;

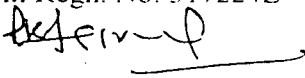
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956;

19. During the year the company has not issued any debentures;

20. The company has not raised any money by public issues during the year;

21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Agarwal Sanganeria & Co.
Chartered Accountants
Firm Regn. No. 317224E



Pawan Kr. Agarwal
Partner

C.A. Membership No. 053496



Date: 2nd September, 2010
Place: Camp Noida.

Cressanda Solutions Limited
Balance Sheet as at March 31, 2010

	Schedule	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
Sources of Funds:			
(1) <i>Shareholders' Funds</i>	1		
(a) Share Capital		90,000,000	90,000,000
(b) Reserves and Surplus			
(2) <i>Loan Funds</i>	2		
(a) Secured Loans		500,000	500,000
(b) Unsecured Loans		17,148,007	24,048,007
TOTAL		107,648,007	114,548,007
Application of Funds:			
(1) <i>Fixed Assets</i>	3		
(a) Gross block		65,366,388	65,299,753
(b) <i>Less depreciation</i>		61,158,685	58,792,263
(c) Net block		4,207,703	6,507,490
(2) <i>Investments</i>	4	31,692,340	31,742,340
(3) <i>Current assets, loans, and advances</i>	5		
(a) Sundry Debtors		7,167,541	9,879,008
(b) Cash and Bank Balances		424,787	1,062,736
(c) Loans and Advances		7,246,374	10,199,933
<i>Less:</i>		14,838,701	21,141,677
<i>Current liabilities and provisions:</i>	6		
(a) Liabilities		3,430,386	1,221,423
(b) Provisions		505,479	1,537,037
		3,935,865	2,758,460
<i>Net current assets</i>		10,902,836	18,383,217
(4) <i>Miscellaneous Expenditure</i>	7		14,200
Profit & Loss Account		60,845,127	57,900,760
TOTAL		107,648,007	114,548,007
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	13		


This is the Balance Sheet referred to in terms of our report of even date

The Schedule referred to above and the notes thereon form an integral part of the Balance Sheet

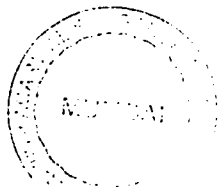
For AGARWAL SANGANERIA & CO.

Chartered Accountants

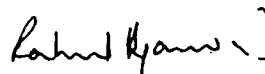
Firm Regn No. 317224E



(Pawan Kr. Agarwal)
Partner

C.A. Membership No. 053496




Rohit Agarwal
Director


Rahul Agarwal
Director


M.N. Shenoy
Director

Date: 2nd September, 2010

Place: Camp New Delhi

Cressanda Solutions Limited
Profit & Loss Account for the year ended March 31, 2010

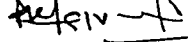
	Schedule	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
Income			
Software Development Services	8	14,115,353	33,867,605
Other Income	9	647,851	2,277,492
Total		14,763,204	36,145,098
Operating Expenses			
Personnel Expenses	10	6,880,020	11,872,436
Administrative & other Expenses	11	5,475,984	14,701,424
Operational Expenses	12	2,806,562	3,394,702
Total		15,162,566	29,968,562
Operating Profit / (Loss)		(399,362)	6,176,536
Less: Finance Charges		18,199	125,923
Depreciation		2,366,422	2,843,564
Profit / (Loss) before tax & Prior Period Items		(2,783,983)	3,207,049
Less: Prior Period Adjustments		160,384	34,034
Profit / (Loss) before tax		(2,944,367)	3,173,015
Less: Provision for Taxation			
		(2,944,367)	3,173,015
Less: Provision for FBT			146,000
Net Profit / (Loss) after tax		(2,944,367)	3,027,015
Add: Balance Brought Forward		(57,900,760)	(60,927,775)
Balance transferred to Balance Sheet		(60,845,127)	(57,900,760)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	13		
Basic & Diluted Earnings per Share		(0.33)	0.34

This is the Profit & Loss Account referred to in terms of our report of even date

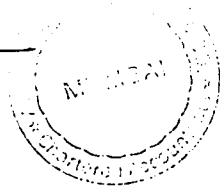
The Schedule referred to above and the notes thereon form an integral part of the Profit & Loss Account

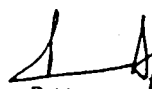
For AGARWAL SANGANERIA & CO.

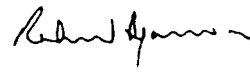
Chartered Accountants
 Firm Regn No. 312224E

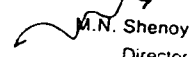

 (Pawan Kr. Agarwal)
 Partner

C.A. Membership No. 053496




 Rohit Agarwal
 Director


 Rahul Agarwal
 Director


 M.N. Shenoy
 Director

Date: 2nd September, 2010
 Place: Camp New Delhi

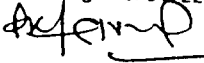
Cressanda Solutions Limited
Cash Flow Statement for the year ended March 31, 2010
(Pursuant to amendment of clause 32 of the listing agreement)

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
(A) Cash Flow from Operating activities		
Net profit before tax and extraordinary items		3,173,015
Add:	(2,944,367)	
Preliminary expenses written off		14,200
Depreciation	14,200	14,200
Dividend received	2,366,422	2,843,564
Interest on FDR	(460,957)	(19,428)
	(5,372)	(62,644)
Operating profit before working capital changes		5,948,707
Changes in Current Assets and Liabilities	(1,030,074)	
--Sundry Debtors		3,711,774
--Loans and Advances	2,711,467	1,802,245
--Current Liabilities and Provisions	2,953,559	(1,743,898)
Cash generated from operations	1,177,405	9,718,828
	5,812,357	
Cash Flow before extraordinary items	5,812,357	9,718,828
Extraordinary items		(146,000)
Net cash used in operating Activities	(A) 5,812,357	9,572,828
(B) Cash Flow from Investing activities		
Assets Purchased		(182,060)
Sale of Investment(MF)	(66,635)	2,000,000
Investment made during the year	50,000	(50,000)
Interest on FDR Received		62,645
Dividend received	5,372	19,428
Net Cash used in Investing activities	460,957	1,850,013
	(B) 449,694	
(C) Cash Flow from Financing activities		
Repayment of Loan		(2,732,812)
Repayment of Long term borrowings		(8,329,600)
Net Cash used in Financing activities	(C) (6,900,000)	(11,062,412)
	(6,900,000)	
Net Increase in cash & cash equivalents	(A+B+C) (637,949)	360,429
Add: Cash & Cash equivalent as at the beginning of the year		1,062,736
(Opening Balance)		702,307
Cash & Cash equivalents as at the end of the year	1,062,736	
(Closing Balance)	424,787	1,062,736

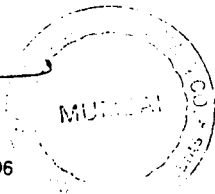
For AGARWAL SANGANERIA & CO.


Chartered Accountants


Firm Regn no. 317224E



(Pawan Kr. Agarwal)
Partner

C.A. Membership No.053496




Rohit Agarwal
Director


Rahul Agarwal
Director


M.N. Shenoy
Director

Date : 2nd September, 2010

Place: Camp New Delhi

Cressanda Solutions Limited

Schedules attached to and forming part of the Balance Sheet as at March 31, 2010

	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
SCHEDULE - 1		
SHAREHOLDER'S FUND		
Share Capital		
Authorised		
1,20,00,000 equity of Rs.10 each	120,000,000	120,000,000
Issued, Subscribed and Paid-up		
90,00,000 equity shares of Rs. 10 each fully paid up	90,000,000	90,000,000
	<u>90,000,000</u>	<u>90,000,000</u>
SCHEDULE - 2		
LOAN FUNDS		
A. Secured loans		
Term Loan		
(Secured by hypothecation of Motor Cars & Computer Equipments)	500,000	500,000
B. Unsecured loans		
From Directors	916,897	916,897
Inter-Corporate Deposits	16,231,110	21,231,110
Others	-	1,900,000
	<u>17,148,007</u>	<u>24,048,007</u>
SCHEDULE - 4		
INVESTMENTS AT COST - TRADE		
Cressanda Solutions Inc. (WOS) (Subsidiary Company) (250 equity shares of US\$1,000 each)	10,867,340	10,867,340
Ecom Concepts (India) Private Limited (20,82,500 equity shares of Rs.10 each)	20,825,000	20,825,000
Ishi CSL Infosystems (P) Ltd (5,000 units of Rs 10/- each)	-	50,000.00
	<u>31,692,340</u>	<u>31,742,340</u>
SCHEDULE - 5		
CURRENT ASSETS, LOANS AND ADVANCES		
A. Sundry Debtors		
(Unsecured & considered good)		
Less than six months	6,764,273	2,565,855
Others	403,268	7,313,153
	<u>7,167,541</u>	<u>9,879,008</u>
B. Cash and Bank Balances		
Cash in Hand (As certified by the management)	118,992	12,632
Balances with Schedule Banks	305,795	1,050,104
	<u>424,787</u>	<u>1,062,736</u>



C. Loans and Advances (Unsecured & Considered good)

Advances (Recoverable in cash or kind or for value to be received)	3,892,705	4,951,754
Tax Deducted at Source	3,048,791	4,020,135
Fixed Deposits with banks	45,000	45,000
Security Deposits	259,877	1,183,044
	<u>7,246,374</u>	<u>10,199,933</u>

SCHEDULE - 6

CURRENT LIABILITIES AND PROVISIONS

A. Current Liabilities

Sundry Creditors		
Statutory Dues	2,838,918	144,086
Salary Payable	409,780	344,682
Other Expenses Payable	143,877	508,126
	37,812	224,528
	<u>3,430,386</u>	<u>1,221,423</u>

B. Provisions

Provision for Gratuity		763,087
Provision for Leave Encashment		212,524
Provision for FBT		561,426
	505,479	
	<u>505,479</u>	<u>1,537,037</u>

SCHEDULE - 7

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary Expenses	14,200	28,400
Less: Written off during the year	14,200	14,200
		<u>14,200</u>

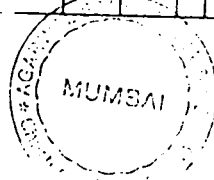
Cressanda Solutions Limited

Schedules attached to and forming part of the Balance Sheet as at March 31, 2010

SCHEDULE - 3

Details of FIXED ASSETS as per Companies Act, 1956

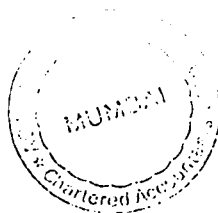
S.No.	Particulars	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As on 01.04.09	Additions	Deletion	As on 31.03.10	As on 01.04.09	During the Year	Dep. On Deletion	As on 31.03.10	As on 31.03.10	As on 31.03.09
1	Computers	40.00%	15,285,072	32,275	-	15,317,347	14,449,557	-	14,790,802	526,545	835,515	
2	Machinery	13.91%	2,527,462	-	-	2,527,462	1,334,135	-	1,500,127	1,027,335	1,193,327	
3	Air Conditioners	13.91%	2,322,217	-	-	2,322,217	1,264,081	-	1,411,268	910,949	1,058,136	
4	Refrigerator	13.91%	12,850	-	-	12,850	-	-	11,146	-	-	
5	EPABX Systems	13.91%	395,352	-	-	395,352	236,547	-	258,637	136,715	158,805	
6	Furniture & Fixtures	18.10%	1,864,290	-	-	1,864,290	1,412,639	-	1,494,388	368,902	451,651	
7	Cellular Phones	13.91%	464,413	-	-	464,413	300,369	-	323,188	141,225	164,044	
8	Motor Cars	25.89%	3,946,466	-	-	3,946,466	3,474,508	-	3,596,698	349,768	471,958	
9	Office Equipments	13.91%	1,127,936	-	-	1,127,936	627,822	-	697,388	430,548	500,114	
10	Software	40.00%	664,847	1,560	-	666,407	467,854	-	547,111	119,296	196,993	
11	Computer Software Licence	40.00%	129,898	32,800	-	162,698	73,732	-	104,070	58,628	56,166	
12	Software Packages(Capitalised)		28,451,298	-	-	28,451,298	28,451,298	-	28,451,298	-	-	
13	Bicycle	20.00%	4,830	-	-	4,830	1,234	-	1,953	2,877	3,596	
14	Sign Board	18.10%	38,272	-	-	38,272	9,094	-	14,375	23,897	29,178	
15	Battery	13.91%	21,660	-	-	21,660	3,712	-	6,209	15,451	17,948	
16	Leasehold Improvements		7,905,000	-	-	7,905,000	6,644,786	-	7,905,000	-	1,260,214	
17	Electric Equipments	13.91%	137,890	-	-	137,890	30,021	-	45,026	92,864	107,868	
	Total		65,299,753	66,635	-	65,366,388	58,792,263	-	61,158,685	4,207,703	6,507,490	
	Previous Year Total		65,117,693	182,060	-	65,299,753	55,948,696	-	58,792,263	6,507,490	9,166,997	



Cressanda Solutions Limited

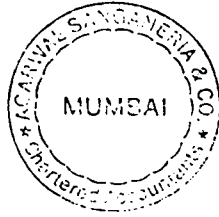
Schedules attached to and forming part of the Profit & Loss Account for the year ended March 31, 2010

	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
SCHEDULE - 8		
SOFTWARE DEVELOPMENT SERVICES		
Domestic Services	3,262,808	10,272,540
Overseas Services	10,852,545	23,595,065
	<u>14,115,353</u>	<u>33,867,605</u>
SCHEDULE - 9		
OTHER INCOME		
Dividend Income	460,957	19,428
Interest on FDR	5,372	62,645
Creditors Written back	-	1,040,301
Interest on I.T.refund	129,103	43,874
Rent Received	-	875,000
Foreign Exchange Fluctuation	46,512	236,244
Miscellaneous Income	5,908	-
	<u>647,851</u>	<u>2,277,492</u>
SCHEDULE - 10		
PERSONNEL EXPENSES		
Salary to Staff	6,347,892	8,732,789
Salary to Directors	-	900,600
Contribution to Provident Fund	167,802	280,410
Contribution to ESI	38,359	29,019
Gratuity	50,237	738,696
Leave Encashment	24,512	218,757
Staff Welfare & Training Expenses	251,218	932,739
Staff Entertainment expenses	-	39,426
	<u>6,880,020</u>	<u>11,872,436</u>
SCHEDULE - 11		
ADMINISTRATIVE AND OTHER EXPENSES		
Legal & Professional	876,690	5,643,907
Vehicle Running & Maintenance	308,263	303,021
Fringe Benefit Tax	-	71,912
Communication	849,753	1,896,156
Rent, Rates & Taxes	2,068,946	2,458,584
Repairs & Maintenance	880,421	752,906
Printing & Stationery	49,798	982,354
Preliminary Expenses Written off	14,200	14,200
Audit Fee	110,300	110,300
Filing Fees	4,560	3,520
Insurance	9,607	120,000
Fee & Subscription	15,000	216,424
Postage	23,298	28,673
Donation	5,100	5,100
Miscellaneous	34,464	82,391
Newspaper, Books & Periodicals	5,424	6,635
Office Consumable	220,160	416,678
Bad Debts written off	-	1,588,661
	<u>5,475,984</u>	<u>14,701,424</u>



SCHEDULE - 12
OPERATIONAL EXPENSES

Travelling & Conveyance	541,060	1,097,538
Electricity & Water Charges	1,676,272	1,831,366
Product Development, Internet Hosting & Software Licences	67,925	80,766
Business Promotion	-	82,166
Conferences & Seminar	-	3,000
Work Contract Charges	446,350	-
Advertisement Expenses	32,160	299,866
Sundry Balance Written Back	1,586	-
Security Deposit Written Off	41,209	-
	<u>2,806,562</u>	<u>3,394,702</u>



SCHEDULE 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON BALANCE SHEET AS ON MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, to the extent applicable.

2. REVENUE RECOGNITION

Revenue from software development on time-and-material basis is recognized based on performance of related services. For fixed price contracts, revenue is recognized on the percentage of completion basis. Revenue from the sale of software products developed is recognized when the sale has been completed with the passing of title.

3. INVESTMENT

The investments are stated at cost.

4. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at historical cost less accumulated depreciation/amortization. The cost of fixed assets includes all expenditure up to the date of commissioning of the assets. Depreciation is computed on the written down values (WDV) at the rates specified in Schedule XIV of The Companies Act, 1956.

5. RETIREMENT AND OTHER BENEFITS

Provident fund

All eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the fund, which is equal to a specified percentage of the covered employee's basic salary. The Company has no further obligations under this plan beyond its monthly contributions.

Gratuity

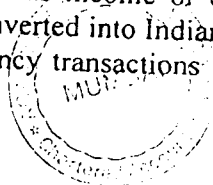
In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's basic salary and the year of employment with the Company. Provision for gratuity is determined by actuarial valuation as per AS 15 on Employees Benefits (Revised 2005) issued by ICAI. During the year no further provision made due to termination of services of employees.

Leave encashment

During the year no further provision made due to termination of services of employees.

6. FOREIGN CURRENCY TRANSACTIONS

Software development services billed to clients outside India and collections deposited into the foreign currency bank account are recorded at exchange rate prevailing on the date of the transaction. Expenditure in foreign currency is accounted for at the conversion rates prevalent when such expenditure is incurred. Current assets and current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Exchange differences arising on foreign currency transactions are recognized as income or expense in the year in which they arise. Foreign currency assets and liabilities are converted into Indian Rupees at the exchange rate prevailing at the date of the Balance Sheet. Foreign currency transactions during the year are recorded at the exchange rate



prevailing at the date of the transaction. Exchange differences, if any, are reflected in the Profit and Loss Account.

B. NOTES TO ACCOUNTS

1. MANAGERIAL REMUNERATION

Managerial remuneration paid to the director of the Company during the financial year 2008-09 was Rs. 9,00,600 as compared to Rs. 6,87,596 paid during the financial year 2009-10. Mr. Rahul Agarwal, the Managing Director of the Company does not draw any remuneration from the Company.

2. SMALL SCALE INDUSTRY:

As at March 31, 2010, the Company has no outstanding dues to small-scale industrial undertakings (Year ended on March 31, 2009 - Nil).

3. PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

The Company is engaged in development of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

4. CIF VALUE OF IMPORT

During the financial year 2009-10 CIF value of import of raw material, components and spare parts and capital goods is Nil (Financial Year 2008-09 is Nil).

5. EXPENDITURE IN FOREIGN CURRENCY

During the financial year 2009-10, the company has not incurred any expenditure on traveling in foreign exchange as compared to Rs. NIL during the previous year 2008-09.

6. EARNINGS IN FOREIGN CURRENCY

During the financial year 2009-10, the Company's earning in foreign exchange are given hereunder

Nature of service provided	2009-10	2008-09
Software Development Consultancy Services	Rs. 10,852,545	Rs. 23,595,065

7. DEFERRED TAX

No Deferred Tax Assets has been created, as Company has carried forward losses from the previous years and in terms of Accounting Standard 22 the company is following the conservative policy.

8. SEGMENTAL REPORTING

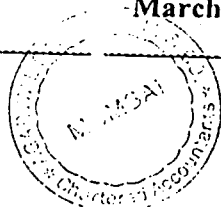
The Board of Directors ('the Board') of the Company reviews the performance of the Company at the enterprise level. The Board relies primarily on results at the enterprise level for assessing performance and making decisions about resource allocation and hence the Company has no reportable segments. The Company has only one Business Segment i.e. information technology services or software development consultancy services.

9. AUDITORS' REMUNERATION

Auditors' Remuneration including service tax is given herein below:

Amount In Rupees

Particulars	For the Year Ended on March 31, 2010	For the Year Ended on March 31, 2009
Statutory Audit	77,210	77,210
Tax Audit	33,090	33,090
Other Capacity	NIL	1,91,478



11. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net Profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below:-

Reconciliation of earnings:-

	F.Y. 2009-10	F.Y. 2008-09
Net Profit ^a (Loss) after tax (Rs.)	(2,944,367)	3,027,015
Net profit/ (Loss) attributable to Equity share holders (Rs)	<u>(2,944,367)</u>	<u>3,027,015</u>

Reconciliation of weighted average number of shares

	90,00,000	90,00,000
For Basic and diluted earnings per Share (Nos.)		
Earnings per share (Rs) (Nominal value Rs.10/- each)	(0.33)	0.34

12. RELATED PARTY TRANSACTIONS

a) List of Related Parties

Name	Type of Relation
Cressanda Solutions, Inc.	Wholly Owned Subsidiary Company
Cressanda Solutions UK Limited	Common Directorship
Global Fintech Pvt. Ltd.	Common Directorship
Ecom Concepts India Private Limited	Common Directorship / 49% Shareholding
Mr. Sandeep Talwar	Key Management Personnel (Deputy Managing director)
Mr. Rohit Agarwal	Key Management Personnel (Executive Director)
Mr. Rahul Agarwal	Managing Director
Icon Interactive Pvt. Ltd.	Common Directorship
Balivada & Karani Securities India Pvt. Ltd	Common Directorship
Plus Investments P. Ltd	Common Directorship
Ishi CSL Infosystems (P) Ltd	Common Directorship
IBSA	Common Directorship

b) Transaction with Related Parties

Name of the party	Transaction during the year (Rs)	Outstanding balance as on March 31, 2010 (Rs)
Cressanda Solution Inc.	29,13,671	7,185.29 (Cr.)
Cressanda Solution UK Ltd	4,268.79	63,86,165 (Dr)
Global Fintech Private Limited	NIL	500,000 (Cr)
Icon Interactive Pvt Ltd.	NIL	12,31,110 (Cr.)
Ecom Concept India Pvt Ltd.	NIL	38, 57,177 (Dr)
Ishi CSL Infosystems (P) Ltd (Advance)	10,00,000	NIL
-Do- (Others)	39,70,000	NIL
Mr. Rohit Agarwal	NIL	9,16,897 (Cr)
(Loan)		

Mr. Sandeep Talwar(Managerial Remuneration)

6,87,596

NIL

12. CONTINGENT LIABILITY

- Contingent liability in respect of ESI contribution prior to registration , if any, not ascertainable
- For the Assessment Year 2001-02. Commissioner of Income Tax (Appeals) XIII, New Delhi. vide order dated 01-02-2005 disallowed expenditure amounting to Rs.1,19,43,788. The company has appealed to ITAT against the order of Commissioner of Income Tax (Appeals) XIII, New Delhi. The order of the tribunal is still pending for hearing.

13. PREVIOUS YEAR FIGURES

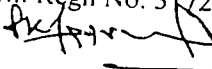
Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

In terms of our report of even date

For Agarwal Sangneria & Co.

Chartered Accountants

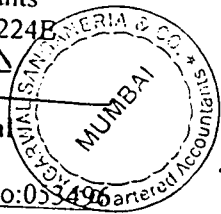
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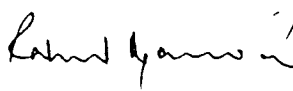
Pawan Kr. Agarwal

Partner

C A Membership. No:053496



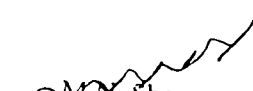
For and on behalf of the Board of Directors



Rahul Agarwal
Director



Rohit Agarwal
Director



M.N. Shenoy
Director

Date: 2nd September, 2010

Place: New Delhi

Cressanda Solutions Limited
Balance Sheet Abstract & Company's General Business Profile

1 REGISTRATION DETAILS:

Registration No.
 State code
 Balance Sheet date

					3	7	0	3	6
								1	1
3	1	-	0	3	-	2	0	1	0

2 CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands):

Public Issue
 Rights Issue
 Bonus Issue
 Private Placement

								N	A
								N	A
								N	A
								N	A

3 POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS(Amount in Rs. Thousands):

Total Liabilities
 Total Assets

				1	1	1	5	8	4
				1	1	1	5	8	4

Sources of Funds:

Paid Up Capital
 Reserve & Surplus
 Secured Loans
 Unsecured Loans

				9	0	0	0	0
				-	-	-	-	-
						5	0	0
				1	7	1	4	8

Application of Funds:

Net Fixed Assets
 Investments
 Net Current Assets
 Miscellaneous Expenditure
 Accumulated Losses

					4	2	0	8
				3	1	6	9	2
				1	0	9	0	3
				-	-	-	-	-
				6	0	8	4	5

4 PERFORMANCE OF THE COMPANY(Amount in Rs. Thousands):

Turnover
 Total Expenditure
 Profit / -Loss before tax
 Profit/ -Loss after tax

				1	4	1	1	5
				1	7	7	0	8
				(	2	9	4	4
				(	2	9	4	4

5 PERFORMANCE OF THE COMPANY(Amount in Rs.)

Basic Earnings Per Share in Rs.
 Diluted Earnings Per Share in Rs
 Dividend Rate (%)

				(	0	3	3)
				(	0	3	3)

6 GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)
 Product Description

								N	A
				S	O	F	T	W	A
D	E	V	E	L	O	P	M	E	N
				S	E	R	V	I	C

