

AGARWAL SANGANERIA & Co.
Chartered Accountants

AUDITORS' REPORT

To the Members,
Cressanda Solutions Limited

We have audited the attached Balance Sheet of **CRESSANDA SOLUTIONS LIMITED**, as at 31st March, 2011, 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, the profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable 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, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2011 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 31st March, 2011;
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

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

Bina Gupta
Partner
C.A.Membership No. 060269

Place: Camp New Delhi
Date: 27th June, 2011

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, 2011. We report that:

1. a) The Company was maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. However, since the Company has sold the entire fixed assets during the year, the question of physical verification and comparison with book records does not arise.

b) During the year, the Company has disposed off all the fixed assets and there has been suspension of all the business and services provided by the company.
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 one company. The maximum amount outstanding during the year was Rs 38,57,177, and the year end balance was Rs NIL.

b) The loan given was interest free and the loan had to be written off during the year. Although the terms of the loan were not prejudicial to the company when the loan was given but during the year it has proved to be irrecoverable as because the Company has applied for Easy Exit Scheme, 2010.

c) Since the loan given by the company are in the nature of advance, so question of repayment of the principal amount does not arise. Moreover the amount has been written off during the year.

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 two companies. The maximum amount outstanding during the year was Rs 17,31,110/- and year end balance was Rs. 5,00,000/-.

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 not in a position to make any repayment of the principal amount during the year.
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. The activities of the Company do not involve purchase of inventories and

sale of goods. However during the year there has been suspension of all the business and services provided by the Company;

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 have been entered, although as according to the information and explanations given to us, no transaction has been carried out in the current year that requires entry under of Section 301 of the Companies Act, 1956;
5. 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.
6. In our opinion, the Company does not have an internal audit system which is commensurate with the size and nature of its business;
7. 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.
8. 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, Service Tax, Wealth-Tax, Cess and any other statutory dues as 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.
10. The company has accumulated losses at the end of the financial year which is not less than 50% of its net worth;
11. According to the information and explanations given to us, there were no dues to be paid to Financial Institutions or Banks 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. As per the information provided to us proper records have been maintained of the investment transactions and contracts and 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, no term loan has been taken by the company during the year.
17. The funds raised on short-term basis have not been used for long-term investment;
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956;
19. During the year the company has not issued any debentures;
20. The company has not raised any money by public issues during the year;
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Bina Gupta
Partner
C.A. Membership. No. 060269

Date: 27th June, 2011
Place: Camp New Delhi