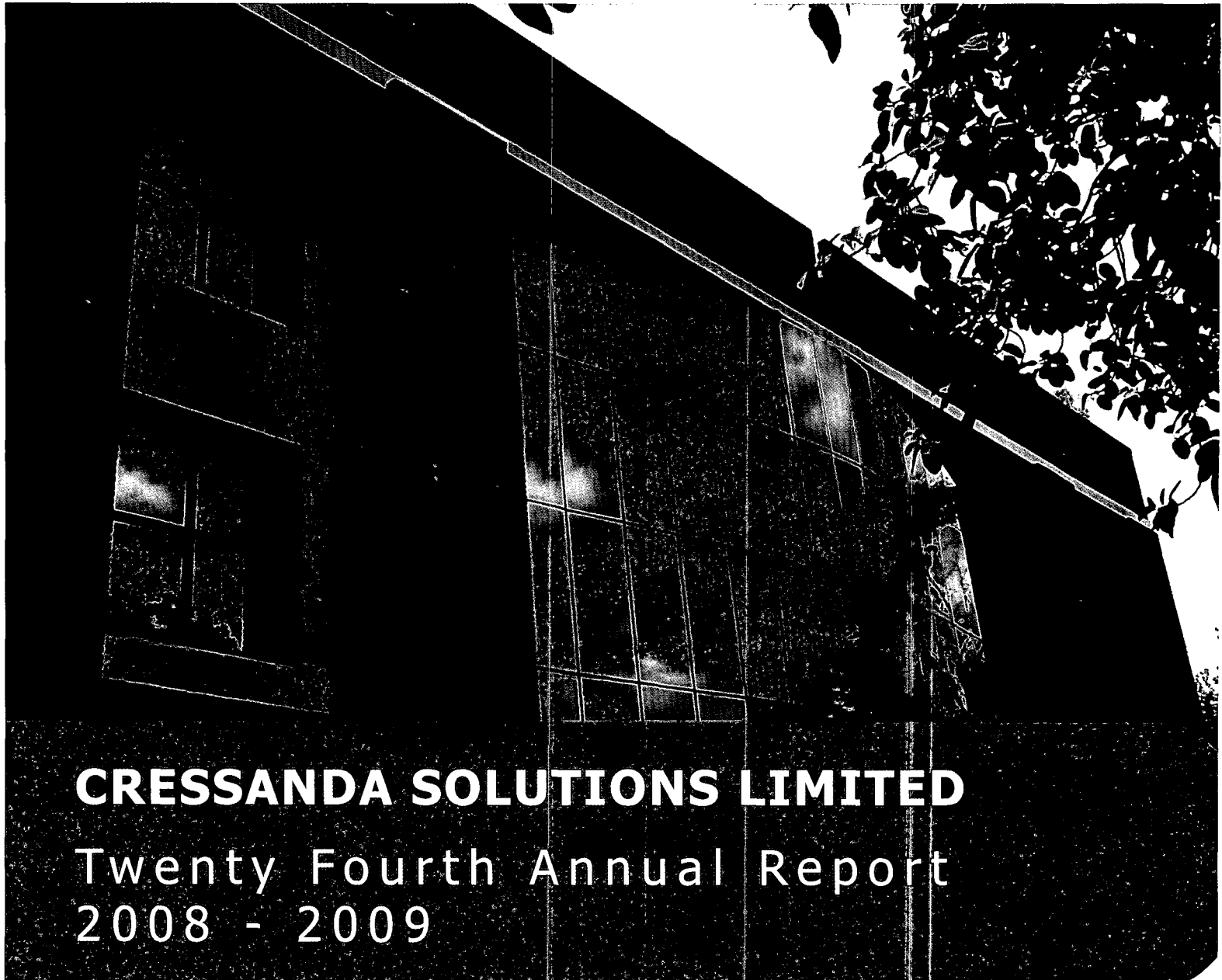


Cressanda
SOLUTIONS



CRESSANDA SOLUTIONS LIMITED

Twenty Fourth Annual Report
2008 - 2009

**TWENTY FOURTH
ANNUAL GENERAL MEETING
of
CRESSANDA SOLUTIONS LIMITED**

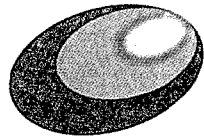
On Wednesday, September 30, 2009
at 4.00 p.m.

at

Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West)
Mumbai – 400 052

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 (I) Pvt. Ltd.
13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Andheri (East), Sakinaka,
Mumbai – 400 072.
4. Kindly notify change of your address and write to our Registrar and Share Transfer Agents in respect of any matter connected with your shares.



Cressanda
SOLUTIONS

BOARD OF DIRECTORS

Mr. M. N. Shenoy	Chairman
Mr. Rahul Agarwal	Managing Director
Mr. Sandeep Talwar	Deputy Managing Director
Mr. Rohit Agarwal	Director
Mrs. Geetha Darbha	Director
Mr. Rohit Khaitan	Director

COMPANY SECRETARY

Mr. Ajay Kaushik

AUDITORS

M/s Agarwal Sangneria & Co.,
Chartered Accountant

BANKERS

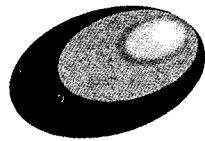
CitiBank, New Delhi
ICICI Bank, New Delhi

REGISTERED OFFICE

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

CORPORATE OFFICE

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



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NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of Cressanda Solutions Limited will be held at Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West), Mumbai-400052 on Wednesday, the 30th day of September, 2009 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, 2009 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 appoint M/s Agarwal Sanganeria & Co., Chartered Accountants as Auditors of the Company to hold office from the Conclusion of this Meeting, until the Conclusion of the Next Annual General Meeting of the Company and to fix their remuneration.
3. To appoint a Director in place of Mr. Rahul Agarwal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. N. Shenoy who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mrs. Geetha Darbha who was appointed by Board of Directors as an Additional director with effect from 31st January 2009 and who by virtue of the provisions of section 260 of the Companies Act, 1956 holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing her candidature for the office of the director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

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

Date: September 7, 2009
Registered Office
26/27, Khatau Building, A.D. Modi Marg
Fort, Mumbai-400023

Sd/-
Ajay Kaushik
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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 26, 2009 to Wednesday, September 30, 2009 (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 NO. 5

Mrs. Geetha Darbha 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) proposing her candidature for the office of Director at this Annual General Meeting. The Board recommends her appointment as Director of the Company.

Mrs. Geetha Darbha has a large base of technical and commercial expertise along with the entrepreneurial skills. She has more than 15 years of rich experience in the field of Software Development, Operations Research Systems Analysis and Project Management. She specializes in software engineering particularly in the areas of networking, network Management, switching applications and application load balancing.

She is also a qualified computer Software Professional and her educational qualifications are MSc. Applied statistics, M. Tech Computer Science and SAP consultant.

None of the directors is concerned or interested in the aforesaid resolution and your Board recommends your accord to the proposal in the interest of the company.

Date: September 7, 2009
Registered Office
26/27, Khatau Building, A.D. Modi Marg
Fort, Mumbai-400023

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

Sd/-
Ajay Kaushik
Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the Annual Report of the Company with the Audited Statement of Accounts for the Financial Year ended March 31, 2009.

1. Financial Highlights

Rs. !n Lacs

	2008-2009	2007-2008
Gross Income from Operations	361.45	543.30
Operating Profit/(Loss)	61.77	97.69
Depreciation	28.44	70.59
Finance Charges	1.26	5.94
Prior Period Adjustments	0.34	0.59
Profit/(Loss) before Tax	31.73	20.56
Provision for Tax	1.46	1.72
Profit/(Loss) after Tax	30.27	18.84
Liability no longer required written back	0.00	8.05
Excess Provision for taxation written back	0.00	0.00
TDS & Advance tax adjusted for earlier years	0.00	0.00
Profit/(Loss) brought forward	(609.27)	(636.18)
Balance carried forward to Balance Sheet	(579.00)	(609.27)

2. Operations

The year under review was significant for your company. The Gross Income from Operations of the Company was Rs. 361.45 Lacs and Operating Profit of Rs.61.77 Lacs as against the operating profit of Rs. 97.69 Lacs in the previous year. During the year the company written off its bad debts amounting to Rs. 15.89 Lacs.

3. Dividend

The Directors have not recommended any dividend for the year.

4. Business Activity

During the year the company explored various markets abroad and was successful in procuring some lucrative projects and in building a good relationship with new customers. Your company remains optimistic about the long term opportunities while at the same time meeting the short term challenge of stabilizing and enhancing the revenue and profitability. Your company responded to the challenge by focusing on customer requirements and by building an efficient sales engine. Your company is closely monitoring the market situation, and believes that its unique business model and prudent risk management practice, coupled with a strong customer base and deep client relationship, give it a sustainable long term competitive advantage. Your company will aggressively pursue new opportunities, and will ensure adequate internal preparedness to take maximum advantage of such opportunities.

5. Management Discussion and Analysis Report

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



6. Corporate Governance

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance is attached as part of the Annual Report

7. 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.

8. Subsidiary Company

As required by Section 212 of The Companies Act, 1956, the Audited Financial statements of the subsidiary, M/s Cressanda Solutions, Inc., along with the Independent Auditors' report and schedules thereon are attached and form a part of the Annual Report.

9. Consolidated Financial Statement

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

10. Directors

Mr. Rahul Agarwal and Mr. M. N. Shenoy retire by rotation at the forthcoming Annual General meeting and are eligible for re-appointment.

11. Auditors

The Auditors, M/s Agarwal Sangneria & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. 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

12. 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.

13. 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, 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 solution.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|--|-----------------|
| (a) Income from software development services and products | Rs. 2,35,95,065 |
| (b) Expenditure in foreign currency | Rs. Nil |

14. 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.

15. Acknowledgements

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team, which has made it possible to achieve significant growth. Your directors also take this opportunity to offer their sincere thanks to the clients, vendors, dealers, business associates, investors and bankers for their continued support throughout the year.

The employees of your Company continue to display their unstinted devotion, co-operation and commitment in pursuit of excellence. Your directors take this opportunity to record their appreciation of the dedicated work and contribution made by everyone of Cressanda Family enabling the company to realize its corporate objective.

for and on behalf of the Board of Directors
of **Cressanda Solutions Limited**

Sd/-
Rahul Agarwal
Managing Director

Date: June 30, 2009

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to attain a high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, consumers, dealers, lenders and ensuring high degree of regulatory compliances. The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder value in the long term.

2. BOARD OF DIRECTORS

a) Composition and Category of Directors

The present board comprises of six members consisting of three executive Directors and Three Non-Executive Directors. The name and category of each director is given below:

Name of the Directors	Category
Mr. Rahul Agarwal	Executive Director and Promoter
Mr. Sandeep Talwar	Executive Director
Mrs. Geetha Darbha	Executive Director
Mr. Rohit Agarwal	Non-Executive Director and Promoter
Mr. M.N.Shenoy	Non-Executive and Independent Director
Mr. Rohit Khaitan	Non-Executive and Independent Director

b) Attendance of each Director at the Board Meetings and the last Annual General Meeting

Name of the Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at Last AGM
Mr. Rahul Agarwal	8	6	Absent
Mr. Rohit Agarwal	8	6	Present
Mr. Sandeep Talwar	8	8	Absent
Mrs. Geetha Darbha	8	0	Absent
Mr. M.N.Shenoy	8	0	Present
Mr. Rohit Khaitan	8	0	Absent

c) Number of other Directorship and Chairmanship/Membership of Committees of each Director

Name of Director	No. of Directorships in other Companies (excl. private / Foreign companies)	No. of Chairmanship / membership in other Board Committees
Mr. Rahul Agarwal	4	Nil
Mr. Rohit Agarwal	3	Nil
Mr. Sandeep Talwar	Nil	Nil
Mrs. Geetha Darbha	Nil	Nil
Mr. M.N.Shenoy	Nil	Nil
Mr. Rohit Khaitan	Nil	Nil

d) Number of Board Meetings held and the dates of the Board Meetings

The gap between two board meetings did not exceed three months. Eight Board Meetings were held during the Financial Year 2008-09:

- | | |
|-------------------|---------------------|
| 1. April 17, 2008 | 5. August 18, 2008 |
| 2. June 02, 2008 | 6. October 30, 2008 |
| 3. June 30, 2008 | 7. January 30, 2009 |
| 4. July 31, 2008 | 8. January 31, 2009 |

e) Board Procedures

The members of the Board have been provided with the requisite information in the listing agreement and none of the Directors are disqualified for appointment as director under any of the provisions of Companies Act, 1956.

3. AUDIT COMMITTEE

a) Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee and as contained under Clause 49 of the Listing Agreement, are as follows:

A. *Powers of Audit Committee:*

- a. To investigate any activity within its terms of reference
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary

B. *Role of Audit Committee:*

The role and terms of reference of the Audit Committee covers the matters specified under Clause 49 of the Listing Agreement with the Stock exchange, section 292A of the Companies Act, 1956, other terms which may be referred by the Board of Directors and inter alia includes the following:

- Overseeing the Company's financial reporting and public disclosure processes to ensure that financial statements are correct, sufficient and credible.
- Recommending to the Board the appointment, re appointment and if required, the replacement or removal of the statutory Auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to :
 - a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of Companies Act, 1956.
 - b) major accounting entries involving estimates based on the exercise of judgment by the management.
- Reviewing with the management the quarterly financial statements before submission to the Board for approval.

b) Composition

The present Audit Committee comprises of following three directors, majority of them are Independent Directors and one of them being chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

Mr. M. N. Shenoy - Chairman
Mr. Rahul Agarwal
Mr. Rohit Khaitan

c) Meetings and Attendance during the year.

Members	Meetings Held	Meetings Attended
Mr. M.N.Shenoy	5	5
Mr. Rohit Khaitan	5	5
Mr. Rahul Agarwal	5	3

4. REMUNERATION COMMITTEE

a) Terms of Reference

The Board has constituted a Remuneration Committee. The committee has been constituted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

b) Composition

Compensation Committee comprises of following three directors of which two of them are Independent Directors and one of them being chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Compensation Committee.

Mr. M.N.Shenoy - Chairman

Mr. Rohit Khaitan

Mr. Rahul Agarwal

c) Meetings and Attendance during the year.

Members	Meetings Held	Meetings Attended
Mr. M.N.Shenoy	4	4
Mr. Rohit Khaitan	4	4
Mr. Rahul Agarwal	4	3

d) Remuneration to the Directors:

Name of the Director	Amount (In Rs.)
Sandeep Talwar	9,00,600

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

a) Terms of Reference

The Investor's Grievance Committee has been constituted to deal with the redressal of investors' complaint relating to transfer of shares, non-receipt of balance sheet etc. The Board has also adopted code of internal procedures and conduct for prevention of Insider Trading in the shares of the company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended. The Board has designated Mr. Ajay Kaushik, Company secretary as the compliance officer for this purpose and has authorized this committee to monitor the compliances as required under the aforesaid regulations. There were no pending shareholders complaints during the year nor there was any complaint which was not solved.

b) Composition

Shareholders' Grievance Committee comprises of following three directors of which two of them are Independent Directors and one of them being chairman of the Committee

Mr. M.N.Shenoy - Chairman

Mr. Rohit Khaitan

Mr. Rahul Agarwal

6. GENERAL BODY MEETINGS

a) Location and time, where last three AGMs were held

Location	Date	Time
Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West) Mumbai 400 052	September 29, 2008	4:00 p.m.
Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West) Mumbai 400 052	September 29, 2007	4:00 p.m.
32-Udyog Bhawan, Sonawala Lane, Goregoan (E), Mumbai-400063	September 30, 2006	3.00 p.m.

b) Whether any Special Resolution

A. Passed in last three AGMs	Yes
B. Whether put through postal ballot last year	No
C. Details of voting pattern adopted in last AGM	By Requisite Majority
D. Person who conducted the postal ballot exercise in Last AGM	N.A.
E. Are proposed to be conducted through Postal Ballot	No
F. Procedure for postal ballot	N.A.

7. DISCLOSURES

- a) Disclosure 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 the Company at large. - NONE
- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years- NONE
- c) Whistle Blower Policy
The company encourages an open door policy where employees have access to the Head of Business/ Function. Any instances of the non adherence to the code of conduct of the company and any other observed unethical behavior is to be brought to the attention of the immediate reporting authority, who is required to report the same to the Head of the Corporate Human Resources. It is hereby affirmed that no personnel has been denied access to the Audit committee.
- d) The company has complied with all the mandatory requirements of the revised clause 49 of the listing agreement, which came into effect from 1st January 2006. Further, the company has also complied with the non mandatory requirements relating to constitution of Remuneration Committee and establishing the Whistle blower policy.

8. MEANS OF COMMUNICATION

- a) Quarterly results - Newspaper
- b) Newspapers wherein results Normally published in - Financial Express (English),
- Mumbai Lakshyadeep (Marathi)
- c) Website of the company - www.cressanda.com

Corporate Filing and Dissemination System

Pursuant to Clause 52 of the Listing Agreement with the stock exchange, the company's Quarterly results, shareholding pattern and other information may be accessed through the web portal www.corpfiling.co.in

9. GENERAL SHAREHOLDERS INFORMATION

AGM: DATE, TIME AND VENUE

Date: 30th September, 2009

Time: 4:00 P.M.

Venue: Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West), Mumbai-400052

Financial Year

2008-2009

Date of Book Closure

Saturday, September 26, 2009 to Wednesday, September 30, 2009 (both days inclusive)

Listing on Stock Exchange

Shares of the company are listed on the Bombay Stock Exchange Limited. Listing fees for the year 2009-10 has been paid to the stock exchange within stipulated time.

Stock Code

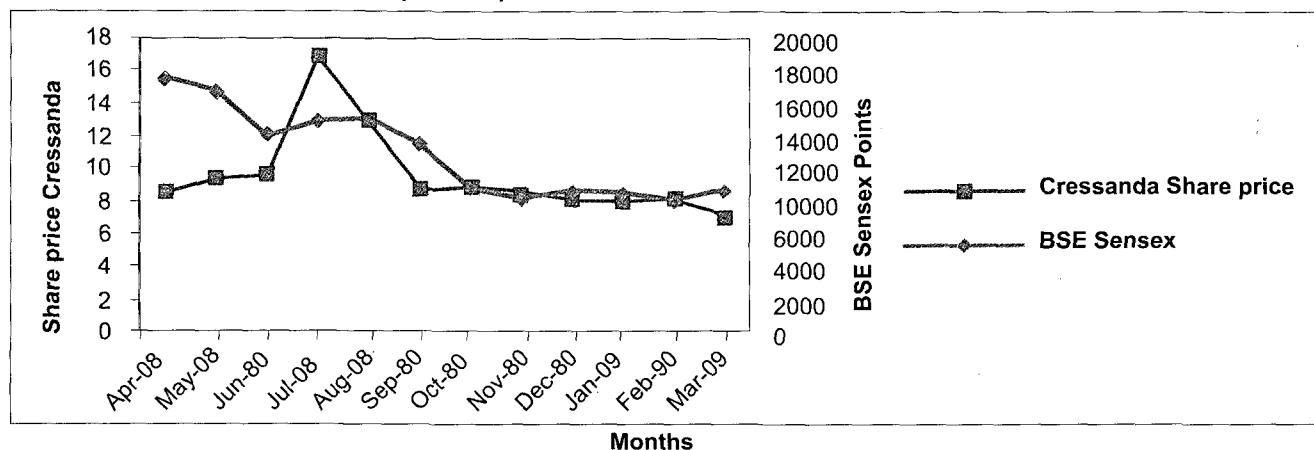
Bombay Stock Exchange: 512379

Market Price Data

Monthly High, Low and Closing prices during each month of the FY 2008-09

Month	High	Low	Closing	Volume
				(In Rupees)
APRIL 2008	9.50	8.58	8.58	20,729
MAY 2008	9.88	7.79	9.40	9,525
JUNE 2008	9.64	8.35	9.64	12,931
JULY 2008	17.10	10.08	16.95	88,625
AUGUST 2008	18.50	11.85	12.95	65,01,925
SEPTEMBER 2008	14.35	8.75	8.75	85,708
OCTOBER 2008	8.92	8.50	8.92	3,881
NOVEMBER 2008	9.35	8.56	8.56	5,511
DECEMBER 2008	8.14	8.14	8.14	40
JANUARY 2009	8.00	8.00	8.00	8,008
FEBRUARY 2009	8.40	8.00	8.20	53,867
MARCH 2009	8.00	7.05	7.05	2,156

Comparative performance of BSE Sensex and Cressanda





Distribution of Share Holdings by Number of Shares Held as on 31st March 2009

No. of equity Shares held	No. of Shareholders	% of Shareholders	No. of Sharesheld	% of Shareholding
Up to 5000	278	91.44	197710	2.20
5001 to 10000	9	2.96	72579	0.81
10001 to 20000	4	1.32	56167	0.62
20001 to 30000	2	0.66	47500	0.53
30001 to 40000	1	0.33	36100	0.40
40001 to 50000	1	0.33	50000	0.56
50001 to 100000	1	0.33	75000	0.83
100001 and above	8	2.63	8464944	94.05
Total	304	100	9000000	100

Distribution of Shareholding Category Wise as on 31st March 2009

S. No.	Category	No. of Shares Held	% Of Shareholding
	Promoters and Promoters Group		
1.	Individuals	5720400	63.56
2.	Bodies Corporate	6300	0.07
	Public		
1.	Individuals	3023269	33.59
2.	Bodies Corporate	250031	2.78
	Total	9000000	100

Dematerialisation of Shares

8926070 equity shares which constitute 99.17% of the equity share capital of the company are in dematerialized form.

Registrar and Transfer Agents

Sharepro Services (I) Pvt. Ltd.
13 AB, Samhita Warehousing Complex
Sakinaka Telephone Exchange Lane
Off Andheri Kurla Road
Andheri (East) Sakinaka, Mumbai-400072

Investors Correspondence may be Addressed to:-

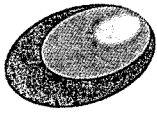
Mr. Ajay Kaushik, Company Secretary
A-90, Ishaan House, Sector-2, NOIDA. (U. P.) -201 301.

for and on behalf of the Board of Directors
of **Cressanda Solutions Limited**

Place: NOIDA
Date: June 30, 2009

Sd/-
Sandeep Talwar
Director

Sd/-
Rahul Agarwal
Managing Director



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members,
Cressanda Solutions Limited

We have examined the Compliance of the Conditions of Corporate Governance by Cressanda Solutions Limited for the year ended March 31, 2009 as stipulated in Clause 49 of the listing agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As required by the Guidance Notes issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company as on March 31, 2009 there were no investor's grievances remaining unattended /pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal Sanganeria & Co.**
Chartered Accountants

(**Pawan Kr. Agarwal**)
Partner

C A. Membership. No. 053496

Place: Camp Noida.
Date: June 30, 2009

CEO/CFO CERTIFICATION

I, Rahul Agarwal, Managing Director, certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of my knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant changes in the internal control over financial reporting during the year under reference;
 - ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : NOIDA
June 30,2009

Rahul Agarwal
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

Cressanda Solutions offers a host of Information Technology, Software Development, Digital Media and IT Enabled services. The company enables revenue growth, productivity improvement and cost reduction by leveraging cutting edge technology to enhance the quality, context and flow of information between clients and their key constituents. We are an organization driven by ideas and creativity. An organization where creative insights and strategic know-how are used to solve software and communication needs of our clients. The Company's edge lies in its ability to offer an integrated approach to address clients' needs to operate efficiently as well as to communicate and serve customers effectively. It helps align the IT infrastructure and processes within the organization to gain operational efficiencies. The Company executes creative campaigns using the digital media to drive business goals and also lend process support to help curtail costs and drive profitability. Thus, the Company is a full service organization offering a unique integration of strategy, technology and creative implementation geared for measurable impact on our clients' business performance.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global trade in services has entered a new era, with the growing and widespread acceptance of the IT based global delivery model. International bandwidth and powerful workflow management IT software and services sector today is more easily penetrating into the fabrics of the society than ever before. It is now possible to disaggregate any business process, execute the sub-processes in multiple centers around the world, and reassemble it, in near -real time, at another location. India has already registered its mark on the globe in ITES-BPO sector. These developments are driving fundamental changes in the global IT services scenario. Vendors and customers are redefining the levels of value creation in the industry. Keeping pace with the global advances in technology applications, India's. Information Technology (IT) and IT-enabled services (ITES-BPO) continue to chart remarkable growth.

India offers a unique combination of attributes that have established it as the preferred offshore destination for IT-BPO. Over the last seven to eight years, India's share in global outsourcing is estimated to have grown significantly in leaps and bounds. The visibly higher preference for India is driven by its unmatched superiority when measured across a range of parameters that determine the attractiveness of an outsourcing location. The outlook for Indian IT-BPO remains bright, and the sector well on track to achieve its aspired target. Key factors underlying this optimism include the growing impact of technological innovation, leading the increasing demand for global outsourcing and the gradually evolving socio-political attitudes towards Globalization.

Cressanda has extensive experience in managing technology projects, end-to-end right from selecting tools and platforms to implementing information technology solutions. New Media can truly be credited with ushering in the communication revolution. And we, at Cressanda Solutions, have contributed to this revolution right from the start. Our new media solutions ranging from web and multimedia services to virtual reality and e-learning solutions have empowered companies to communicate with their stakeholders with increasing ease and effectiveness. Whether the need is to sell, inform or teach, our new media solutions are primed to yield bottom line results. Our IT Enabled Services division offers an array of consolidated Data Management and Managed services.

OPPORTUNITIES AND THREATS

The software segment will continue to show robust growth. There are lots of opportunities in the Market to be tapped by the domestic IT Companies. The general trend towards off shoring IT services is on an upswing, among all global customers, which is a positive sign for the IT industry. More technology, R & D and testing outsourcing have come to India & will continue to be on the rise in the coming quarters.

The priorities of the industry are changing, concentrating more on re-organization of operations, development of new markets and marketing techniques, giving the organization's vision a global outlook and retaining and building upon customer relationships. The company's business focus is primarily upon the US and UK market. Our service philosophy is based on customized services, which are solely dependent on individual customer requirement, with the use of latest technology. Your Company's business model focuses on entering into strategic relationship with its customers and meeting their business needs by offering value added services through its vast area of operations, expertise, and experience. We believe that the principal competitive factors in our business include

the ability to effectively integrate onsite and offshore execution capabilities to deliver seamless, scalable, cost-effective services; increase scale and breadth of service offerings to provide one-stop solutions, provide industry expertise to clients' business solutions, attract and retain high quality technology professionals; and maintain financial strength to make strategic investments in human resources and physical infrastructure through business cycles. We believe we compete favorably with respect to these factors

Cressanda foresees strong opportunities in the area of .Net, ASP & Java as it has the core competencies into the same. Our core competencies help companies acquire competitive advantages by quickly understanding and documenting business requirements in a way that facilitates solution design, choosing tools that solve today's problems and anticipate tomorrow's, establishing appropriate development processes and working with organizations to adopt them, making effective user-centered design practices a key part of the development process and Managing large, low cost, off-site and on-shore development teams. Cressanda has the good opportunity of having excellent client references in the domestic market. Increased government spending in IT sector, especially in the newly formed states and Union Territories, a big opportunity for Cressanda; as the Company has delivered its excellent services in the area of IT to governmental agencies.

Cressanda as small and medium sized IT firm is facing many threat from the competitive firms and free lancers. The company has to retain the talents available and has to keep its pace with changing technology. The following are significant threats to the company's business:

a) Competition in the Market

The Company operates in the global markets. As a medium sized IT firm, competitive pressures are obvious. Company has to keep a close eye on market competition and has to evaluate its strengths in core area of competencies.

b) Talent Retention

Company has to ensure that the people working for it who constitute its major competitive advantages continue to contribute productively to its business. Company has always maintained excellent work environment and competitive remuneration packages for this purpose.

c) Fast Changing Technology

The Company has to ensure that it constantly updates and upgrades its technology so as to be on par with the competitors. The availability of expertise in fast changing technology is one of the major threats.

d) Trade restrictions

Many countries are closely keeping an eye on the outsourcing of IT enabled services to India, since it is causing public debate in those countries. This is resulting in restrictions in various forms to restrict the flow of business to India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company has an effective system of accounting and administrative controls which ensures that all assets are safeguarded and protected against loss against unauthorized use or disposition. The Company has a well-defined organization structure with clear functional authority limits for approval of all transactions.

RISKS AND CONCERNS

The Management cautions readers that the risks outlined below are not exhaustive, are for information purposes only, and may contain forward looking statements the results of which may differ materially from those reflected. Investors are requested to exercise their own judgment in assessing various risks associated with the Company. The essence of risk management lies in maximizing areas of control over outcome and minimizing areas where the Company has no control over outcome. In spite of the challenging business conditions that led to a fall in revenues and profitability, efforts of the Company are on to monitor the risks faced by it constantly, and take quick corrective actions. Risk management is an integral part of the charter of the Board of Directors at the Company. The Board is responsible for monitoring risk levels on various parameters and suggesting measures to address the same. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management.



The following risks are identified by the Company and it monitors parameters corresponding to them on a regular basis.

- a) Business risks
 - Client risks
 - Client concentration
 - Geographical concentration
 - Competition
- b) Risks associated with the delivery
 - Execution risks
 - Disaster prevention and recovery
 - Technological obsolescence
 - Fixed price contracts
 - Dependence on skilled personnel and wage inflation
- c) Financial risks
 - Foreign currency rate fluctuations
 - Interest rate fluctuations
 - Potential liability to customers, risks exceeding insurance coverage
- d) Legal and statutory risks
 - Contractual liabilities
 - Statutory compliance
- e) Political Risks
 - Visa regulations/restrictions

MANPOWER ANALYSIS

The Company's sales force predominantly consists of people that have experience of selling IT services to enterprises. The company endeavors to hire the strong work force with good qualification and rich experience. The company also gives chance to fresh professionals by grooming them for the best of the industry. The work force also has the people above forty years of age to utilize their diversified experience and to set standards for the fresh professionals.

Analysis of Performance During The Year Ended March 31, 2009

	(Rs. In Lacs)		
Particulars	FY 2008-09	FY 2007-08	Increase / (Decrease)
Operating Revenue	432.60	700.78	(268.18)
Direct Costs (Salaries)	177.77	344.96	(167.19)
Gross Profit/(Loss)	254.83	355.82	(100.99)
Operating Expenditure	188.81	242.35	(53.54)
Bad Debts	21.16	53.52	(32.36)
Other Income	23.17	35.68	(12.51)
Depreciation	29.83	72.44	(42.61)
Profit/(Loss) Before Tax	38.20	23.19	15.01
Extraordinary Items	0.34	0.59	(0.25)
Provision for Tax	1.46	1.72	(0.26)
Profit/(Loss) After Tax	36.40	20.88	15.52

Operating Revenue

The company performed quite satisfactorily and generated profits during the financial year 2008-09 due to the concerted efforts of the employees and management.

Direct Costs

The key player in an Information Technology (IT) Industry is the human mind and which has resulted in opening a wide area of employment. The employee turnover in IT sector is quite high and also during the year the strength of employees reduced significantly. Therefore the personnel expenses have decreased by 48.47% as compared to the previous financial year 2007-08.

Bad Debts

During the financial year 2008-09, the company has written off Rs. 21.16 lacs as bad debts as compared to Rs. 37.05 lacs during the previous financial year 2007-08.

Profit & Loss

The Company has generated profit during the financial year 2008-09 by exploring new markets globally, building new client relationship, lowering the cost of operations and following vigilant management policy.

Financial Condition

Sources of Funds

- The Share capital of the Company remained the same as was in the previous financial year.
- The Unsecured Loans of the Company have decreased during the year.

Application of Funds

- The sundry debtors decreased by Rs. 37.22 lacs during the financial year 2008-09 as compared to the previous financial year 2007-08
- Cash & Bank Balances represents funds maintained at India & U.S. offices in Indian Rupees & US Dollars. These funds are converted into Indian rupees on the basis of the beneficial movement in foreign exchange rates and in line with statutory requirements.
- Loans and advances decreased by Rs. 18.33 lacs.
- Liabilities of the company decreased by Rs. 30.13 lacs

SEGMENTWISE / PRODUCT WISE PERFORMANCE

The Company has only one Business Segment i.e. information technology services or software development consultancy services. But, it has earned income from various Geographical Segments i.e. from India, USA and UK. The details of revenue by Geographical Segment are as follows:

Geographical Segment	Revenue (Rs.)
India	10,272,540
UK	45,69,652
USA	1,88,47,188
Canada	1,78,225
Revenue from Operations (Total)	3,38,67,605

MANAGEMENT'S RESPONSIBILITY STATEMENT

The management is responsible for preparing the Company's consolidated financial statements and related information that appear in this Annual Report. The management believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.



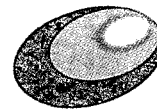
Outlook

We seek to further strengthen our position as a technology services company by successfully differentiating our service offerings and increasing the scale of our operations. To achieve these goals, we seek to increase business from existing and new clients. Our goal is to build enduring relationships with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value-added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We manage engagements by educating clients about the offshore model, taking on smaller projects to minimize client risk and demonstrating our superior execution capabilities. We plan to increase our recurring business with clients by providing software re-engineering, maintenance, infrastructure management and business process management services, which are long-term in nature and require frequent client contact.

The Company will continue to leverage its technical expertise as it seeks business from software product companies in the international market. Also, the Company has initiated in providing software solutions to certain vertical markets.

Cautionary Note

The statements in the Directors' and Management Discussion and Analysis Report describing the Company's projections, estimates, 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 since the Company's operations are influenced by many external and internal factors beyond the control of the Company.



AUDITORS' REPORT

To the Members,
Cressanda Solutions Limited

We have audited the attached Balance Sheet of CRESSANDA SOLUTIONS LIMITED, as at March 31, 2009, 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, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2009 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, 2009;
 - b) in the case of the Profit and Loss Account, of the Profit 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 Sanganeria & Co**
Chartered Accountants

Pawan Kr. Agarwal
Partner

C.A. Membership No. 053496

Place: Camp Noida
Date: June 30, 2009



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, 2009. 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 49,16,219 and year end balance was Rs 48,57,177.
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 81,80,674 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 not incurred cash losses in the current financial year and 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

Pawan Kr. Agarwal
Partner

C.A. Membership. No. 053496

Date: June 30, 2009
Place: Camp Noida.

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
SOURCES OF FUNDS:			
(1) Shareholders' Funds	1		
(a) Share Capital		90,000,000	90,000,000
(b) Reserves and Surplus		-	-
(2) Loan Funds	2		
(a) Secured Loans		500,000	2,732,812
(b) Unsecured Loans		24,048,007	32,877,608
TOTAL		<u>114,548,007</u>	<u>125,610,420</u>
APPLICATION OF FUNDS:			
(1) Fixed Assets	3		
(a) Gross block		65,299,753	65,117,693
(b) Less depreciation		58,792,263	55,948,696
(c) Net block		<u>6,507,490</u>	<u>9,168,997</u>
(2) Investments	4	31,742,340	33,692,340
(3) Current assets, loans, and advances	5		
(a) Sundry Debtors		9,879,008	13,590,779
(b) Cash and Bank Balances		1,062,736	702,307
(c) Loans and Advances		10,199,933	12,002,178
Less:		<u>21,141,677</u>	<u>26,295,265</u>
Current liabilities and provisions:	6		
(a) Liabilities		1,221,423	3,646,053
(b) Provisions		1,537,037	856,305
		<u>2,758,460</u>	<u>4,502,358</u>
Net current assets		<u>18,383,217</u>	<u>21,792,907</u>
(4) Miscellaneous Expenditure	7	14,200	28,400
(To the extent not written off or adjusted)			
Profit & Loss Account		57,900,760	60,927,775
TOTAL		<u>114,548,007</u>	<u>125,610,420</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	13		

This is the Balance Sheet referred to in 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

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

Sandeep Talwar
Director

Rohit Agarwal
Director

Rahul Agarwal
Director

Date: 30th June 2009
Place: Camp Noida

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
Income			
Software Development Services	8	33,867,605	50,762,188
Other Income	9	2,277,492	3,568,522
Total		<u>36,145,098</u>	<u>54,330,710</u>
Operating Expenses			
Personnel Expenses	10	11,872,436	19,439,216
Administrative & other Expenses	11	14,701,424	19,068,966
Operational Expenses	12	3,394,702	6,053,396
Total		<u>29,968,562</u>	<u>44,561,578</u>
Operating Profit / (Loss)		6,176,536	9,769,132
Less: Finance Charges		125,923	594,036
Depreciation		2,843,564	7,059,095
Profit / (Loss) before tax & Prior Period Items		<u>3,207,049</u>	<u>2,116,001</u>
Less: Prior Period Adjustments		34,034	59,223
Profit / (Loss) before tax		<u>3,173,015</u>	<u>2,056,778</u>
Less: Provision for Taxation		-	-
		3,173,015	2,056,778
Less: Provision for FBT		146,000	172,000
Net Profit / (Loss) after tax		<u>3,027,015</u>	<u>1,884,778</u>
Add: Provision for Gratuity Written Back		-	805,724
		3,027,015	2,690,502
Add: Balance Brought Forward		<u>(60,927,775)</u>	<u>(63,618,277)</u>
Balance transferred to Balance Sheet		<u>(57,900,760)</u>	<u>(60,927,775)</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
	13		
Basic & Diluted Earnings per Share		0.34	0.21

This is the Profit & Loss Account referred to in 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

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

Sandeep Talwar
Director

Rohit Agarwal
Director

Rahul Agarwal
Director

Date: 30th June 2009
Place: Camp Noida

**SCHEDULES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2009**

As at
March 31, 2009
(Rs.)

As at
March 31, 2008
(Rs.)

SCHEDULE - 1

SHAREHOLDER'S FUND

Authorised Share Capital

1,20,00,000 equity shares 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

90,000,000

90,000,000

SCHEDULE - 2

LOAN FUNDS

A. Secured loans

Term Loan

500,000

2,732,812

(Secured by hypothecation of Motor Cars & Computer Equipments)

B. Unsecured loans

From Directors

916,897

846,643

Inter-Corporate Deposits

21,231,110

24,530,965

Others

1,900,000

7,500,000

24,048,007

32,877,608

SCHEDULE - 3

Details of FIXED ASSETS as per Companies Act, 1956

S. No.	PARTICULARS	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As on 01.04.08	Additions	Deletion	As on 31.03.09	As on 01.04.08	During the Year	Dep. On Deletion	As on 31.03.08	As on 31.03.09	As on 31.03.08
1	Computers	40.00%	15,111,712	173,360	-	15,285,072	13,938,098	511,459	-	14,449,557	835,515	1,173,614
2	Machinery	13.91%	2,527,462	-	-	2,527,462	1,141,323	192,812	-	1,334,135	1,193,327	1,386,139
3	Air Conditioners	13.91%	2,322,217	-	-	2,322,217	1,093,112	170,969	-	1,264,081	1,058,136	1,229,105
4	Refrigerator	13.91%	12,850	-	-	12,850	10,551	320	-	10,871	1,979	2,298
5	EPABX Systems	13.91%	395,352	-	-	395,352	210,888	25,659	-	236,547	158,805	184,463
6	Furniture & Fixtures	18.10%	1,860,590	3,700	-	1,864,290	1,313,482	99,157	-	1,412,639	451,651	547,108
7	Cellular Phones	13.91%	461,913	2,500	-	464,413	274,057	26,312	-	300,369	164,044	187,856
8	Motor Cars	25.89%	3,946,466	-	-	3,946,466	3,309,632	164,876	-	3,474,508	471,958	636,834
9	Office Equipments	13.91%	1,127,936	-	-	1,127,936	547,016	80,806	-	627,822	500,114	580,920
10	Software	40.00%	664,847	-	-	664,847	336,526	131,328	-	467,854	196,993	328,321
11	Computer Software Licence	40.00%	129,898	-	-	129,898	36,288	37,444	-	73,732	56,166	93,610
12	Software Packages(Capitalised)		28,451,298	-	-	28,451,298	28,451,298	-	-	28,451,298	-	-
13	Bicycle	20.00%	2,330	2,500	-	4,830	369	865	-	1,234	3,596	1,961
14	Sign Board	18.10%	38,272	-	-	38,272	2,646	6,448	-	9,094	29,178	35,626
15	Battery	13.91%	21,660	-	-	21,660	812	2,900	-	3,712	17,948	20,848
16	Leasehold Improvements	-	7,905,000	-	-	7,905,000	5,270,006	1,374,780	-	6,644,786	1,260,214	2,634,994
17	Electric Equipments	13.91%	137,890	-	-	137,890	12,592	17,429	-	30,021	107,869	125,298
Total			65,117,693	182,060	-	65,299,753	55,948,696	2,843,564	-	58,792,263	6,507,490	9,168,997
Previous Year Total			64,810,509	862,184	555,000	65,117,693	49,332,206	7,059,095	442,606	55,948,696	9,168,997	15,478,303

	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
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
JM Money Manager Fund (2,00,000 units of Rs 10/- each)	-	2,000,000
Ishi CSL Infosystems (P) Ltd (5,000 units of Rs 10/- each)	50,000	-
	<u>31,742,340</u>	<u>33,692,340</u>
SCHEDULE - 5		
CURRENT ASSETS, LOANS AND ADVANCES		
A. Sundry Debtors		
Unsecured, considered good		
Less than six months	2,565,855	3,132,746
Others	7,313,153	10,458,034
	<u>9,879,008</u>	<u>13,590,779</u>
B. Cash and Bank Balances		
Cash in Hand (As certified by the management)	12,632	47,657
Balances with Schedule Banks	1,050,104	654,650
	<u>1,062,736</u>	<u>702,307</u>
C. Loans and Advances (Unsecured, Considered good)		
Advances (Recoverable in cash or kind or for value to be received)	4,951,754	6,069,117
Tax Deducted at Source	4,020,135	2,699,267
Fixed Deposits with banks	45,000	2,065,000
Security Deposits	1,183,044	1,168,794
	<u>10,199,933</u>	<u>12,002,178</u>
SCHEDULE - 6		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors	144,086	1,444,926
Statutory Dues	344,682	549,329
Salary Payable	508,126	1,151,658
Other Expenses Payable	224,528	112,878
Other Liabilities	-	87,261
Security Deposit (Against rent)	-	300,000
	<u>1,221,423</u>	<u>3,646,053</u>
B. Provisions		
Provision for Gratuity	763,087	291,345
Provision for Leave Encashment	212,524	149,534
Provision for FBT	561,426	415,426
	<u>1,537,037</u>	<u>856,305</u>



	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SCHEDULE - 7		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	28,400	42,600
Less: Written off during the year	14,200	14,200
	<u>14,200</u>	<u>28,400</u>
SCHEDULE - 8		
SOFTWARE DEVELOPMENT SERVICES		
Domestic Services	10,272,540	8,406,238
Overseas Services	23,595,065	42,355,950
	<u>33,867,605</u>	<u>50,762,188</u>
SCHEDULE - 9		
OTHER INCOME		
Dividend Income	19,428	68,123
Interest on FDR	62,645	182,793
Profit on sale of Fixed Assets	-	17,606
Creditors Written back	1,040,301	-
Interest on I.T.refund	43,874	-
Rent Received	875,000	3,300,000
Foreign Exchange Fluctuation	236,244	-
	<u>2,277,492</u>	<u>3,568,522</u>
SCHEDULE - 10		
PERSONNEL EXPENSES		
Salary to Staff	8,732,789	16,518,028
Salary to Directors	900,600	885,600
Contribution to Provident Fund	280,410	499,879
Contribution to ESI	29,019	-
Gratuity	738,696	427,558
Leave Encashment	218,757	392,210
Staff Welfare & Training Expenses	932,739	619,648
Staff Entertainment expenses	39,426	96,293
	<u>11,872,436</u>	<u>19,439,216</u>



	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SCHEDULE - 11		
ADMINISTRATIVE AND OTHER EXPENSES		
Legal & Professional	5,643,907	6,274,846
Vehicle Running & Maintenance	303,021	480,812
Fringe Benefit Tax	71,912	209,606
Communication	1,896,156	1,699,626
Rent, Rates & Taxes	2,458,584	2,434,586
Repairs & Maintenance	752,906	1,428,880
Printing & Stationery	982,354	942,322
Preliminary Expenses Written off	14,200	14,200
Audit Fee	110,300	112,360
Filing Fees	3,520	12,381
Insurance	120,000	-
Fee & Subscription	216,424	647,772
Postage	28,673	27,585
Exchange Fluctuation Loss	-	479,155
Donation	5,100	-
Miscellaneous	82,391	67,093
Newspaper, Books & Periodicals	6,635	8,549
Office Consumable	416,678	523,394
Bad Debts written off	1,588,661	3,705,801
	<u>14,701,424</u>	<u>19,068,966</u>
SCHEDULE - 12		
OPERATIONAL EXPENSES		
Travelling & Conveyance	1,097,538	3,069,681
Electricity & Water Charges	1,831,366	2,567,557
Product Development, Internet Hosting & Software Licences	80,766	331,489
Business Promotion	82,166	47,506
Conferences & Seminar	3,000	8,989
Advertisement Expenses	299,866	28,173
	<u>3,394,702</u>	<u>6,053,396</u>

SCHEDULE 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON BALANCE SHEET AS ON MARCH 31, 2009 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.

Leave encashment

The Company has made a provision for leave encashment on the basis of actuarial valuation as on the balance sheet date.

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 2007-08 was Rs. 8,85,600 as compared to Rs.9,00,600 paid during the financial year 2008-09 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, 2009, the Company has no outstanding dues to small-scale industrial undertakings (Year ended on March 31, 2008 – 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 Imports

During the financial year 2008-09 CIF value of import of raw material, components and spare parts and capital goods is Nil (Financial Year 2007-08 is Nil)

5. Expenditure in Foreign Currency

During the financial year 2008-09, the company has not incurred any expenditure on traveling in foreign exchange as compared to Rs.6,06,743/- during the previous year 2007-08

6. Earnings in Foreign Currency

During the financial year 2008-09, the Company's earning in foreign exchange are given hereunder

Nature of service provided	2008-09	2007-08
Software Development Consultancy Services	Rs.23,595,065	Rs. 42,355,950

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:

Particulars	Amount In Rupees	
	For the Year Ended on March 31, 2009	For the Year Ended on March 31, 2008
Statutory Audit	77,210	78,652
Tax Audit	33,090	33,708
Other Capacity	1,91,478	11,224

10. 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:-

Particulars	F.Y. 2008-09	F.Y. 2007-08
Net Profit/ (Loss) after tax (Rs.)	3,027,015	18,84,778
Net profit/ (Loss) attributable to Equity share holders (Rs)	3,027,015	18,84,778
Reconciliation of weighted average number of shares		
For Basic and diluted earnings per Share (Nos.)	90,00,000	90,00,000
Earnings per share (Rs)	0.34	0.21
(Nominal value Rs.10/- each)		

11. 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 (Non-Executive Director)
Mr. Rahul Agarwal	Managing Director
Icon Nteractive Pvt. Ltd.	Common Directorship
Batlivala & Karani Securities India Pvt. Ltd	Common Directorship
Plus Investments (P) Ltd	Common Directorship
Ishi CSL Infosystems (P) Ltd	Common Directorship
IBSN	Common Directorship

b) Transaction with Related Parties

Name of the party	Transaction during the year (Rs)	Outstanding balance as on March 31, 2009 (Rs)
Batlivala & Karani Securities Pvt. Ltd	15,77,040	NIL
Cressanda Solution Inc.	83,93,962	NIL
Cressanda Solution UK Ltd	24,61,960	62,53,002 (Dr)
Global Fintech Private Limited	50,72,667	500,000 (Cr)
Icon Nteractive Pvt Ltd.	NIL	12,31,110 (Cr.)
Ecom Concept India Pvt Ltd.	59,042	38, 57,177 (Dr)
Ishi CSL Infosystems (P) Ltd (Advance)	NIL	10,00,000 (Dr)
--Do-- (Others)	47,31,267	2,00,000(Dr)
Mr. Rohit Agarwal (Loan)	70,254	9,16,897 (Cr)
Mr. Sandeep Talwar (Managerial Remuneration)	9,00,600	NIL
Plus Investments (P) Ltd	4,60,000	NIL
IBSN	1,24,92,997	NIL



12. Contingent Liability

- a) Contingent liability in respect of ESI contribution prior to registration , if any, not ascertainable
- b) 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 and on behalf of the Board of Directors

For **Agarwal Sanganeria & Co.**
Chartered Accountants

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

Sandeep Talwar
Director

Rahul Agarwal
Director

Rohit Agarwal
Director

Date: June 30, 2009
Place: Camp, Noida



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009
(Pursuant to amendment of clause 32 of the listing agreement)

Particulars	Year ended March 31, 2009 (Rs.)	Year ended March 31, 2008 (Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	3,173,015	2,056,778
Add:		
Preliminary expenses written off	14,200	14,200
Depreciation	2,843,564	7,059,095
Provision for Gratuity written back	-	805,724
Profit on sale of Fixed assets	-	(17,606)
Dividend received	(19,428)	(68,123)
Interest on FDR	(62,644)	(182,793)
Operating profit before working capital changes	5,948,707	9,667,275
Changes in Current Assets and Liabilities		
--Sundry Debtors	3,711,774	9,147,447
--Loans and Advances	1,802,245	(2,009,668)
--Current Liabilities and Provisions	(1,743,898)	(4,555,553)
Cash generated from operations	9,718,828	12,249,501
Cash Flow before extraordinary items	9,718,828	12,249,501
Extraordinary items	(146,000)	(172,000)
Net cash used in operating Activities (A)	9,572,828	12,077,501
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Assets Purchased	(182,060)	(862,184)
Sale of Fixed Assets	-	130,000
Sale of Investment(MF)	2,000,000	-
Investment made during the year	(50,000)	(2,000,000)
Interest on FDR Received	62,645	182,793
Dividend received	19,428	68,123
Net Cash used in Investing activities (B)	1,850,013	(2,481,268)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan	(2,732,812)	(3,773,620)
Repayment of Long term borrowings	(8,329,600)	(5,604,885)
Net Cash used in Financing activities (C)	(11,062,412)	(9,378,505)
Net Increase in cash & cash equivalents (A+B+C)	360,429	217,728
Add: Cash & Cash equivalent as at the beginning of the year (Opening Balance)	702,307	484,579
Cash & Cash equivalents as at the end of the year (Closing Balance)	1,062,736	702,307

For **Agarwal Sanganeria & Co.**
Chartered Accountants

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

Sandeep Talwar
Director

Rahul Agarwal
Director

Rohit Agarwal
Director

Date: June 30, 2009
Place: Camp, Noida

STATEMENTS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

- | | |
|--|--|
| 1. Name of the subsidiary | Cressanda Solutions Inc. |
| 2. Financial year ended | March 31, 2009 |
| 3. Holding Company's interest | 100% in equity capital |
| 4. Shares held by the holding company in the subsidiary | 250 equity shares of US\$ 1,000 each fully paid-up |
| 5. The net aggregate of profits or losses for the current financial year of the subsidiary so far as it concerns the members of the holding company | |
| a. Dealt with or provided for in the accounts of the holding company | Nil |
| b. Not dealt with or provided for in the accounts of the holding company | Loss: US\$ 30,629 |
| 6. The net aggregate of profits or losses for the Previous financial year of the subsidiary so far as it concerns the members of the holding company | |
| a. Dealt with or provided for in the accounts of the holding company | Nil |
| b. Not dealt with or provided for in the accounts of the holding company | Loss: US\$ 23,126 |
-

For **Agarwal Sanganeria & Co.**
 Chartered Accountants

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

Sandeep Talwar
 Director

Rahul Agarwal
 Director

Rohit Agarwal
 Director

Date: August 17, 2009
 Place: Camp, Noida

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE
1. REGISTRATION DETAILS:

Registration No.						3	7	0	3	6	
State code									1	1	
Balance Sheet date		3	1	-	0	3	-	2	0	0	9

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

Public Issue										N	A
Rights Issue										N	A
Bonus Issue										N	A
Private Placement										N	A

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

Total Liabilities						1	1	7	3	0	6
Total Assets						1	1	7	3	0	6
Sources of Funds:											
Paid Up Capital							9	0	0	0	0
Reserve & Surplus									N	I	L
Secured Loans									5	0	0
Unsecured Loans							2	4	0	4	8
Application of Funds:											
Net Fixed Assets								6	5	0	8
Investments							3	1	7	4	2
Net Current Assets							1	8	3	8	3
Miscellaneous Expenditure										1	4
Accumulated Losses							5	7	9	0	1

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

Turnover							3	3	8	6	8
Total Expenditure							3	2	9	7	2
Profit / -Loss before tax								3	1	7	3
Profit / -Loss after tax								3	0	2	7

5. PERFORMANCE OF THE COMPANY(Amount in Rs.)

Basic Earnings Per Share in Rs.								0	.	3	4
Diluted Earnings Per Share in Rs								0	.	3	4
Dividend Rate (%)											

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

Item Code No. (ITC Code)										N	A
Product Description				S	O	F	T	W	A	R	E
	D	E	V	E	L	O	P	M	E	N	T
				S	E	R	V	I	C	E	S

AUDITORS REPORT

TO THE BOARD OF DIRECTORS OF CRESSANDA SOLUTIONS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CRESSANDA SOLUTIONS LIMITED AND ITS SUBSIDIARY

We have audited the attached consolidated Balance Sheet of Cressanda Solutions Limited and its subsidiary as at March 31, 2009, and also the consolidated Profit and Loss account for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We did not audit the financial statements of Cressanda Solutions Inc; USA whose financial statements reflect total assets of Rs.67.26 lacs as at March 31, 2009 and total revenues of Rs.282.45 lacs for the year ended. These financial statements have been Audited by other Auditors and Auditor's Report have been furnished to us, and in our opinion, so far as it relates to the amounts included in respect of subsidiary, is based solely on the report of the Auditors.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on basis of the separate audited financial statements of Cressanda Solutions Limited and its subsidiary, which has been included in the consolidated financial statements.

On the basis of the information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of Cressanda Solutions Limited and its subsidiary, we are of the opinion that:

- a) The consolidated balance sheet gives a true and fair view of the consolidated state of affairs of Cressanda Solutions Limited and its subsidiary as at March 31, 2009; and
- b) The consolidated profit and loss account gives a true and fair view of the consolidated profit of operations of Cressanda solutions Limited and its subsidiary for the year ended on that date.

For **Agarwal Sangneria & Co.**
Chartered Accountants,

(Pawan Kumar Agarwal)
Partner

C A. Membership.No.053496

Date: August 17, 2009
Place: Camp, Noida

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
SOURCES OF FUNDS:			
(1) Shareholders' Funds			
(a) Share Capital	1	90,000,000	90,000,000
(b) Reserves and Surplus	2	1,847,660	-
(2) Loan Funds	3		
(a) Secured Loans		500,000	2,732,812
(b) Unsecured Loans		24,048,007	32,877,608
TOTAL		<u>116,395,667</u>	<u>125,610,420</u>
APPLICATION OF FUNDS:			
(1) Goodwill		-	862,340
(2) Fixed Assets	4		
(a) Gross block		68,902,511	68,720,451
(b) Less depreciation		62,342,660	59,359,899
(c) Net block		<u>6,559,851</u>	<u>9,360,552</u>
(3) Investments	5	20,875,000	22,825,000
(4) Current assets, loans, and advances	6		
(a) Sundry Debtors		13,867,897	17,589,939
(b) Cash and Bank Balances		2,820,620	2,126,699
(c) Loans and Advances		10,168,967	12,002,178
Less:		<u>26,857,484</u>	<u>31,718,816</u>
Current liabilities and provisions:	7		
(a) Liabilities		5,323,637	8,336,477
(b) Provisions		1,537,037	856,305
		<u>6,860,674</u>	<u>9,192,782</u>
<i>Net current assets</i>		<u>19,996,810</u>	<u>22,526,034</u>
(5) Miscellaneous Expenditure	8		
(to the extent not written off or adjusted)			
Preliminary Expenses		14,200	28,400
Deferred Tax Assets		957,796	2,396,037
Profit & Loss Account		67,992,010	67,612,057
TOTAL		<u>116,395,667</u>	<u>125,610,420</u>

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO ACCOUNTS 14

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

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

Sandeep Talwar
Director

Rahul Agarwal
Director

Rohit Agarwal
Director

Date: August 17, 2009
Place: Camp, Noida

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
INCOME			
Software Development Services	9	43,260,328	70,078,922
Other Income	10	2,316,571	3,568,522
Total		<u>45,576,899</u>	<u>73,647,444</u>
OPERATING EXPENDITURE			
Personnel Expenses	11	17,777,444	34,496,661
Administrative & other Expenses	12	17,471,386	22,893,834
Operational Expenses	13	3,394,702	6,099,058
Total		<u>38,643,532</u>	<u>63,489,553</u>
Operating Profit / (Loss)		6,933,367	10,157,891
Less: Finance Charges		130,869	594,036
Depreciation	4	2,982,761	7,244,654
Profit / (Loss) before tax & Prior Period Items		<u>3,819,737</u>	<u>2,319,201</u>
Less: Prior Period Adjustments		34,034	59,223
Profit / (Loss) before tax		<u>3,785,703</u>	<u>2,259,978</u>
Less: Provision for Taxation		146,000	172,000
Net Profit / (Loss) after tax		<u>3,639,703</u>	<u>2,087,978</u>
Provision for Gratuity written back		-	805,724
Deferred Tax Assets		2,118,116	1,057,088
		<u>1,521,587</u>	<u>1,836,614</u>
Add: Balance Brought Forward		(69,513,597)	(69,448,671)
Balance Carried forward to Balance Sheet		<u>(67,992,010)</u>	<u>(67,612,057)</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

	14		
Basic & Diluted Earnings per Share		0.17	0.23

This is the Profit & Loss Account referred to
in 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 Sangneria & Co.**
Chartered Accountants

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

Sandeep Talwar
Director

Rahul Agarwal
Director

Rohit Agarwal
Director

Date: August 17, 2009
Place: Camp, Noida

SCHEDULES ATTACHED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SCHEDULE - 1		
SHAREHOLDER'S FUND		
Authorised Share Capital		
1,20,00,000 Equity shares of Rs. 10 each	120,000,000	120,000,000
Issued, Subscribed and Paid-up	90,000,000	90,000,000
90,00,000 equity shares of Rs.10 each fully paid up	90,000,000	90,000,000
SCHEDULE - 2		
Reserve and Surplus		
Capital Reserve	1,847,660	-
	1,847,660	-
SCHEDULE - 3		
LOAN FUNDS		
A. Secured loans		
Term Loan	-	2,732,812
(Secured by hypothecation of Motor Cars & Computer Equipments)		
Term Loan	500,000	-
	500,000	2,732,812
B. Unsecured loans		
From Directors	916,897	846,643
Inter-Corporate Deposits	21,231,110	24,530,965
Others	1,900,000	7,500,000
	24,048,007	32,877,608

SCHEDULE - 4
Details of FIXED ASSETS as per Companies Act, 1956

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Rate	As on 01.04.08	Additions	Deletion	As on 31.03.09	As on 01.04.08	During the Year	Dep. On Deletion	As on 31.03.08	As on 31.03.09	As on 31.03.08
1	Computers	40.00%	15,111,712	173,360	-	15,285,072	13,938,099	511,459	-	14,449,558	835,514	1,173,613
2	Machinery	13.91%	2,527,462	-	-	2,527,462	1,141,323	192,812	-	1,334,135	1,193,327	1,386,139
3	Air Conditioners	13.91%	2,322,217	-	-	2,322,217	1,093,112	170,969	-	1,264,081	1,058,136	1,229,105
4	Refrigerator	13.91%	12,850	-	-	12,850	10,551	320	-	10,871	1,979	2,299
5	EPABX Systems	13.91%	395,352	-	-	395,352	210,888	25,659	-	236,547	158,805	184,464
6	Furniture & Fixtures	18.10%	5,463,348	3,700	-	5,467,048	4,724,684	238,354	-	4,963,038	504,010	738,664
7	Cellular Phones	13.91%	461,913	2,500	-	464,413	274,058	26,312	-	300,370	164,043	187,855
8	Motor Cars	25.89%	3,946,466	-	-	3,946,466	3,309,632	164,876	-	3,474,508	471,958	636,834
9	Office equipments	13.91%	1,127,936	-	-	1,127,936	547,016	80,806	-	627,822	500,114	580,920
10	Computer Software Licenced	40.00%	129,898	-	-	129,898	36,288	37,444	-	73,732	56,166	93,610
11	Software		664,847	-	-	664,847	336,526	131,328	-	467,854	196,993	328,321
12	Bicycle	20.00%	2,330	2,500	-	4,830	369	865	-	1,234	3,596	1,961
13	Sign Board	18.10%	38,272	-	-	38,272	2,646	6,448	-	9,094	29,178	35,626
14	Battery	13.91%	21,660	-	-	21,660	812	2,900	-	3,712	17,948	20,848
15	Software Packages (Capitalised)		28,451,298	-	-	28,451,298	28,451,298	-	-	28,451,298	-	-
16	Electric Equipment	13.91%	137,890	-	-	137,890	12,592	17,429	-	30,021	107,869	125,298
17	Leasehold Improvements		7,905,000	-	-	7,905,000	5,270,005	1,374,780	-	6,644,785	1,260,215	2,634,995
	Total		68,720,451	182,060	-	68,902,511	59,359,899	2,982,761	-	62,342,660	6,559,851	9,360,552
	Previous Year Total		68,413,267	862,184	555,000	68,720,451	52,557,851	7,244,654	442,606	59,359,899	9,360,552	15,855,416

	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SCHEDULE - 5		
INVESTMENTS AT COST - TRADE		
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 equity shares of Rs.10 each)	50,000.00	-
JM Money Manager Fund (2,00,000 units of Rs 10/- each)	-	2,000,000
	<u>20,875,000</u>	<u>22,825,000</u>
SCHEDULE - 6		
CURRENT ASSETS, LOANS AND ADVANCES		
A. Sundry Debtors		
(Unsecured & considered good)		
Less than six months	2,565,855	3,132,746
Others	11,302,042	14,457,193
	<u>13,867,897</u>	<u>17,589,939</u>
B. Cash and Bank Balances		
Cash in Hand (As certified by the management)	12,632	47,657
Balances with Schedule Banks	2,807,988	2,079,042
	<u>2,820,620</u>	<u>2,126,699</u>
C. Loans and Advances (Unsecured and Considered good)		
Advances (Recoverable in cash or in kind or for value to be received)	5,042,081	6,069,117
Advance Income Tax & Tax Deducted at Source	3,898,842	2,699,267
Fixed Deposit with bank	45,000	2,065,000
Security Deposits	1,183,044	1,168,794
	<u>10,168,967</u>	<u>12,002,178</u>
SCHEDULE - 7		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors	4,246,301	5,624,095
Statutory Dues	344,682	549,329
Salary Payable	508,126	1,662,914
Other Expenses Payable	224,528	112,878
Other Liabilities	-	87,261
Security Deposits	-	300,000
	<u>5,323,637</u>	<u>8,336,477</u>
B. Provisions		
Provision for Gratuity	763,087	291,345
Provision for Leave Encashment	212,524	149,534
Provision for Taxation	561,426	415,426
	<u>1,537,037</u>	<u>856,305</u>



	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SCHEDULE - 8		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	28,400	42,600
Less: Written off during the year	14,200	14,200
	<u>14,200</u>	<u>28,400</u>
SCHEDULE - 9		
SOFTWARE DEVELOPMENT SERVICES		
Domestic Services	10,272,540	8,406,238
Overseas Services	32,987,788	61,672,684
	<u>43,260,328</u>	<u>70,078,922</u>
SCHEDULE - 10		
OTHER INCOME		
Dividend Income	19,428	68,123
Interest Income	62,645	182,793
Profit on sale of Fixed Assets	-	17,606
Creditors Written back	1,040,301	-
Interest on IT refund	43,874	-
Foreign exchange gain	275,323	-
Rent received	875,000	3,300,000
	<u>2,316,571</u>	<u>3,568,522</u>
SCHEDULE - 11		
PERSONNEL EXPENSES		
Salary to Staff	14,637,797	31,575,473
Salary to Directors	900,600	885,600
Contribution to Provident Fund	280,410	499,879
ESI	29,019	-
Gratuity	738,696	427,558
Leave Encashment	218,757	392,210
Staff Entertainment & Welfare Expenses	972,165	715,941
	<u>17,777,444</u>	<u>34,496,661</u>

	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SCHEDULE - 12		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates & Taxes	2,717,105	3,544,781
Repairs & Maintenance	752,906	1,428,880
Legal & Professional	7,413,072	7,219,238
Vehicle Running & Maintenance	303,021	480,812
Telephone Expenses	1,920,976	1,722,958
Printing & Stationery	982,354	942,322
Preliminary Expenses Written off	14,200	14,200
Insurance	234,389	62,391
Fees & Subscription	216,424	659,778
Postage	28,673	39,311
Exchange Fluctuation Loss	-	407,353
Miscellaneous Expenses	96,632	68,934
Newspaper, Books & Periodicals	6,635	8,549
Office Consumables	432,771	550,327
Bad Debts Written Off	2,116,283	5,352,424
Filing Fees	3,520	12,381
Donation	5,100	-
Bank Service Charges	45,113	57,229
Audit Fee	110,300	112,360
Fringe Benefit tax	71,912	209,606
	<u>17,471,386</u>	<u>22,893,834</u>
SCHEDULE - 13		
OPERATIONAL EXPENSES		
Traveling & Conveyance	1,097,538	3,113,103
Electricity & Water Charges	1,831,366	2,567,557
Product Development, Internet Hosting & Software Licences	80,766	331,489
Business Promotion	82,166	47,506
Advertisement, Conferences & Seminar	302,866	39,403
	<u>3,394,702</u>	<u>6,099,058</u>

SCHEDULE – 14**Notes to Consolidated Financial Statements****1. The Group**

Cressanda Solutions Limited is the flagship Company of the Group and is listed on the Bombay Stock Exchange Limited of India. The Company and its subsidiary M/s Cressanda Solutions Inc. are primarily engaged in the business of delivering customized software solutions and products in the domain of contemporary services. The parent Company is based at Noida (U.P) and Mumbai, India. The subsidiary company is based in Texas, USA.

2. Basis of preparation of the financial statements

The consolidated financial statements of the Cressanda Group are prepared under the historical cost convention on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, and materially comply with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956 (the Act). The consolidated financial statements include the financial statements of Cressanda Solutions Limited and its subsidiary, which is 100% owned. The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under AS 21- Consolidated Financial Statements prescribed by the ICAI. In respect of investments made in Associate Companies, the principles prescribed under AS 23- Accounting for Investments in Associates in Consolidated Financial Statements issued by the ICAI, effective 1 April 2002 has been adopted in the preparation of these financial statements. All material inter-Company transactions and accounts are eliminated on consolidation.

3. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

4. 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.

5. Reinstatement of Financial Statements

The reporting currency of the parent company is in Indian Rupee. The reporting currency of the subsidiary Company is US Dollar. For consolidation, the income and expenditure items of the foreign subsidiary are translated to Indian Rupees at the end on the Financial Year using the closing exchange rates for such year. All monetary assets and liabilities of the foreign subsidiary excluding equity capital as on the Balance Sheet date is translated to Indian Rupees at the exchange rate prevalent on the Balance Sheet date. Non-monetary items in the Balance Sheet of foreign subsidiary are translated at rates approximating those ruling on the transaction date. Investments made by the parent company in the equity capital of the foreign subsidiary are carried at historical cost based on the foreign currency rates prevalent on the date of Investment. Gains arising from translation at exchange rates prevalent on the Balance Sheet date are directly credited to the reserves as "Other Comprehensive Income" and losses as "Goodwill" in accordance with the Accounting Standard.

6. Taxation

i) Domestic

No Provision is made for income tax liability as the company has the carried forward losses. The only provision made of Rs.1,46,000 on account of Fringe Benefit tax for the F.Y. 2008-09. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that the asset can be realized in the future, however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Following the conservative policy, no Deferred Tax Assets has been created.

ii) Foreign

Deferred income taxes are provided for the temporary difference between financial reporting basis and the tax basis of the Subsidiary Company's assets and liabilities. The temporary differences that create the deferred tax liability are the depreciation method and revenue / expense recognition differences between the financial reporting and tax return methods.

The current / deferred tax liability at March 31, 2009 and 2008 is as follows:

Particulars	Year Ended March 31, 2009	Year Ended March 31, 2008
Domestic –Fringe Benefit tax	Rs. 1,46,000	Rs. 1,72,000
Foreign - Federal & State Current Tax (expense / (benefit)	(US\$ 41,646)	(US\$ 26,414)
Foreign - Federal & State Deferred Tax Assets	(US\$ 15,432)	(US\$ 39,871)

7. Contingent Liability

- a) Contingent liability in respect of ESI contribution prior to registration , if any, not ascertainable
- b) 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

8. Segmental Reporting

The Company has only one Business Segment i.e. information technology services or software development consultancy services. But, it has earned income from various Geographical Segments i.e. from USA, UK, and Canada etc. The details of revenue by Geographical Segment are as follows:

Geographical Segment	Revenue (Rs.)
India	10,272,540
UK	45,69,652
USA	1,88,47,188
Canada	1,78,225
Revenue from Operations (Total)	3,38,67,605

Segment wise profit & loss, Fixed Assets and Capital Employed used in the Company business cannot be specifically identified with any of the reportable segments, as these are used inter changeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since the meaningful segregation of the available data is not possible.

9. 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:-

Particular	F.Y. 2008-09	F.Y. 2007-08
Net Profit/(Loss) after tax (Rs.)	1,521,587	1,836,614
Net profit/(loss) attributable to Equity share holders (Rs)	1,521,587	1,836,614
Reconciliation of weighted average number of shares For Basic and diluted earnings per share (Nos.)	90,00,000	90,00,000
Earnings per share (Rs) (Nominal value Rs.10/- each)	0.17	0.20

10. Previous Year Figures

Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with the current year figures. Losses pertaining to previous year have been re written due to exchange fluctuation.

In terms of Our Report of even date.

For and on behalf of the Board of Directors

For **Agarwal Sanganeria & Co.**
Chartered Accountants

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

Sandeep Talwar
Director

Rahul Agarwal
Director

Rohit Agarwal
Director

Date: August 17, 2009
Place: Camp, Noida



CRESSANDA SOLUTIONS, INC.
Financial Statements and Supplementary Information

March 31, 2009 and 2008

INDEPENDENT AUDITORS REPORT

To the Board of Directors
Cressanda Solutions Inc.
1145 Hidden Ridge, Suite 1160
Irving, TX 75038

We have audited the accompanying balance sheet of Cressanda Solutions, Inc. (a Texas Corporation and a wholly owned subsidiary of Cressanda Solutions Limited, India) as of March 31, 2009 and the related statement of operations, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Cressanda Solutions, Inc's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Cressanda Solutions, Inc. as of March 31, 2008 were audited by other auditors whose report dated August 14, 2008 expressed an unqualified opinion on those statements.

We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. 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.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of Cressanda Solutions, Inc. as of March 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Pradeep K Gupta, CPA, P.C.
August 11, 2009

BALANCE SHEET AS AT MARCH 31, 2009 AND 2008

	2009 (US\$)	2008 (US\$)
ASSETS		
(1) CURRENT ASSETS		
(a) Cash	34,563	35,592
(b) Accounts Receivables	76,044	99,929
(c) Work in Progress	1,776	-
(d) Deferred Income Tax Benefit	3,400	20,000
TOTAL CURRENT ASSETS	<u>115,783</u>	<u>155,521</u>
(2) PROPERTY AND EQUIPMENT		
(a) Furniture, Fixtures and equipment	83,032	83,032
(b) Accumulated Depreciation	<u>(83,032)</u>	<u>(80,035)</u>
NET PROPERTY AND EQUIPMENT	<u>-</u>	<u>2,997</u>
OTHER ASSETS		
Deferred Income Tax benefits, net of current position	15,432	39,871
TOTAL OTHER ASSETS	<u>15,432</u>	<u>39,871</u>
TOTAL ASSETS	<u>131,215</u>	<u>198,389</u>
LIABILITY AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITY		
Accounts Payable and accrued expenses	80,657	104,427
Accrued Salaries and Taxes	-	12,775
TOTAL CURRENT LIABILITIES	<u>80,657</u>	<u>117,202</u>
STOCKHOLDER'S EQUITY		
Common Stock-\$1,000 par value; 250 shares Authorised, issued and outstanding	250,000	250,000
Accumulated Deficit	<u>(1,99,442)</u>	<u>(1,68,813)</u>
TOTAL STOCKHOLDER'S EQUITY	<u>50,558</u>	<u>81,187</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>131,215</u>	<u>198,389</u>

Pradeep K Gupta, CPA, P.C.
 August 11, 2009

**STATEMENT OF OPERATIONS AND RETAINED EARNINGS FOR
 THE YEARS ENDED MARCH 31, 2009 AND 2008**

	2009 (US\$)	2008 (US\$)
REVENUE		
(a) Consulting Income	555,347	706,347
Total Revenues	<u>555,347</u>	<u>706,347</u>
COST OF REVENUE		
(a) Outside Consulting	370,669	376,248
(b) Salaries, commissions and benefits	113,731	223,670
(c) Payroll Taxes	5,083	18,365
Total Cost of Revenue	<u>489,483</u>	<u>618,283</u>
GROSS PROFIT	<u>65,864</u>	<u>88,064</u>
OPERATING EXPENSES	<u>54,750</u>	<u>84,776</u>
NET INCOME FROM OPERATIONS	<u>11,114</u>	<u>3,288</u>
Interest Expenses	97	-
INCOME BEFORE INCOME TAXES	11,017	3,288
Income Tax-Provisions	<u>41,646</u>	<u>26,414</u>
NET LOSS	(30,629)	(23,126)
DEFICIT-BEGINNING OF THE YEAR	(1,68,813)	(1,45,687)
DEFICIT- END OF THE YEAR	<u>(1,99,442)</u>	<u>(1,68,813)</u>

 Pradeep K Gupta, CPA, P.C.
 August 11, 2009



**STATEMENT OF CASH FLOWS FOR THE YEARS ENDED
MARCH 31, 2009 AND 2008**

	2009 (US\$)	2008 (US\$)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss	(30,629)	(23,126)
Adjustments made to reconcile Net Loss to Net Cash provided by operating activities		
Depreciation	2,997	4,632
Deferred Income Tax	41,039	26,414
(Increase) / Decrease in Assets		
Accounts Receivables-Trade	23,885	18,328
Work in Progress	(1,776)	0
Increase / (Decrease) in Liabilities		
Accounts Payable	(23,770)	8,228
Accrued Payroll and Payroll Taxes	(12,775)	(4,725)
Commissions and Employees Payable	0	(30,926)
NET CASH USED BY OPERATING ACTIVITIES	(1,029)	(1,175)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,029)	(1,175)
CASH AND CASH EQUIVALENTS-BEGINNING OF THE YEAR	35,592	36,767
CASH AND CASH EQUIVALENTS-END OF THE YEAR	34,563	35592
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for Income Taxes	607	0

Pradeep K Gupta, CPA, P.C.
August 11, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Cressanda solutions, Inc. (a Texas corporation, hereinafter referred to as the Company) is a nationwide technology-focused software services company. The Company provides information systems solutions for its customer's business processes. Among the services provided are customized software development to address customers' specific needs; strengthening of internet and network security using authentication and encryption and network integration.

The Company is a wholly owned subsidiary of Cressanda Solutions Limited based in New Delhi, India that conducts business on tested on-site & offshore methodologies to provide cost effective and quality solutions to customers, principally in United States.

Cash and Cash Equivalents

The Company maintains its cash in bank deposit accounts and financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporations up to \$100,000 and temporarily for a limited period up to \$250,000 per bank account. For purposes of the Statement of Cash Flows, the Company considers all cash on hand and in deposit accounts to be cash equivalents.

Accounts Receivable

Accounts receivable consists of amounts due from customers for services provided. The Company provides an allowance for customer's accounts deemed doubtful for collections purposes. In management's opinion, all accounts were good and collectible; therefore no allowance was deemed necessary as of March 31, 2009.

Customer accounts receivable considered uncollectible by the management, are written off. Bad debt expenses for the years ended March 31, 2009 and 2008 were \$10,374 and \$41,145 respectively.

Property and Equipment

Property and equipment are stated at cost. The Companies utilize the straight-line method of depreciation for financial reporting purposes at rates based on the following estimated useful lives of the assets:

Computers and equipment	5 - 7 Years
Furniture and fixtures	5 - 7 Years

Repairs and maintenance, which do not extend the lives of the applicable assets, is charged to expense, as incurred. Gain or loss resulting from retirement or other disposition of assets is included in income. Depreciation expense for the years ended March 31, 2009 and 2008 were \$2,997 and \$4,632 respectively.

Revenue Recognition

The Company's revenue is derived from providing consulting services to customers on either a one-time or ongoing basis. All revenues are recognized when earned. Invoices are created on a regular basis and result from billable hours spent on contracted assignment at agreed upon rates.

Use of Estimates

The preparation of financial statement in conformity with generally for accepted accounting principles requires management to make estimates and assumptions regarding depreciation, amortization and deferred taxes that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Deferred income tax assets and liabilities are computed annually for Cressanda Solutions, Inc., for differences between the financial statement and tax bases of assets and liabilities as well as timing differences in recognition

of revenues and expenses that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the period in which the differences are expected to affect taxable income. The Company uses the accrual method of accounting for financial statements purposes where revenues and expenses are recognized when earned or a liability incurred and the cash method of accounting where revenues and expenses are recognized when cash is received or paid for income tax purposes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities.

Compensated Absences

There were no compensated absences recorded on the books as of March 31, 2009 and 2008. The Company expenses vacation pay as paid. If vacation benefits were accrued as earned it would not have a material effect on the financial statements.

NOTE B – ACCOUNTS PAYABLE

Following are the details of Accounts Payable:

	2009	2008
Ishi CSL info Systems Private Limited (India) (see Note C)	\$35,963	\$51,076
Impressico Business Solutions Private Limited (India) (see Note C)	\$41,000	-
Other payables due	\$4,000	\$53,351
	\$80,963	\$104,427

NOTE C – RELATED PARTY TRANSACTIONS

The Company also utilizes the resources of its parent Cressanda Solutions, Limited for outside consulting services. For the years ended March 31, 2009 and 2008, Cressanda Solutions, Limited provided services amounting to \$141,879 and \$237,099 respectively. Balances owed to Cressanda Solutions Limited as of March 31, 2009 and 2008 were \$0 and \$63,351 respectively.

Additionally, the Company is also related to the below listed service entities through common ownership and management. Related party transactions for consulting services during the year and balances as of March 31, 2009 were as follows:

	Transactions During the year	Amount Debit (Credit)
Ishi Csl Info Systems Pvt. Ltd. (services received)	\$185,925	(\$35,953)
Impressico Business Solutions Pvt. Ltd (services received)	\$41,000	(\$41,000)
Ishi, Inc (services rendered)	\$135,421	\$11,253

NOTE D – COMMON STOCK

As of March 31, 2009 and 2008, 100% of the common stock is held by Cressanda Solutions Limited of New Delhi, India. 250 shares of stock are authorized, issued and outstanding with a par value of \$1,000 per share.

NOTE E – OPERATING LEASES

The Company was obligated under an operating lease for office facilities for a portion of the year ending March 31, 2008. At the conclusion of the lease, the company did not renew. All office administration is currently done now remotely through their parent company offices in India whereas in the prior year these services were performed from the bookkeeping service located in Austin, TX.

Rent expenses for the operating lease for the year ended March 31, 2009 and 2008 were \$0 and \$7,500 respectively.

NOTE F – CORPORATE INCOME TAXES AND NET OPERATING LOSS CARRYFORWARD

The Company follows the provision of the Financial Accounting Standards Board (FASB) FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes – an interpretation of FASB statement of Accounting Standards No. 109, which provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken by the Company and to determine whether tax positions are “more-likely-not” of being sustained by the applicable tax authority. No tax position taken by the Company would qualify under this provision.

The Company follows the provision of the Financial Standard Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes, which states that deferred income taxes should be measured by using the enacted federal tax rates expected to apply to taxable income in the periods in which the net operating losses increased or decreased.

Based on historical levels of company taxable income rate of income tax selected in determining the federal benefit was 34%. It is estimated that the corporation will generate approximately \$10,000 of federal taxable income in the 2009-10 fiscal year and therefore the deferred taxes applicable to this income has been classified as a current asset. The net balance of deferred taxes are listed as a noncurrent other asset.

Given the Company's official location (as specified in Note E) is in the state of Texas (which has no corporate income tax), no state & local tax benefit or liability is included in the calculation.

The available net operating loss carry forward has generated a deferred income tax asset as disclosed below:

Deferred Income Tax Asset (Federal)	2009	2008
Current	\$3,400	\$20,000
Non Current	\$15,432	\$39,871
Total Deferred Taxes Benefit	\$18,832	\$59,871

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of Cressanda Solutions, Inc. assets and liabilities. The temporary differences that create the deferred tax liability are the depreciation method and revenue/expense recognition differences between the financial and tax return reporting method.

The components of the income tax provision for the year ended March 31, 2009 and 2008 includes only the federal portion of \$41,039 and \$26,414 respectively.

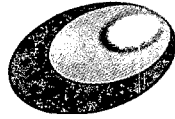
Pradeep K Gupta, CPA, P.C.

August 11, 2009

SCHEDULE - 1**STATEMENT OF OPERATING EXPENSES FOR THE YEARS ENDED
MARCH 31, 2009 AND 2008**

	2009	2008
	(US\$)	(US\$)
Bad Debt Expenses	10,374	41,145
Legal & Professional fees	34,785	23,598
Rent	-	7,500
Depreciation	2,998	4,632
Payroll Processing Fee	2,372	1,876
Insurance	2,249	1,559
Bank Service Charges	887	1,430
Travel & Entertainment	-	1,085
Office Supplies and Expenses	316	673
Telephone	488	583
Postage	-	293
Dues and Subscriptions	-	300
Miscellaneous Expenses	281	102
Total Operating Expenses	<u>54,750</u>	<u>84,776</u>

Pradeep K Gupta, CPA, P.C.
August 11, 2009



Cressanda
SOLUTIONS

CRESSANDA SOLUTIONS LIMITED

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

ATTENDANCE SLIP

Name : _____

Folio No.: _____

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Cressanda Solutions Limited at Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West), Mumbai- 400 052 on Wednesday, 30th September 2009 at 4:00 P.M.

SIGNATURE OF THE ATTENDANCE MEMBER/PROXY

- NOTES:**
1. Shareholder/Proxy holder wishing to attend the meeting must bring this attendance slip to the meeting and hand it over at the entrance duly signed.
 2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.



Cressanda
SOLUTIONS

CRESSANDA SOLUTIONS LIMITED

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

PROXY

I/We.....

of.....in the district of.....

a member/members of the above named Company, hereby appoint.....

.....in the district of.....of failing him/her.....

.....of.....in the district

of.....as my/our proxy to attend and vote for me/us and on my/our behalf At

the Twenty Fourth Annual General Meeting of the Company, to be held on Wednesday, 30th September, 2009 or at any adjournment thereof.

Signed this.....day of.....2009

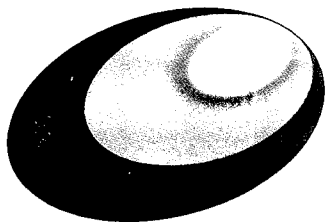
Reference Folio _____

No. of shares held _____

Please affix
Re.1
Revenue
Stamp

Signature(s) of the shareholder(s)

- NOTES:** The Proxy must be returned so as to reach the Registered Office of the Company at 26/27 Khatau Building, A.D. Modi Marg, Fort, Mumbai- 400 023 not less than FORTY EIGHT Hours before the time for holding the meeting.



Cressanda
SOLUTIONS

Cressanda Solutions Limited

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