



Cressanda
SOLUTIONS

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Cressanda Solutions Limited

Twenty Third Annual Report
2007-2008

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

On Monday, September 29, 2008
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
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (E),
Mumbai – 400 099.
4. Kindly notify change of your address and write to our Registrar and Share Transfer Agents in respect of any matter connected with your shares.



CRESSANDA SOLUTIONS LIMITED

BOARD OF DIRECTORS

Mr. Rahul Agarwal

Managing Director

Mr. Sandeep Talwar

Deputy Managing Director

Mr. Rohit Agarwal

Director

Mr. Rohit Khaitan

Director

Mr. M.N. Shenoy

Director

COMPANY SECRETARY

Mr. Ajay Kaushik

AUDITORS

M/s Agarwal Sangarneria & 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)



CONTENTS

CRESSANDA SOLUTIONS LIMITED	PAGE NO.
Notice	2 - 4
Directors' Report	5 - 7
Report on Corporate Governance	8 - 13
Auditors' Certificate on Corporate Governance	14
CEO/CFO Certification	15
Management's Discussion & Analysis Report	16 - 20
Auditors' Report	21
Annexure to the Auditors' Report	22 - 24
Balance Sheet	25
Profit and Loss Account	26
Schedules	27 - 34
Cash Flow Statement	35
Statement pursuant to section 212 of the Companies Act, 1956	36
Balance Sheet Abstract and Company's General Business Profile	37
CRESSANDA SOLUTIONS LIMITED (Consolidated Accounts)	
Auditors' Report	38
Balance Sheet	39
Profit and Loss Account	40
Schedules	41 - 47
CRESSANDA SOLUTIONS INC.	
Independent Auditors' Report	48
Balance Sheet	49
Statement of Operations and Retained Earnings	50
Schedule 1-Statement of Operating Expenses	51
Statement of Cash Flows	52
Notes to Financial Statements	53 - 55



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NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of Cressanda Solutions Limited will be held at Plot No. 102 & 103, Arihant Building, 15th Road, Khar (West), Mumbai-400052 on Monday, the 29th day of September, 2008 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, 2008 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 Sangneria & 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. Rohit Agarwal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rohit Khaitan 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 a Special Resolution:

"RESOLVED THAT subject to the approval of the Reserve Bank of India and/or Central Government under the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or issue of Securities by a person Resident outside India) Regulations, 2000 (including any statutory modification(s) or re enactments thereof for the time being in force) and subject to such other approvals, permissions and sanctions as may be considered necessary from SEBI and subject to the applicable provisions, if any, of the Companies Act, 1956, and subject to such conditions as may be prescribed by any of the authorities concerned while granting such approvals/permissions/sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board") be and is hereby authorized to accept, the consent, authority and approval of the Company be and is hereby accorded to the Board to allow Foreign Institutional Investors (FIIs), Non Resident Indians (NRIs), persons of Indian Origin (PIOs) to acquire Shares/ Debentures of the Company through Stock Exchanges in India under Portfolio Investment Scheme up to 24%, and/or in accordance with other permissible modes subject to the conditions laid down under the various provisions of the Master Circular No.02/2008-09 dated 1st July 2008 on Foreign Investment in India, issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Bombay.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental or ancillary thereto."

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

Date: September 4, 2008
Registered Office
26/27, Khatau Building, A.D. Modi Marg
Fort, Mumbai-400023

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 Thursday, September 25, 2008 to Monday, September 29, 2008 (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.



**Cressanda**
SOLUTIONS**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

Pursuant to the provisions of Regulations 5 (2), 5 (3) read with Schedules 2 and 3 of the Foreign Exchange Management (Transfer or Issue of Securities by a person Resident Outside India) Regulations, 2000; notification no. FEMA 20/2000-RB dated 3rd May 2000 (as amended from time to time) and as per the RBI Master Circular no. 02/2008-09 dated 1st July 2008 ; shareholders approval in the General Meeting is sought for increasing the investment limit of NRIs/OCBs up to 24% of the total paid up equity capital of the company. Due to globalization various NRIs/FIIs are keen on investing in Indian companies and the company also has received interested queries from such NRI investors in recent past therefore shareholders approval is being sought for increasing the NRI investment limit..

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.

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

Date: September 4, 2008

Registered Office

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

Ajay Kaulhik
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, 2008.

1. Financial Highlights

	Rs. In Lacs	
	2007-2008	2006-2007
Gross Income from Operations	543.30	555.46
Operating Profit/(Loss)	97.69	55.77
Depreciation	70.59	75.10
Finance Charges	5.94	9.50
Prior Period Adjustments	0.59	0.17
Profit/(Loss) before Tax	20.56	(29.00)
Provision for Tax	1.72	2.43
Profit/(Loss) after Tax	18.84	(31.44)
Provision for Gratuity written back	8.05	0.00
TDS & Advance tax adjusted for earlier years	0.00	0.41
Profit/(Loss) brought forward	(636.18)	(604.33)
Balance carried forward to Balance Sheet	(609.27)	(636.18)

2. Operations

The year under review was significant for your company. The Gross Income from Operations of the Company was Rs. 543.30 Lacs and Operating Profit of Rs.97.69 Lacs as against the operating profit of Rs. 55.77 Lacs in the previous year. During the year the company written off its bad debts amounting to Rs. 37.05 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. Rohit Agarwal and Mr. Rohit Khaitan 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. 4,23,55,950
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(b) Expenditure in foreign currency	Rs. 6, 06,743
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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

Rahul Agarwal
Managing Director

Date: June 30, 2008