quintegra

Quintegra Solutions Limited

20TH

ANNUAL REPORT

2013 - 14

QUINTEGRA SOLUTIONS LIMITED

CIN: L52599TN1994PLC026867
www.quintegrasolutions.com

LOCATIONS

India
Wescare Towers, 3rd Floor, 16, Cenotaph Road,
Teynampet, Chennai - 600 018. Tamil Nadu
Tel : (+91 44) 4391 7100
Fax : (+91 44) 2432 8399

USA
8433 N Black Canyon Highway,
Suite 100 Phoenix, Arizona - 85021-4859
Tel : 620-595-3800, 408-260-7342
Fax : 408-260-1608, 801-640-9296

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CORPORATE INFORMATION 2013-14

BOARD OF DIRECTORS

Mr Shankarraman Vaidyanathan – *Chairman*

Mr V Sriraman – *Wholetime Director*

Mr Meleveettil Padmanabhan – *Director*

Mr R Kalyanaraman – *Director*

Mr G Venkatarajulu – *Director*

REGISTERED OFFICE

Wescare Towers, 3rd Floor,
16, Cenotaph Road, Teynampet
Chennai 600 018
Ph: + 91 44 4391 7100
Fax: + 91 44 2432 8399
Email: investors@quintegrasolutions.com
URL: http://www.quintegrasolutions.com

DEVELOPMENT CENTRES

Wescare Towers, Cenotaph Road, Chennai

AUDITORS

M/s Gopikumar Associates
Chartered Accountants, Chennai

BANKERS

State Bank of India
Deutsche Bank
Axis Bank Ltd

REGISTRARS & SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited
Kences Towers, 2nd Floor, North Usman Road, T.Nagar,
Chennai - 600 017 Tel: +91 44 28140801,
Fax: +91 44 28142479.
E-mail: yuvaraj@integratedindia.in

GRIEVANCE CELL / COMPLIANCE OFFICER

E-mail ID: investors@quintegrasolutions.com

PROFILE – BOARD OF DIRECTORS

Shankarraman Vaidyanathan *Non Executive Chairman*	A Post Graduate in Commerce. He has more than 24 years extensive experience in the fields of financial & project management, strategic marketing, e-business and IT. He has wide exposure in development of various businesses with successful track record. He is a pioneer in IT Sector and leading business man representing the Boards of few other Companies.
Mr V Sriraman *Wholetime Director*	A Graduate in Commerce and a Post Graduate in Business Administration. He has more than 26 years of wide experience in sales, marketing, business development and administration. He is also on the Board of other companies.
Mr Meleveettil Padmanabhan *Director- Non Executive*	A Graduate in Commerce and a Member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and has over 41 years experience in Accounts, Auditing and Corporate Consultancy. He also represents the Board of few other companies.
Mr R Kalyanaraman *Director- Non Executive*	A Graduate in Electrical and Electronics Engineering. He has worked in BHEL from 1975 to 1993 in various fields including research and development, project management and ancillary development. He has presented several technical papers in various national conferences. He manages a company in developing projects and providing technical and financial consultancy. He also represents the board of few other companies.
Mr G Venkatarajulu *Director- Non Executive*	A Diploma holder in Civil Engineering with experience in various field like civil engineering, printing and computer technology . He has about 23 years experience in training and imparting computer skills to students and professionals. He represents the board of few other companies.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twentieth Annual General Meeting of the Company will be held on Tuesday, the 30th September 2014 at 10.00 AM at Russian Cultural Centre, 74, Kasthuri Ranga Road, Chennai 600 018 to transact the following business:

ORDINARY BUSINESS

1 To consider and if deemed fit to pass with or without modification(s) the following as an **ORDINARY RESOLUTION.**

RESOLVED THAT the Audited Balance Sheet as at 31st March 2014 together with the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon be and are hereby received, considered and adopted.

2. To consider and if deemed fit to pass with or without modification(s) the following as an **ORDINARY RESOLUTION.**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr G Venkatarajulu holding DIN 2206405, Director retiring by rotation at this AGM and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM.

3. To consider and if deemed fit to pass with or without modification(s) the following as an **ORDINARY RESOLUTION.**

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) Messrs. Gopikumar Associates (Firm Registration No.000981S), Chartered Accountants, Chennai be and are hereby appointed as Statutory Auditors of the Company to hold office for the period from the conclusion of this AGM until the conclusion of the 23rd Annual General Meeting, subject to ratification of the appointment by the members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

4. To consider and if deemed fit to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. R Kalyanaraman holding DIN 00041770, Director, whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a term of five (5) consecutive years from the date of this AGM.

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required, Mr V Sriraman be and he is hereby reappointed as the Wholetime Director of the Company for a term of 3 years from 18th May 2014 till 17th May 2017 on the following terms and conditions :

Description	Rs. per month
Salary and other Perquisites	50,000/-

i. Allowances / Perquisites

Allowances payable to Mr V Sriraman shall include Special Allowance and/or any Other allowances and Perquisites shall include furnished/unfurnished accommodation or house rent allowance in lieu thereof, Leave Travel Assistance (for self and family including dependents), personal accident insurance, reimbursement of medical expenses incurred (for self and family), club fees, provision of cars, telephone at residence and any other perquisites, benefits, amenities as may be applicable, as per the rules of the Company upto the amounts specified above.

ii. Retirement Benefits

Company's contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961, Gratuity payable and encashment of leave as per the rules of the Company shall not be included in the computation of limits for remuneration or perquisites aforesaid

iii. General

i) Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.

ii) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per Income Tax Act, 1961 and the rules made thereunder.

iii) Mr V Sriraman will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

iv) Mr V Sriraman, would be subject to all other service conditions as applicable to any other employee of the Company.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr V Sriraman shall not except with the approval of the Central Government exceed the limits prescribed under the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.

By order of the Board

Place : Chennai **Shankarraman Vaidyanathan**
Date : 20.08.2014 Chairman

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 and the Proxy need not be a member.** The instrument appointing the Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time scheduled for the meeting. The proxy form is enclosed.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members / Proxies are requested to bring their Attendance Slip duly filled and hand it over at the meeting hall before attending the meeting. In case of demat holding, Client ID and DP ID numbers and in case of physical holding respective folio numbers along with the number of shares held have to be clearly mentioned.
4. Corporate Members intending to send their authorised representatives are requested to send a certified copy of the Board resolution authorising their representatives to attend and vote at the meeting on behalf of the Company.
5. The Explanatory Statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the Ordinary business under item nos. 2 and 3 and Special business under item nos. 4 and 5 of the Notice to be transacted at the AGM is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 19th September 2014 to Tuesday, the 30th September 2014 (both days inclusive)
7. Members holding shares in physical form, in multiple folios under the same name/s are requested to send the Share Certificates to the Company's Registrars and Share Transfer Agents, Integrated Enterprises (India) Ltd. Kences Towers, 2nd Floor, North Usman Road, T.Nagar, Chennai 600 017 for consolidation into a single folio.
8. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
9. As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Registrar & Share Transfer Agents/Depository Participants.
10. Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and the company has complied with the requisite provisions.
11. Information pursuant to Clause 49 IV (G) of the Listing Agreement about the directors seeking appointment at this AGM is annexed and forms part of this Notice.
12. Electronic copy of the Annual Report / Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
14. Pursuant to Clause 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has entered into an agreement with Central Depository Services Limited (CDSL) to provide members the facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
15. Mr V K Sankararaman of VKS & Associates, Company Secretaries will be acting as the Scrutiniser to scrutinise the e-Voting process. The Scrutiniser shall within a period of not exceeding three(3) days from the conclusion of the e-Voting period make a Scrutiniser Report and submit to the Chairman of the Company. The results shall be declared on or after the 20th AGM of the Company. The results declared by the Scrutiniser shall also be placed on the Company's website.
16. The instructions for e-Voting are as under:
    - (i) The voting period **begins on 24th September 2014 at 9.00 AM IST and ends on 26th September 2014 at 6.00 PM IST**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th August 2014 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-Voting website **www.evotingindia.com**.
    - (iii) Click on Shareholders.
    - (iv) Now Enter your User ID
        - a. For CDSL: 16 digits beneficiary ID,
        - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
        - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department if the same has been registered with the DP or as the case may be with the Company. (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are

	requested to use the first two letters of their name and the 8 digits of the Serial Number printed on the Address Slip shall be entered in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Quintegra Solutions Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders and Custodians

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.

c. After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

d. The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

17. All documents referred to in the accompanying Notice and the Explanatory Statement shall remain for inspection at the Registered Office of the Company during normal business hours on all working days upto the date of the Annual General Meeting of the Company.

By order of the Board

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

ANNEXURE TO THE NOTICE

A. INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED

Item No 2: Mr G Venkatarajulu (Independent Director)

Academic Background	Holds Diploma in Civil Engineering
Nature of expertise	Has experience in various field like civil engineering, printing and computer technology; About 23 years experience in training and imparting computer skills to students and professionals.
Directorship in other Companies	1. Sharmi Farms Private Ltd. 2.Tamilnadu Rice Millers Ltd.
Committee Membership	In the Company : Remuneration Committee (Member) In other Companies : Nil
Shareholding of the Director in the Company	Nil

Item No 4: Mr R Kalyanaraman (Independent Director)

Academic Background	Graduate in Electrical and Electronics Engineering from Madras University.
Nature of expertise	Worked in BHEL from 1975 to 1993 in various fields including research and development, project management and ancillary development. He has presented several technical papers in various national conferences. Presently he is managing a company in developing projects and providing technical and financial consultancy.
Directorship in other Companies	1) Forsee Financial & Consultancy Services Pvt Ltd. 2) Wellwin Industries Ltd. 3) Pentamedia Graphics Ltd.
Committee Membership	1) Audit Committee (Member) 2) Remuneration Committee (Chairman) 3) Shareholders and Investors Grievance Committee (Member) In Other Companies: Nil
Shareholding of the Director in the Company	Nil

Item No 5: Mr V Sriraman (Wholetime Director)

Academic Background	A Graduate in Commerce and a Post Graduate in Business Administration.
Nature of expertise	Has more than 26 years experience in marketing and overall business development and has experience in reputed companies
Directorship in other Companies	1) Trusted Aerospace Engineering Ltd.
Committee Membership	In the Company: 1) Audit Committee (Member) 2) Shareholders/Investors Grievance Committee (Member) In other Companies: Nil
Shareholding of the Director in the Company	52000 equity shares of Rs 10/- each.

B. Explanatory statement pursuant to Section 102 of the Companies Act, 2013.

Item No 2 & 4.

Mr G Venkatarajulu and Mr R Kalyanaraman are Independent Directors of the Company whose period of office is determined by retirement by rotation. As per erstwhile Companies Act, 1956, Mr G Venkatarajulu retires by rotation at the ensuing AGM. Both Mr G Venkatarajulu and Mr R Kalyanaraman, being eligible offer themselves for appointment as Independent Directors pursuant to Section 149 and all other applicable provisions of the Companies Act, 2013.

The Company has received the requisite consent and declarations from the above directors. The company has also received notices in writing from members along with requisite deposit as required under Section 160 of the companies act 2013 proposing the candidatures of each Mr G Venkatarajulu and Mr R Kalyanaraman for the office of Directors of the Company.

In the opinion of the Board, Mr G Venkatarajulu and Mr R Kalyanaraman fulfill the conditions for appointment as Independent Directors as specified in the act and the Listing Agreement and their continued association would be of immense benefit to the company. Therefore it is proposed to appoint them as Independent Directors each for a term of five consecutive years from the date of the AGM. Accordingly the Board commends the Ordinary Resolutions as set out under Item Nos 2 & 4 of the Notice for the approval of the members.

The profiles of the Directors to be appointed at this meeting and the names of companies in which they hold directorship/membership as required under Clause 49 of the Listing Agreement are annexed to the Notice.

Memorandum of Interest

Save and except the Independent Directors and their relatives in their respective appointments, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the proposed resolutions.

Item No 3:

Messrs. Gopikumar Associates (Firm Registration No.000981S), Chartered Accountants, Chennai were appointed as the statutory auditors of the Company at the 19th Annual General Meeting held on 30th September 2013 to hold office till the conclusion of this Annual General Meeting. As per Section 139 of the Companies Act, 2013, no listed company can appoint or reappoint an audit firm as Auditors for more than two terms of five consecutive years each. However, the act provides a period of three years from the date of commencement of the act to comply with the requirement.

Messrs. Gopikumar Associates being eligible for appointment have furnished their consent to act as the Statutory Auditors of the Company in terms of the Second proviso to Section 139 and a certificate to the effect that the appointment if made shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Companies Act, 2013.

Accordingly, the Board commends the resolution as set out under item No 3 of the Notice relating to the reappointment of Messrs. Gopikumar Associates as the Auditors of the Company for the approval of the members.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Item No 5:

Mr V Sriraman's term as a Wholetime Director of the Company expired on 17th May 2014 and the Board, based on the recommendation of the Remuneration Committee, renewed his appointment for a further term of 3 years with effect from 18th May 2014 till 17th May 2017 on the terms and conditions set out under Item No 5 of the Notice. The reappointment of Mr V Sriraman as a Wholetime Director and the terms of remuneration payable to him require the approval of the members. Accordingly, the Board Commends the Resolution as set out under Item No. 5 of the notice for the approval of the members.

Memorandum of Interest

Mr V Sriraman is interested in the resolution relating to his appointment and the remuneration payable to him as a Wholetime Director. Mr Shankarraman Vaidyanathan, Chairman being a relative of Mr V Sriraman is deemed to be concerned or interested in the resolution. None of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

By order of the Board

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

DIRECTORS REPORT

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Financial Statements for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Particulars	**For the year ended 31.03.2014**	For the year ended 31.03.2013
Total income	**1034.96**	1235.60
Expenditure	**806.92**	1118.75
Interest	**1628.70**	1486.01
Depreciation & Exceptional Items	**(679.75)**	166.66
Profit/(Loss) before tax	**(720.91)**	(1535.82)
Tax Expenses (for earlier years)	**(396.32)**	84.80
Profit/Loss after tax	**(324.59)**	(1535.82)
Balance brought forward from previous year	**(17772.65)**	(16234.26)
Balance carried over	**(18097.24)**	(17772.65)

REVIEW OF OPERATIONS AND OUTLOOK

The Company is yet to show signs of progress and the financial constraints still continue. The Company makes all possible efforts to come out of the crisis but signs of revival is not encouraging. The Company is negotiating with the bankers for a compromise one time settlement of the loan outstanding. During the year, the Registered Office of the Company has been shifted.

FIXED DEPOSITS

The Company had not accepted any fixed deposits during the year.

DIVIDEND

In view of the loss incurred the Board does not recommend any dividend for the financial year ended 31st March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

   Market environment becomes increasingly competitive on account of changes in economic / business conditions and rapid technological innovations. Demands increases for short delivery dates and reduced prices. Need for highly skilled technical professionals becomes necessary. Outsourcing becomes increasingly important to companies as the effective use of offshore technology services offers a variety of benefits - lowers infrastructure and labor costs, improves quality, speeds up delivery schedules and provides flexibility in scheduling. Hence Technology companies increase their outsourcing activities so as to develop specialized systems, processes and solutions along with cost-effective delivery capabilities in an environment of rapid technological advancement, globalization and regulatory changes. India is widely recognized as a premier destination of off-shore technology. As per Nasscom (National Association of Software and Services Companies India's software services) exports grew by 13% - net addition of USD 10 billion; Domestic Market below guidance at 10% during the FY 2014.

2. OPPORTUNITIES AND THREATS

   NASSCOM expects the industry to add overall revenues of USD 13-14 billion to existing industry revenues of USD 118 billion. Export revenues for FY2015 is projected to grow by 13-15% to reach USD 97-99 bn. Domestic revenues for the same period will grow at a rate of 9-12% percent and is expected to reach INR 1250 - 1280 billion during this year. Few of the threats faced by the Indian IT industry are given below:

   a) **Targeted cyber attacks:** The attack on networks is changing with organized crime syndicates are behind the cyber attacks. Instead of one go information, even targeted attacks can now extract data over a longer period of time.

   b) **Data breaches:** Data escapes from inside organizations from intentional leaks from some employees to blunders involving misplaced laptops. It is found that almost 50 percent of data breaches were inside jobs. Companies need to be more vigilant about who has access to information, especially 'when it comes to corporate networks outside the firewall.

   c) **Cloud computing:** Opens up a new set of data-security concerns, mainly because companies must relinquish control of security to an outside party. While cloud computing providers are trying their best to build secure data centers, the way data is stored in the cloud - especially in shared environments alongside other customer data - is different from how a company might store it themselves and poses security concerns.

   d) **Social networks:** Corporate employees are inadvertently leaking company data in social networking. Apart from the vulnerabilities in these online applications that seep into corporate networks. Third-party applications that employees can access through Facebook may also pose security threats unknown to corporate IT administrators. The Company constantly re-aligns its policies to mitigate the threats.

4. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

   In 2013-14, the break-up of revenues among Quintegra's domains were as follows:

   (Rs. lacs)

BFSI	531.75
Other emerging verticals	496.05
Total	1027.80

5. OUTLOOK

   The outlook for the company remains similar to FY2013-14. We do not anticipate any major changes in the demand environment. We are focusing on refining our service offerings every year and attempting to develop domain expertise, improve efficiency, customise products to suit customer needs.

6. RISKS AND CONCERNS

   Risk management is an integral part of our business. We have identified and listed below some of the principal risks and uncertainties that could adversely impact the functioning of the Company through their influence on operating, financial and management performance and overall sustainability.

   I. **Changes in economic and business conditions:** This could enhance cost pressure on clients which may affect the Company adversely - loss of major customers and key projects, reduction in prices to be quoted.

II. **Performance of the key clients:** Any loss or reduction in the revenues of these clients may pass on to the company either by down sizing or cancellation of projects,

III. **Fluctuation in Exchange Rates:** A common phenomena on which the company's performance is linked to and may affect the results of the company.

IV. **Market Competition:** Like any other industry market competitions in the industry are on the increase every year which gives clients more options to choose thereby forcing the company to reduce prices in order to stay in business.

V. **Professional Skill:** Identifying a highly skilled professional is not only difficult but also costlier. Thus increase in project cost and reduction in price would make it difficult for the company to break even.

VI. **Business disruption or IT system failure risk:** Business disruption following a major outage event or a failure of our IT systems could cause a disruption in the Company's services and reduce client confidence.

VII. **Statutes and regulations:** Statutory Restrictions imposed through legislation and regulatory authorities of different countries vary and thus make the company difficult to comply with, or pay more for compliance or the client is restricted to go for outsourcing.

VIII. **Others:** Unauthorised access to confidential data, loss/ theft of critical information, corruption of data during conversion process, storage, recovery and security of electronic data/records and delay in meeting delivery schedules due to bottlenecks at various stages.

The Company is aware of the risks faced by the industry. As said earlier, the management constantly realigns its policies and employ appropriate measures such as risk identification, assessment of its impact and redressing process etc. to mitigate risks involved in various segments.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have an internal control system and processes consisting of budgetary control, policies and procedures in place for the smooth conduct of its businesses. The auditors have access to all records and information of the Company to ensure adequacy of internal control systems and their adherence to management policies and statutory compliances. The Audit Committee oversees and guides internal audit system, interacts with statutory auditors and follows up corrective actions. The Board ensures good governance through competent management, suitable policies and processes, appropriate audit systems, risk mitigation process and management information systems.

8. FINANCIAL PERFORMANCE

The financial statements are prepared in compliance with the requirements of Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) followed in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Quintegra is fully aware that right human resources are key for the success of the Company. HR strategy is constantly realigned in line with the global changes. Company believes in employing best talents and augmenting the same with suitable training process so that company does not lag technically in the competitive environment.

DIRECTORS

The Board recommends the appointment of Mr R Kalyanaraman and Mr G Venkatarajulu as Independent Directors each for a period of five (5) consecutive years from the date of the ensuing AGM. The said Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the rules made thereunder. The Company has received the requisite consents under Section 152(5) and declarations under Section 149(6) of the Companies Act, 2013 from the above directors. The Company has also received notices in writing from members along with requisite deposit as required under Section 160 of the Companies Act 2013 proposing the candidatures of Mr G Venkatarajulu and Mr R Kalyanaraman for the offices of Directors of the company. In the opinion of the Board, Mr G Venkatarajulu and Mr R Kalyanaraman fulfill the conditions for appointment as Independent Directors as specified in the act and the Listing Agreement and their continued association would be of immense benefit to the company.

Brief resume of Directors, nature of expertise and names of Companies in which they hold directorship and membership/ chairmanship in Board / Committees as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Annexure to the Notice convening the Annual General Meeting.

Mr V Sriraman was reappointed as a Wholetime Director for a period of three (3) years with effect from 18th May 2014 on the terms specified in the AGM Notice and as per the provisions of the Act.

Mr Shankarraman Vaidyanathan and Mr Meleveettil Padmanabhan shall be the Non executive and non independent Directors of the Company.

AUDITORS

Messrs. Gopikumar Associates (Firm Registration No.000981S), Chartered Accountants, Chennai have completed more than 10 years as auditors of the company. However, the Companies Act, 2013 provides a transition period of three years from the date of commencement of the act to comply with the requirement of rotation of auditors. Messrs. Gopikumar Associates being eligible for appointment, have furnished their consent to act as the Statutory Auditors of the Company in terms of the Second proviso to section 139 and a certificate to the effect that the appointment if made shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Companies Act, 2013. The Board recommends that the present auditors M/s. Gopikumar Associates, shall be appointed as the auditors for a period of three consecutive years until the conclusion of the 23rd Annual General Meeting, subject to ratification of the appointment by the members at every AGM.

HUMAN RESOURCES

Keeping in mind the on-going projects and the current financial position of the Company, HR issues are carefully addressed.

CORPORATE GOVERNANCE REPORTS

The Report on Corporate Governance along with a compliance certificate from the Statutory Auditors as required by the Listing Agreement with Stock Exchanges are annexed and forms part of this report. The Wholetime Director and Head of Finance have submitted a certificate to the Board regarding financial statements and other matters as required under Clause 49(V) of the Listing Agreement.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217(1)(e) are annexed to and form part of this report.

AUDITORS REPORT

Item No 7: The Company has an effective internal control procedure commensurate with the size of the company and nature of its business. The Audit Committee and the Board directly oversee the function. However, due to critical financial position of the company and the volume of transactions being not many, the Board is of the opinion that engaging the services of an external agency for internal audit purposes is not justified.

Opinion (Refer Page 16): The goodwill is not amortised because liquidation of subsidiaries is not legally completed yet.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had 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 of the company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board records its appreciation for the continued support and co-operation received from all its associates - the shareholders, customers, suppliers, banks and Government Departments. The Directors also place their special appreciation to all the employees.

By order of the Board

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

ANNEXURE TO DIRECTORS REPORT

Annexure 1

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. **Conservation of Energy**
   Company requires a low level of energy consumption. However energy saving measures are regularly followed to save energy. The financial impact of these measures is not material.

2. **Research and Development (R&D)**
   a) Research and Development is being carried out on need basis to upgrade quality, reduce lead time, enhance customer satisfaction and capture new clients. However, no expenditure was incurred on R&D during the year.

3. **Technology Absorption, adaptation and innovation**
   The Company has not imported any technology during the year.

4. **Foreign Exchage Earnings and Outgo**

Rs. in lakhs

	2013-14	2012-13
Expenditure in Foreign Currency	536.82	865.13
Earnings in Foreign Currency	531.75	857.24

Annexure 2

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

There are no employees who are covered under Section 217(2A) read with Companies (Particulars of Employees) Rules 1975.

For and on behalf of the Board

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Quintegra Solutions Limited (Quintegra) believes in adhering to sound principles of corporate governance through corporate fairness, transparency, accountability and professionalism. Great deal of importance is attached to ensure the best practices of corporate governance viz. composition of the board, constitution of committees, code of ethics, disclosures, accounting & auditing, information review, risk management, internal controls, compensation packages and statutory compliance.

2. BOARD OF DIRECTORS

a) Composition

The present Board comprises of Executive and Non Executive Directors as follows:

Promoter and Non Executive Director (Chairman) - 1
Promoter and Executive Director - 1
Non Executive independent director - 3

S. No.	Name of the Director	Category	Other Directorship	Other Committee Membership	No of Shares held in the Company
1.	Mr Shankarraman Vaidyanathan (Chairman)	Promoter/ Non Executive Director	7	–	557055
2.	Mr V Sriraman (Wholetime Director)	Promoter/ Executive Director	1	–	52000
3.	Mr Meleveettil Padmanabhan	Non Executive/ Independent Director	2	1	–
4.	Mr R Kalyanaraman	Non Executive/ Independent Director	3	–	–
5.	Mr G Venkatarajulu	Non Executive/ Independent Director	2	–	–

Mr Shankarraman Vaidyanathan and Mr V Sriraman are brothers. No other inter-se relationship among directors.

Brief resume, nature of expertise, other directorship and committee membership of the Director who is being reappointed at the ensuing Annual General Meeting are given in the Annexure to AGM Notice.

b) Board Procedure

The Board Meetings are pre-planned. Minimum one board meeting per quarter is held. Additional meetings are convened depending on the requirements. Board Notice with agenda are circulated to the Directors in advance for study and active participation. In case of business exigencies or urgency of matters resolutions are passed by circulation.

c) Board Meetings

The Board met 6 times during the financial year on 30.05.2013, 29.07.2013, 27.08.2013, 29.10.2013,16.12.2013 and 06.02.2014. The attendance of the Directors at the Board Meeting and the last AGM are given below:

S. No	Name of the Director	Attendance		
		Board Meetings		Last AGM Attended
		Held	Attended	
1.	Mr Shankarraman Vaidyanathan	6	5	Yes
2.	Mr V Sriraman	6	6	Yes
3.	Mr Meleveettil Padmanabhan	6	5	No
4.	Mr R Kalyanaraman	6	6	Yes
5.	Mr G Venkatarajulu	6	6	Yes

3. BOARD COMMITTEES

The Board has set up following Committees as per the requirement of the Corporate Governance.

I) Audit Committee

a) Composition

The Company has a qualified and Independent Audit Committee. The present Committee consists of 3 members, out of which two being non-executive/ independent Directors.

S. No	Name of the Member	Category	Present Position
1.	Mr Meleveettil Padmanabhan	Non Executive/ Independent	Chairman
2.	Mr R Kalyanaraman	Non Executive/ Independent	Member
3.	Mr V Sriraman	Executive/Non Independent	Member

All the members have financial and accounting knowledge and two of them have specialized in finance.

b) Role

The role of the Audit Committee, in brief, includes a review of financial statements, auditors report, quarterly/annual financial statements, oversee and monitor internal controls and internal audit system, accounting policies and practices, management discussion and analysis of financial position and results of operations, directors responsibility statement, statement of significant related party transactions, whistle blower mechanism. The Committee also recommends to the Board, the appointment/remuneration of statutory auditors and reviews and monitors their performance. The Committee holds periodical discussions with the statutory auditors on various financial matters.

c) Meetings

The Committee met 5 times during the financial year on 30.05.2013, 29.07.2013, 27.08.2013, 29.10.2013, and 06.02.2014. The attendance of the members is given below:

S. No	Name of the Member	Attendance	
		Meetings held	Attended
1.	Mr Meleveettil Padmanabhan	5	4
2.	Mr R Kalyanaraman	5	5
3.	Mr V Sriraman	5	5

II) Remuneration Committee

a) Composition

The Board constituted a Remuneration Committee which is presently comprising of 3 Non executive Independent Directors viz

S. No	Name of the Member	Category	Present Position
1.	Mr R Kalyanaraman	Non Executive/ Independent	Chairman
2.	Mr Meleveettil Padmanabhan	Non Executive/ Independent	Member
3.	Mr G Venkatarajulu	Non Executive/ Independent	Member

b) Role:

The Committee has been empowered to review/ recommend the appointment of executive and non executive Directors. The Committee also reviews/ recommends the remuneration of Managing/wholetime Directors.

c) Meetings

The Committee met once on 06.02.2014 during the financial year. The attendance of the members is given below:

S. No	Name of the Member	Attendance	
		Meetings held	Attended
1.	Mr R Kalyanaraman	1	1
2.	Mr Meleveettil Padmanabhan	1	1
3.	Mr G Venkatarajulu	1	1

III) Shareholders/Investors Grievance Committee

a) Composition

The Shareholders/Investors Grievance Committee presently consists of 3 members two of them being Non executive/Independent Directors as detailed below:

S. No	Name of the Member	Category	Present Position
1.	Mr Meleveettil Padmanabhan	Non Executive/ Independent	Chairman
2.	Mr R Kalyanaraman	Non Executive/ Independent	Member
3.	Mr V Sriraman	Executive/Non Independent	Member

b) Role

The Committee is constituted to look into the redressal of shareholders' complaints on transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. This Committee inter alia approves share transfers, transmissions, transpositions, splitting/ consolidation and issue of duplicate share certificates.

c) Meetings

The Committee met twice during the financial year on 29.10.2013 and 06.02.2014. The attendance of the members is given below:

S. No	Name of the Member	Attendance	
		Meetings held	Attended
1.	Mr Meleveettil Padmanabhan	2	1
2.	Mr R Kalyanaraman	2	2
3.	Mr V Sriraman	2	2

Two Investor complaints had been received from the shareholders during the year. There were no transfers pending as on 31.03.2014. The Board has also delegated the power of approving the transfer, transmission etc. of securities to the Chairman.

IV) Compliance Officer

Chairman and Wholetime Director take care of the compliances.

V) Procedure for Committee Meetings

Committee meetings follow the same guidelines as that of the Board meetings so far as may be practicable. Minutes of the Committees are placed before the Board for its noting and recording.

4. DIRECTORS' REMUNERATION

a) Policy

The compensation policy of the Company is directed towards rewarding performance based on targets and achievements. The industry standards are also considered while determining the compensation. The Executive Directors are not paid sitting fees. The non executive Directors are paid sitting fees for attending the Board meetings and no other compensation is paid to them at present.

b) Remuneration for 2013-14

(i) Executive Directors

Name	Fixed Components			Variable Components	Service Terms	Stock Options
	Salary & Allowances	Retirement benefits	Other benefits			
Mr V Sriraman	600,000	36,000	–	–	* 3 years wef 18.5.2011	Nil
Total	600,000	36,000				

* Mr V Sriraman was reappointed as a Wholetime Director for a further term of 3 years wef 18.5.2014 by the Board subject to approval of members at the ensuing AGM.

(ii) Non-Executive Directors

Sl No	Name	Sitting Fees (Rs)
1.	Mr Shankarraman Vaidyanathan	5,000
2.	Mr Meleveettil Padmanabhan	5,000
3.	Mr R Kalyanaraman	6,000
4.	Mr G Venkatarjulu	6,000
	Total	22,000

5. GENERAL MEETINGS

a) Last 3 Annual General Meetings

Year	Date	Time	Venue
2010-11	30.9.2011	10.00 AM	Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018
2011-12	28.9.2012	10:00 AM	Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018
2012-13	30.9.2013	10:00 AM	Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018

b) Special Resolutions passed in previous three AGM/EGMs held

S. No	Business	Passed on
1.	Re-appointment of Mr V Sriraman as Wholetime Director pursuant to Sections 269,198, 309 and Schedule XIII of the Companies Act, 1956	30.09.2011

c) Postal Ballot

There were no resolutions passed through Postal Ballot during 2013-14

6. CODE OF CONDUCT AND INSIDER TRADING CODE

A Code of Conduct based on Company's values and beliefs has been framed for the Board of Directors and all employees of the Company and the same has been posted on the Company's Website viz. **www.quintegrasolutions.com**. A declaration signed by Chairman & Managing Director affirming the Code of Conduct is annexed.

An Insider Trading Code has been framed In accordance with the model code of conduct as stipulated under SEBI (Prohibition of Insider Trading) Regulations, 1992, to ensure the conduct of dealings in the securities of the Company by the Directors / officers / designated employees only in a valid trading window.

7. **DISCLOSURES**

a) Materially significant related party transactions

Materially significant related party transactions during the year have been disclosed in the accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. None of the transactions with any of the related parties were in conflict with the interest of the Company.

b) Details of non-compliance

No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI.

c) Whistle Blower Policy

The Company has framed a Whistle Blower Policy for the employees to report to the management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. This policy has been posted on the website of the Company **www.quintegrasolutions.com**

d) Details of Compliance

The Company has complied with all the mandatory requirements of Corporate Governance pursuant to Clause 49 of the Listing agreement. As regards non-mandatory requirements, the Company had constituted a Remuneration Committee and also framed the Whistle Blower Policy.

8. **MEANS OF COMMUNICATION**

The quarterly / half yearly / annual financial results are used to be published in atleast one English news paper and in one vernacular news paper in accordance with listing agreement with Stock Exchanges.

Annual Report containing inter alia Audited Accounts, Consolidated financial statements, Directors Report, Auditors Report, Subsidiaries accounts and other important information is circulated to members and others entitled thereto.

Other Corporate information of significant importance like take over, formation of subsidiaries / offices, major projects, status / recognition received etc. are promptly intimated to Stock Exchanges and also to the public by way of press releases in leading newspapers.

Company's website **www.quintegrasolutions.com** also contains information about the Company.

9. **DESIGNATION OF AN E-MAIL ID**

As per the new sub clause (f) of Clause 47 of the Listing Agreement an exclusive e-mail ID viz. **investors@quintegrasolutions.com** had been designated to the Grievance Cell / Compliance Officer for the purpose of registering complaints by investors.

10. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report (MD&A) forms part of the Annual Report

11. **GENERAL SHAREHOLDER INFORMATION**

Annexed to the Report.

For and on behalf of the Board

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

GENERAL SHAREHOLDER INFORMATION

1. **Name of the Company** : Quintegra Solutions Limited
2. **Registered Office of the Company** : Wescare Towers, 3rd Floor. 16, Cenotaph Road, Teynampet, Chennai 600 018
3. **Forthcoming Annual General Meeting** : Monday, 30th September 2014 at 10.00 AM at Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018.
4. **Financial Calendar (Tentative, subject to change):** **Financial year : April to March**

Results for	Tentative Schedule
Quarter ending 30.9.2014	Within 45 days from the end of the quarter
Quarter ending 31.12.2014	Within 45 days from the end of the quarter
Quarter and Year ending 31.3.2015	Within 60 days from the end of the Financial Year
Quarter ending 30.6.2015	Within 45 days from the end of the quarter
Annual General Meeting	September 2015

5. **Book Closure Period** : Friday, the 19th September 2014 to Tuesday, the 30th September 2014 (both days inclusive)
6. **Share Capital** : The paid up Capital Rs.26,81,38,300 comprising of 2,68,13,830 equity shares of Rs.10/- each.
7. **Dividend Payment Date** : Not Applicable
8. **Listing on Stock Exchanges**

Stock Exchange	Stock Code
National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051	QUINTEGRA
Bombay Stock Exchange Ltd., Floor 25, P J Towers, Dalal Street, Mumbai 400 001	532866 (ID-QUINTEGRA)
Madras Stock Exchange Ltd. Exchange Building Post Box No 183, 11 Second Line Beach, Chennai 600 001	QUINTEGRA SOLUTIONS

9. i) Market Price Data - NSE Nifty
(Nominal Value of Share Rs 10/-)

Month	High	Low	Month	High	Low
April 2013	1.20	0.65	October 2013	0.75	0.60
May 2013	1.05	0.70	November 2013	0.60	0.40
June 2013	0.75	0.65	December 2013	0.45	0.35
July 2013	1.05	0.75	January 2014	0.65	0.45
August 2013	0.85	0.60	February 2014	0.60	0.30
September 2013	0.95	0.65	March 2014	0.60	0.30

ii) BSE Sensex

Month	High	Low	Month	High	Low
April 2013	1.20	0.67	October 2013	0.86	0.65
May 2013	1.10	0.71	November 2013	0.90	0.60
June 2013	1.04	0.78	December 2013	0.72	0.40
July 2013	1.00	0.84	January 2014	0.60	0.39
August 2013	0.85	0.67	February 2014	0.52	0.43
September 2013	0.95	0.68	March 2014	0.47	0.35

10. Registrars & Share Transfer Agents

Integrated Enterprises (India) Limited , Kences Towers, 2nd Floor, North Usman Road, T. Nagar, Chennai - 600 017.
Tel: +91 44 2814 0801, Fax No.: +91 44 2814 2479.
E-mail: yuvraj@integratedindia.in Website: www.iepindia.com

11. Share Transfer System

The physical transfers and other requests from the shareholders are processed by Integrated Enterprises (India) Limited. The Board has delegated the authority for approving transfer, transmission etc., to the Share Transfer Committee and the Chairman and Company Secretary. The transfers are approved within 15 days from the date of receipt.

12. Pattern and Distribution of Shareholding (as on 31.3.2014)

a) Shareholding Pattern

Shareholders category	Shareholding	
	No. of shares	% to total Capital
Promoters	1668916	6.22
Bodies Corp & OCB's	8567190	31.95
Institutions- FII & Banks	2010000	7.49
Others	14567724	54.34
Grand Total	**26813830**	**100.00**

b) **Distribution of Shareholding** (as on 31.3.2014)

Range of Shares		No of Holders	%	No. of Shares	%
upto	*500*	4704	64.10	826677	3.08
501	*1000*	978	13.33	863196	3.22
1001	*2000*	592	8.07	941006	3.51
2001	*3000*	265	3.61	698617	2.61
3001	*4000*	135	1.84	488484	1.82
4001	*5000*	144	1.96	691460	2.58
5001	*10000*	235	3.20	1749122	6.52
above	*10000*	285	3.88	20555268	76.66
TOTAL		**7338**	**100.00**	**26813830**	**100.00**

13. Dematerialisation of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services (India) Ltd. (CDSL) to provide facilities for holding the equity shares of the Company in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form as per notification issued by SEBI. 26746269 equity shares, constituting 99.75% of the total paid up capital, are already in dematerialized form.

Category	shares	%
NSDL	13074285	48.77
CDSL	13672284	50.98
Physical	67261	0.25
Total	26813830	100.00

Company's Demat ISIN : INE033B01011

14. Outstanding GDRs/ADRs etc.

The Company has not issued any GDR, ADR or any convertible instruments pending conversion or any other instrument likely to have impact on the equity share capital of the Company.

15. Address for Correspondence

Quintegra Solutions Limited,
Wescare Towers, 3rd Floor. 16, Cenotaph Road, Teynampet, Chennai 600 018
Tel No: +91 44 43917100 / 24328395 Fax No.: +91 44 2432 8399
E-mail ID viz. investors@quintegrasolutions.com

16. Unpaid/Unclaimed Dividend

During the year no amount was required to be transferred to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

17. Office Locations

Given elsewhere in the Annual Report.

For and on behalf of the Board

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

CONFIRMATION ON CODE OF CONDUCT

(Pursuant to Clause 49 of the Listing Agreement)

To the Members of Quintegra Solutions Limited

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreements with the Stock Exchanges, I hereby confirm that for the financial year ended March 31, 2014, the Board members and the employees have affirmed compliance with the Code of Conduct framed by the Company.

Place : Chennai
Date : 20.08.2014

Shankarraman Vaidyanathan
Chairman

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

To the Members of Quintegra Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Quintegra Solutions Limited ('the Company"), for the financial year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreements of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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 **Gopikumar Associates**
Chartered Accountants
FRN : 000981S

S Gopinath
Partner
Membership No: 23854

Place : Chennai
Date : 20.08.2014

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Quintegra Solutions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. QUINTEGRA SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Company's goodwill arisen on various amalgamations are carried in the Balance Sheet at Rs. 71.63 Crores. Management has not amortised the goodwill even though all the subsidiaries acquired on the amalgamations have been liquidated or under liquidation, which constitutes a departure from the para 19 of accounting standard 14 - Accounting for Amalgamations referred to in sub-section (3C) of section 211 of the Act. As a result opening accumulated losses have been understated to the extent of Rs. 71.63 Crores and good will has been overstated to that extent.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act 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 affairs of the Company as at March 31, 2014;

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.

Emphasis of Matter

We draw attention to Note 31 to the financial statements which describes the position of the company in the fundamental accounting assumption "Going concern" in spite of company's heavy accumulated losses of Rs.183.20 Crores (PY Rs.179.87 Crores) (excluding general reserve and securities premium) eroding its total net worth and its inability to repay the secured term loans and interest even after rescheduling its repayment terms in December 2008. The secured term loan outstanding as on 31st March 2014 is Rs.110.14 Crores (PY 119.13 Crores) and interest provided but unpaid amounting to Rs.65.71 Crores (Rs.49.44 Crores).

We draw attention to Note 21 to the financial statements wherein the fact of loan recovery by SBI from ECGC has been stated and the existence of possibility of recovery by ECGC from the Company.

Other Matter

We did not audit the financial statements of the company's US subsidiary Quintegra Solutions Limited (Integral foreign operation), whose financial statements reflect total assets of Rs. 7,54,206 as at March 31, 2014, total revenues of Rs. 5,30,01,140 and net cash inflows amounting to Rs. 4,14,482 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order 2004 issued by the Central Government of India in terms of sub-section (4A) of the Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

2) As required by Section 227(3) of the Act, 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 purpose 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 examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

   e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **GOPIKUMAR ASSOCIATES**
Chartered Accountants
FRN : 000981S

S Gopinath
Partner
M. No. 023854

Place : Chennai
Date : 30th May 2014

Annexure to the Auditor's report

The Annexure referred to in our report to the members of M/s QUINTEGRA SOLUTIONS LIMITED ('the Company') for the year ended 31 March 2014. We report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
   b. No physical verification of assets has been made by the company during the year as per the scheduled program.
   c. Fixed Assets disposed off or impaired during the year were significant but not substantial to 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 order is not applicable.
3. a. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 301 of the act.
   b. The Company has not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under Section 301 of the act except an unsecured loan from Trusted Aerospace Engineering Limited (TASE) and from the company's director. The loan from TASE is interest free and the balance outstanding as on 31st March 14 is Rs. 9.81 Crores and the maximum amount outstanding during the year is Rs. 9.81 Crores. The loan from the company's director is interest free and the balance outstanding as on 31st March 14 is Rs.40 Lacs and the maximum amount outstanding during the year is Rs.40 Lacs.
   c. Recurring transactions during the course of business are classified under advances. No interest is applicable to such types of inter company advances. Repayment of principal and interest are not applicable as they are not in the nature of loan.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchases of fixed assets and for the sale of solutions and services. During the course of our audit no major weakness has been noticed in the above controls and therefore reporting of the same does not arise.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of Companies Act, 1956 have been entered in the register required to be maintained under that section.
   b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs.5 Lakh with any party during the year have been made at a 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 under the provisions of Section 58A and Section 58AA of the Act and rules framed there under.
7. In our opinion, the Company has no internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company. Accordingly, paragraph 4 (viii) of the order is not applicable.
9. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted /accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities wherever applicable except the following.
   b. Statement of Arrears of Statutory Dues Outstanding for more than 6 Months as on 31st March 2014
      1. Tax on Dividend Rs.13,67,103 pertaining to the FY 2007-08 under Income tax Act, 1961.
      2. Property Tax of Rs.8,13,640 (Rs.4,51,744 for the year 2011-12 and Rs.3,61,896 for the year 2012-13).
      3. Water Tax of Rs.81,532 for the first half of 2012-13.
         The above taxes are not paid till date of our report.
      4. The following Income Tax dues have not been deposited on account of dispute as detailed under.

Rs. In lakhs

Statute	Assessed/ Reassessed Demand	Assessment Year	Forum where dispute is pending
U/s 269UC and 269UL(2) Income Tax Act, 1961	5.00#	2002-03	City Civil Court

 # Of the above demand Rs.2 lakhs have been paid.

10. The Company has accumulated losses at the end of the financial year as on March 31 2014 and has incurred cash losses during the financial year ended on that date and also incurred cash losses in the immediately preceding financial year. The provision for unpaid interest on bank loan is treated as cash expense to arrive at cash loss.
11. The Company has defaulted in repayment of dues including interest and principal to State Bank of India, Overseas Branch, Chennai on its various fund facilities availed, outstanding at the year end amounting to Rs.110.14 Crores (PY 119.13 Crores). The unpaid interest for the current year provided for in the books of accounts on the said loan amounts to Rs.16.26 Crores (PY 14.83 Crores).
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society. Accordingly, paragraph 4(xiii) of the order is not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other financial instruments.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. No term loans were obtained during the year.
17. No funds raised on short-term basis during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of The Companies Act, 1956.
19. There is no debentures against which securities have to be created.
20. Disclosure on the end use of money raised by public issue is not applicable.
21. No fraud on or by the Company has been noticed or reported during the year.

For **GOPIKUMAR ASSOCIATES**
Chartered Accountants
FRN : 000981S

S Gopinath
Partner
M. No. 023854

Place : Chennai
Date : 30th May 2014

Quintegra Solutions Limited

BALANCE SHEET AS AT

(in Rs.)

	Notes	31st March 2014	31st March 2013
I. Source of Funds			
(1) Shareholders' Funds			
(a) Share Capital	3	**268,138,300**	268,138,300
(b) Reserves & Surplus	4	**(1,351,088,234)**	(1,317,811,538)
		(1,082,949,934)	(1,049,673,238)
(2) Non Current Liabilities			
Deferred tax liabilities (Net)	5	**3,278,421**	43,107,864
		3,278,421	43,107,864
(3) Current Liabilities			
(a) Short-term borrowings	6	**1,206,529,054**	1,292,426,237
(b) Trade payables	7	**16,538,151**	25,965,153
(c) Other current liabilities	8	**660,452,547**	514,724,046
(d) Short-term provisions	9	**3,219,207**	4,202,528
		1,886,738,959	1,837,317,964
Total		**807,067,446**	830,752,591
II. Application of Funds			
(4) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		**51,013,252**	66,513,874
(ii) Intangible assets		**716,303,754**	719,114,885
(b) Non-current investments	11	**–**	–
(c) Deferred tax assets (net)	5	**3,050,057**	3,050,057
(d) Long term loans and advances	12	**4,695,276**	3,671,018
(5) Current assets			
(a) Trade receivables	13	**6,396,107**	17,164,894
(b) Cash and cash equivalents	14	**6,011,984**	2,440,469
(c) Other current assets	15	**19,597,016**	18,797,395
Total		**807,067,446**	830,752,591
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of these financial statements

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

For **Gopikumar Associates**
Chartered Accountants
FRN : 000981S

For and on behalf of the Board of Directors

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman

V Sriraman
Wholetime Director

Place : Chennai
Date : 30.05.2014

STATEMENT OF PROFIT AND LOSS

(in Rs.)

	Notes	For the Year ended 31st March 2014	For the Year ended 31st March 2013
I. Income			
(a) Revenue from operations	16	**102,779,970**	122,713,115
(b) Other Income	17	**716,484**	846,773
		103,496,454	123,559,888
II. Expenditure			
(a) Compensation & Benefits	18	**56,554,534**	81,845,618
(b) Administration Expenses	19	**15,960,937**	21,711,034
(c) Selling & Distribution Expenses	20	**8,177,038**	8,317,883
		80,692,509	111,874,535
III. Earnings before exceptional,extraordinary items, interest, Depreciation/ Amortisation and tax		**22,803,944**	11,685,353
(d) Exceptional Items	21	**(73,497,456)**	(452,991)
(e) Extraordinary Items		**–**	–
IV. Earnings before interest, tax, depreciation and amortisation (EBITDA)		**96,301,401**	12,138,344
(f) Interest & Finance Charges	22	**162,870,386**	148,601,175
(g) Depreciation and Amortisation	10	**5,521,746**	17,119,271
V. Profit / (Loss) before Tax		**(72,090,731)**	(153,582,102)
VI. Tax Expenses			
(a) Income tax - Current year		**–**	–
(b) Income tax - Earlier Years		**197,484**	257,140
(c) Deferred Tax		**(39,829,444)**	–
VII. Profit(Loss) from continuing operations		**(32,458,771)**	(153,839,242)
VIII. Profit/(Loss) from discontinuing operations		**–**	–
Profit/(Loss) for the year		**(32,458,771)**	(153,839,242)
Earnings Per Share			
Basic		**(1.21)**	(5.74)
Diluted		**(1.21)**	(5.74)
Significant Accounting Policies and Notes to Accounts	2.1		

The accompanying notes are an integral part of these financial statements

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

For **Gopikumar Associates**
Chartered Accountants
FRN : 000981S

For and on behalf of the Board of Directors

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman

V Sriraman
Wholetime Director

Place : Chennai
Date : 30.05.2014

Quintegra Solutions Limited

CASH FLOW STATEMENT

(in Rs.)

			For the year ended 31st March 2014		For the year ended 31st March 2013
A	**Cash Flow from Operating Activities**				
	Net profit before tax, as per profit and loss account		**(72,090,731)**		(153,582,102)
	P & L adjustments:				
	Depreciation & Amortisation	**5,521,746**		17,119,271	
	Other Non Cash Expenses *	**11,567,082**		7,206,210	
	Interest & Finance charges	**162,870,386**		148,601,175	
	Other income	**(716,484)**		(846,773)	
			179,242,730		172,079,883
	Operating profit before changes in working capital		**107,151,999**		18,497,781
	Changes in current assets & current liabilities				
	Trade and other Advances	**8,944,907**		(3,675,041)	
	Trade payables & other liabilities #	**135,318,178**		134,736,451	
			144,263,085		131,061,409
	Less: Taxes Paid		**197,484**		257,140
	Cash generated from operations		**251,217,600**		149,302,051
B	**Cash Flow from Investing Activities**				
	Purchase of fixed assets		**–**		(230,000)
	Sale of fixed assets		**405,000**		–
	Other income		**716,484**		846,773
	Net cash from investing activities		**1,121,484**		616,773
C	**Cash Flow from Financing Activities**				
	Increase in equity		**–**		–
	Borrowings		**(85,897,183)**		(4,911,871)
	Interest paid		**(162,870,386)**		(148,601,175)
	Net cash from financing activities		**(248,767,569)**		(153,513,046)
D	**Net Increase in Cash and Cash Equivalents**		**3,571,515**		(3,594,222)
	Cash and cash equivalents at the beginning of the year		**2,440,469**		6,034,691
	Cash and cash equivalents at the end of the year		**6,011,984**		2,440,469

** This includes exchange reinstatement and impairment of Assets.*

 # This includes interest provided but unpaid on secured loan from SBI.

This is the Cash Flow Statement referred to in our report of even date

For **Gopikumar Associates**
Chartered Accountants
FRN : 000981S

For and on behalf of the Board of Directors

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman

V Sriraman
Wholetime Director

Place : Chennai
Date : 30.05.2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Note No. 1

CORPORATE INFORMATION

QUINTEGRA SOLUTIONS LIMITED (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The Company is primarily engaged in the business of providing IT services and consulting company delivering services through innovative and customized solutions. With headquarters in Chennai - India, Quintegra operates across the globe. The Company is ISO 9001:2008 certified.

Note No. 2

BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

A. Change in accounting policy

Presentation and disclosure of financial statements

There is no change in accounting policy during the year and company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

B. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company did not elect to exercise an irrevocable option to amortize exchange rate fluctuation on long term foreign currency monetary asset/ liability over the life of the asset/ liability or by March 31, 2012, whichever is earlier, subsequent to the amendment to AS-11 by the Ministry of Corporate affairs.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

D. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight line value - single shift basis using the rates those prescribed under the Schedule XIV to the Companies Act, 1956. The company has used the following rates to provide depreciation on its fixed assets.

Building (Factory)	-	3.34 %
Building (Other than Factory)	-	1.63 %
Plant and Machinery	-	4.75 % or based on usage of the assets
Office Equipments	-	4.75 %
Furniture and Fittings	-	6.33 %
Computers	-	16.21 % or based on usage of the assets
Vehicles	-	9.5 %

E. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a Written Down Value basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and Development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

1) The technical feasibility of completing the intangible asset so that it will be available for use or sale
2) Its intention to complete the asset
3) Its ability to use or sell the asset
4) How the asset will generate future economic benefits
5) The availability of adequate resources to complete the development and to use or sell the asset
6) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a Written Down Value basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization policies applied to the company's intangible assets is as below:

Goodwill	-	60%
Brands/trademarks	-	20%
Patents and intellectual property rights (IPR)	-	20%
Technical know-how	-	20%
Computer software	-	40% or based on use of the asset

The residuel Value if any after amortising at the above rate ie.,based on the estimated usefull life of the asset is amortised in the final year of the estimated life of the asset.

F. Leases

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a Written Down Value basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a Written Down Value basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Presently the company lease out its surplus place in its operating premises which is renewed on a 11 months basis.

G. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

H. Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

I. Grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

Grants received on agreed terms to perform research activites are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant will be received. Research costs are expensed as incurred.

J. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment property

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on building component of investment property is calculated on a written down value basis using the rate prescribed under the Schedule XIV to the Companies Act, 1956 as mentioned in point (d) above.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

K. Inventories & Quantitative Details

The Company is a service company primarily rendering information technology services. Accordingly it doesnot hold any physical inventories.

The Company is primarily engaged in development and maintenance of computer software. The production and sale of such software cannot be expressed in generic unit. Hence it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5 (viii)(c) of general instructions for the preparation of statement of Profit and Loss as per revised Schedule VI to the Companies Act, 1956.

L. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Operational Revenue

Revenue from software development services comprises revenue from time and material and fixed-price contracts.

Revenue from time and material contracts are recognized as related services are performed.

Revenue from fixed-price contracts are recognized in accordance with the percentage of completion method / as per the terms of the contract.

Maintenance revenue is considered on acceptance of the contract and is accrued over the period of the contract. Other income is recognized on accrual basis.

Revenue from customer training, support and other services is recognized as the related services are performed.

Cost and related earnings in excess of billings are classified as 'Unbilled revenues' under loans and advances while the billing in excess of cost and related earnings is classified as 'Unearned revenue' under current liabilities.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

M. Foreign currency translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

From accounting periods commencing on or after 7 December 2006, the company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1) Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2) The Company did not elect to exercise an irrevocable option to amortize exchange rate fluctuation on long term foreign currency monetary asset/ liability over the life of the asset/ liability or by March 31, 2012, whichever is earlier, subsequent to the amendment to AS-11 by the Ministry of Corporate affairs.

3) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4) All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward exchange contracts are entered into to hedge foreign currency risk of an existing asset/liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph 2 and 3.

During the year company have not entered into any forward exchange contracts

Translation of integral and non-integral foreign operation

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

N. Retirement and other employee benefits

(i) Short term employee benefit obligations are estimated and provided for.

(ii) Post employment benefits and other long term employee benefits

a) Defined Contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

b) Defined benefit plans and compensated absences

The Company operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

Presently Company's liability towards gratuity, other retirement benefits and compensated absences are not actuarially determined. In accordance with the Payment of Gratuity Act, 1972 the company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and year of employment with the company. The gratuity fund is managed by SBI Gratuity Fund. The gratuity obligation is provided for based on estimates from SBI gratuity fund.

O. Accounting for Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Exchange differences arising out of deferred tax assets pertain to branch profit tax have been recognised in foreign exchange translational reserve.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

P. Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Q. Segment reporting

The Segment reporting of the company has been prepared in accordance with the AS 17 "Segment Reporting" issued pursuant to the Companies (Accounting Standard) Rules, 2006 and by The Institute of Chartered Accountants of India.

The Company's operation was focused on BFSI, QASS, Other emerging verticals. Accordingly, these three business divisions comprise a significant portion of the primary basis for the segmental information set out in these financial statements.

Secondary Segmental reporting is reported on the basis of the Geographical location of the customers. Geographical revenues are segregated based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 - (continued)

R Earnings Per Share (EPS)

Basic EPS

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS

The number of equity shares used in computing diluted earnings per share comprises the weighted average equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued if any.

S. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

T. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

U. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

V. Financial instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

The Company does not have any risk management policy with respect to risk of foreign exchange fluctuations and is not a party to the contractual provisions of the instrument.

Presently the company do not hold any derivative instruments

W. Amalgamation accounting

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

i. All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.

ii. Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.

iii. The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.

iv. The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.

v. The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The Company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the company to recognize any non-cash element of the consideration at fair value. The company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor company is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

The assets and liabilities of the transferor company are recognized at their fair values at the date of amalgamation.

The reserves, whether capital or revenue, of the transferor company, except statutory reserves, are not recognized. Any excess consideration over the value of the net assets of the transferor company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve. The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.

Presently no amalgamation have been entered into by the company

X. Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956,* the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
Note No. 3		
SHARE CAPITAL		
Authorised Share Capital		
a 4,50,00,000 (Previous year 4,50,00,000) Equity shares of Rs.10/- each	**450,000,000**	450,000,000
Issued, Subscribed & Paidup Capital		
b 2,68,13,830 (Previous year 2,68,13,830) Equity shares of Rs.10/- each	**268,138,300**	268,138,300
c Reconciliation of Shares Outstanding		
Number of equity shares at the beginning of the year	**26,813,830**	26,813,830
Add: Rights issue	**–**	–
Allotment	**–**	–
Bonus issue	**–**	–
Less: Buy back	**–**	–
Number of equity shares at the end of the year	**26,813,830**	26,813,830

d Terms / Rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was Nil (31 March 2013: Nil).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013

e Details of shareholders holding more than 5% shares in the Company

S.No.	Name of Share Holders	Holding	
1	ROSEBURG INC	**11.03%**	11.03%
2	CNI RESEARCH LIMITED	**7.72%**	7.72%
3	STATE BANK OF INDIA	**7.46%**	7.46%
4	CNI INFOXCHANGE PRIVATE LIMITED	**5.71%**	0.00%
5	GLOBE CAPITAL MARKET LIMITED	**0.23%**	5.79%

f Details of bonus issue, buy back etc., during the last 5 years:

There are no equity shares allotted without any consideration (including bonus shares) during the last 5 years and no shares have been bought back by the company during the said period

g Shares reserved for issue under options:

Since all the unexercised options granted under Employees Stock Option Scheme – 2006 have since been lapsed during the year ended 31.03.2013, the disclosure as required under Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is not applicable.

Note No. 4

RESERVES AND SURPLUS

	As at 31st March 2014	As at 31st March 2013
a General reserve		
Opening balance	**49,462,799**	49,462,799
Add: Addition	**–**	–
Less: Deduction	**–**	–
Closing balance	**49,462,799**	49,462,799
b Security premium reserve		
Opening balance	**431,433,100**	431,433,100
Add: Addition	**–**	–
Less: Deduction	**–**	–
Closing balance	**431,433,100**	431,433,100
c Surplus from Profit & Loss account		
Opening balance	**(1,777,264,975)**	(1,623,425,734)
Add: Current year surplus/ Shortage	**(32,458,771)**	(153,839,242)
Less: Transfer to general reserve	**–**	–
Less: Proposed dividend	**–**	–
Less: Dividend tax provision	**–**	–
Closing balance	**(1,809,723,746)**	(1,777,264,976)
d Foreign Currency Translation Reserve		
Opening balance	**(21,442,462)**	(21,034,976)
Add: Addition	**(817,925)**	(407,486)
Less: Deduction	**–**	–
Closing balance	**(22,260,386)**	(21,442,462)
Total reserves and surplus	**(1,351,088,234)**	(1,317,811,538)

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
Note No. 5		
DEFERRED TAX LIABILITY (Net)		
a Deferred Tax Liability		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	**3,278,421**	43,107,864
Others	**–**	–
Net Deferred tax liability	**3,278,421**	43,107,864
b Deferred Tax Asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for a tax purposes on payment basis	**–**	–
Provision for dimunition in the value of investments	**–**	–
Provision for doubtful debts and advances	**–**	–
Branch Profit tax	**3,050,057**	3,050,057
Net deferred tax assets	**3,050,057**	3,050,057
Net deferred tax liability (a-b)	**228,364**	40,057,807

The Company has accumulated huge losses as on 31st March 2014. Even though there is virtual certainty in making profit in the future years in the view of management, as a matter of prudence the deferred tax assets are not recognized in the books of account. Since significant impairment of assets are recognised in the books of accounts during the year, the reduction in deferred tax liabilities are recognised in the books. Provision for dimunition in the value of investments is not considered for calculating deferred tax since it is not disallowed under Income tax act, 1961.

Particulars	As at 31st March 2014	As at 31st March 2013
Note No. 6		
SHORT TERM BORROWINGS		
a Loans repayable on demand		
from banks	**1,101,410,892**	1,191,308,075
from others	**3,000,000**	3,000,000
b Loans and advances from related parties *	**102,118,162**	98,118,162
	1,206,529,054	1,292,426,237

Details of Security

The various fund based facilities availed from State Bank of India is secured primarily by the first charge on the current assets of the company and collaterally secured by immovable properties situated at Chennai and Kodaikanal belonging to the Company, hypothecation of movable assets belonging to the company. The facilities are further collaterally secured by personal guarantee of the Mr.Shankar Raman V and pledge of 20 Lac Shares of the company in the name of Mr.Shankar Raman V which was invoked by SBI during the year 2011-12.

The Non-Fund based facility is secured primarily by the counter guarantee from the company and extension of the charge on the current assets of the company apart from the collateral security and personal guarantee mentioned above.

The Company defaulted in payment of its interest and principal portion of its various credit facilities availed from the State Bank of India during the year and the unpaid interest provided for in the books amounts to Rs.65.71 Crores (PY 49.44 Crores).

Loans and advances from related parties refers to the loan acquired from Trusted Aerospace Engineering Limited and Interest free unsecured Loan due to director.

*The immovable property of one of the directors Mr. V Shankaraman which was given as security for the above mentioned bank loan has been taken over under SERFASI and the sale consideration of Rs. 40 Lakhs have been adjusted towards the bank liability during the year. The said amount stands to the credit of Mr. V Shankaraman in the books as interest free unsecured loan.

Moreover the possession of company's office building has been taken over by SBI.

(In Rs.)

Particulars	**As at 31st March 2014**	As at 31st March 2013
Note No. 7		
TRADE PAYABLES		
a Trade Payables - Other than Micro & Small enterprises	**16,538,151**	25,965,153
b Due to Micro & Small Enterprises (Principal & Interest)	**–**	–
	16,538,151	25,965,153
Note No. 8		
OTHER CURRENT LIABILITIES		
a Interest accrued and due on borrowings	**657,112,250**	494,424,930
b Unpaid dividends *	**1,285,096**	1,285,096
c Other payables (i) Expenses Payable	**4,671,393**	12,495,710
(ii) Statutory Payable	**954,858**	9,747,835
(iii) Indirect Tax Credits	**(3,571,049)**	(3,229,525)
	660,452,547	514,724,046

* Unpaid dividend refers to FY 2006-07 (Rs.181,216) and FY 2007-08 (Rs.1,103,880)

Particulars	**As at 31st March 2014**	As at 31st March 2013
Note No. 9		
SHORT TERM PROVISIONS		
a Provisions for employee benefits	**1,289,624**	2,063,625
b Others (Specify)		
Provision for income tax	**–**	–
Provision for dividend	**–**	–
Provision for dividend tax *	**1,367,103**	1,367,103
Others - expenses	**562,480**	771,800
	3,219,207	4,202,528

* Provision for dividend Tax pertain to the FY 2007-08

Note No. 10

TANGIBLE AND INTANGIBLE ASSETS

Asset Group	Cost				Depreciation				Net Cost	
	As at 31.03.13	Additions	Deletions	**As at 31.03.14**	As at 31.03.13	Additions	Deletions	**As at 31.03.14**	As at 31.03.13	**As at 31.03.14**
I. Tangible Assets										
a Furniture & Fixtures	33,363,828	–	32,601,802	**762,026**	24,357,155	1,260,169	25,154,505	**462,819**	9,006,673	**299,207**
b Land & Buildings	57,733,679	–	–	**57,733,679**	8,580,274	583,273	–	**9,163,547**	49,153,405	**48,570,132**
c Plant & Equipments										
Air Conditioners	5,831,476	–	5,721,267	**110,209**	3,327,016	192,912	3,468,813	**51,116**	2,504,460	**59,093**
Computer & Accessories	134,085,271	–	127,343,414	**6,741,857**	133,185,507	877,793	127,331,274	**6,732,025**	899,764	**9,832**
Office Equipments	14,813,375	–	11,399,556	**3,413,819**	9,863,802	593,907	8,365,212	**2,092,497**	4,949,573	**1,321,322**
Total	245,827,629	–	177,066,038	**68,761,591**	179,313,754	3,508,055	164,319,804	**18,502,004**	66,513,874	**50,259,586**
PY 31.03.2013	245,827,629	–	–	**245,827,629**	173,034,839	6,278,915	–	**179,313,754**	72,792,789	**66,513,874**
II. Intangible Assets										
a Softwares	177,766,842	–	129,723,855	**48,042,986**	174,955,711	2,013,691	129,680,082	**47,289,320**	2,811,130	**753,666**
b Goodwill	716,303,754	–	–	**716,303,754**	–	–	–	**–**	716,303,754	**716,303,754**
c Copyrights	27,175,655	–	–	**27,175,655**	27,175,655	–	–	**27,175,655**	–	**–**
Total	921,246,251	–	129,723,855	**791,522,396**	202,131,366	2,013,691	129,680,082	**74,464,975**	719,114,885	**717,057,420**
PY 31.03.2013	921,016,251	230,000	–	**921,246,251**	191,291,010	10,840,356	–	**202,131,366**	729,725,240	**719,114,885**
Total	1,167,073,880	–	306,789,893	**860,283,987**	381,445,121	5,521,746	293,999,886	**92,966,980**	785,628,759	**767,317,007**
PY 31.03.2013	1,166,843,880	230,000	–	**1,167,073,880**	364,325,850	17,119,271	–	**381,445,121**	802,518,030	**785,628,759**

I(b) During the year the SBI had taken over the possession of the Office Land and Building which was given as security for the secured loan availed from the bank.

II (b) The excess cost of acquisition over the carrying value of the net assets on the date of merger is recognized in the financial statements as goodwill. The Company evaluates carrying value of its goodwill whenever events or change in circumstance indicate that its carrying value may be impaired for diminution other than temporary. The value of the Goodwill in the books as at 31 March 2014 is Rs 71.63 crores. (PY – Rs. 71.63 crores)

However, the Company presently reassessed that there are no circumstances or change in circumstances to indicate any diminution in the carrying value of goodwill.

II (c) Intangible Assets are stated at development / acquisition cost less accumulated amortization and impairment. Development expenses of the following copyrights namely – EduCampus, HMIS, HBfX and IPIg have been capitalized in the financials as Intangible Assets. The intangible assets are amortized over a period of 5 years.

The tangible and intangible assets were tested for impairment and unusable assets were disposed off and written off from the books of accounts.

Fixed assets of the foreign branches have been reinstated at the exchange rate prevailing on the date of transaction.

(In Rs.)

Particulars	**As at 31st March 2014**	As at 31st March 2013
Note No. 11		
NON-CURRENT INVESTMENTS		
(i) Trade Investments	–	–
(ii) Other Investments		
a Investment in property	–	–
b Investment in equity instruments	–	–
	–	–
Unquoted Long Term Investments - at cost		
Investment in Wholly Owned Subsidiaries		
1 Quintegra Solutons (M) Sdn Bhd, Malaysia **(Under Liquidation)** [1] 621,725 Equity share of MYR 1 each	**7,613,696**	7,613,696
2 Quintegra Solutons Gmbh, Germany **(Under Liquidation)** 50,000 Equity share of € 1 each	**2,757,350**	2,757,350
3 PAC Inc, USA **(Under Liquidation)** [2] 198 Equity share of US$ 1.00 each	**755,593,800**	755,593,800
	765,964,846	765,964,846
Less : Provision for diminution in value of investments	**765,964,846**	765,964,846
	–	–

Capital commitments & Investment in Subsidiary

1 During the year 2012-13 the subsidiary of the company namely Quintegra Solutons (M) Sdn Bhd, Malaysia filed application with the respective authorities for liquidation and hence the investment made in it amounting to Rs.76.13 Lakh provided for in the books.

2 The wholly owned subsidiary 'Pingho Associates Corporation (the Company) incorporated in USA ceased its business operation during 2009-10 and filed a voluntary chapter 11 bankruptcy protection petition to reorganize its business with US bankruptcy court, Eastern District of Virginia, USA. Hence the whole investment along with inter company receivables have been provided for during the year 2010-11 amounting to Rs.76.88 Crores.

Note No. 12		
LONG TERM LOANS AND ADVANCES		
Security deposits	**4,695,276**	3,671,018
	4,695,276	3,671,018

Note No. 13		
TRADE RECEIVABLES		
a Trade receivables outstanding for		
more than 2 years	–	90,000
more than 6 months	–	45,593
others	**6,396,107**	17,029,301
	6,396,107	17,164,894

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
b Trade receivables		
1 Secured, considered good	**–**	–
2 Unsecured, considered good	**6,396,107**	17,074,894
3 Doubtful	**–**	90,000
Allowance for bad & doubtful under each head	**–**	–
c Debts due by		
1 Director or other officers of the Company	**–**	–
2 Any of the above jointly / severally along with any other person	**–**	–
3 Firms / private company in which director is a partner / director / member	**–**	–

Note No. 14

CASH AND BANK BALANCES

a Cash and cash equivalents		
(i) Balance with banks		
In current account	**3,931,722**	357,432
In Dividend Account	**1,286,216**	1,286,216
(ii) Cash in hand	**145**	2,921
b Other Bank Balances:		
in Fixed deposit & Margin money	**793,900**	793,900
	6,011,984	2,440,469
Bank Balance with Scheduled Banks		
(i) in EEFC Accounts	**–**	–
(ii) in Other Accounts	**3,931,722**	357,432
(iii) in Margin Money	**793,900**	793,900
(iv) in Dividend Account	**1,286,216**	1,286,216

Note No. 15

OTHER CURRENT ASSETS

(a) TDS on Receipts	**4,748,343**	3,553,273
(b) Income tax refund receivable	**14,848,673**	15,244,122
	19,597,016	18,797,395

	2013-14	2012-13

Note No. 16

REVENUE FROM OPERATIONS

Software Services

(a) Overseas Revenue	**53,175,170**	85,723,705
(b) Domestic Revenue	**49,604,800**	36,989,410
	102,779,970	122,713,115

Note No. 17

OTHER INCOME

(a) Interest Income		
On Bank Deposits	**–**	4,463
On Income Tax Refunds	**488,258**	445,499
(b) Rental Income	**180,000**	342,000
(c) Other Income	**48,226**	54,811
	716,484	846,773

(In Rs.)

Particulars	2013-14	2012-13
Note No. 18		
COMPENSATION & BENEFITS		
(a) Salaries & Allowances	**55,106,163**	80,177,729
(b) PF,ESI,PT & LWF Contributions	**727,750**	760,750
(c) Directors' Remuneration	**600,000**	600,000
(d) Bonus & Ex-gratia	**10,000**	14,000
(e) Staff Welfare Expenses	**110,621**	293,140
	56,554,534	81,845,618
Note No. 19		
ADMINISTRATIVE EXPENSES		
(a) Communication Expenses, Postage & Courier	**2,150,786**	3,015,676
(b) Rent & Amenities	**2,475,415**	1,627,512
(c) Repairs & Maintenance	**1,029,872**	1,119,396
(d) Legal & Professional Fees	**2,001,856**	3,941,890
(e) Rates & Taxes	**871,573**	1,676,135
(f) Power & Fuel	**767,861**	1,091,040
(g) Insurance Charges	**4,771,747**	7,510,008
(h) Printing & Stationery	**169,546**	231,118
(i) Local Conveyance, Transportation & Freight	**96,590**	82,147
(j) Audit Fees		
i) Statutory Auditor	**125,000**	125,000
ii) Tax Auditor	**25,000**	25,000
iii) Branch Audit fee	**150,705**	251,550
iv) Certification & Consultation	**80,000**	80,000
(k) Bank Charges	**16,372**	56,928
(l) Secretarial Expenses	**48,877**	39,575
(n) Other Expenses	**15,700**	120,654
(o) Loss / (Gain) on Exchange Realisation	**(23,410)**	4,685
(p) Bad Debts Written Off	**1,187,449**	712,720
	15,960,937	21,711,034
Note No. 20		
SELLING & DISTRIBUTION EXPENSES		
(a) Travel Foreign, Inland	**7,150,813**	7,408,423
(b) Business Development Expenses	**1,026,225**	909,460
	8,177,038	8,317,883
Note No. 21		
EXCEPTIONAL ITEMS		
(a) Loss / (Gain) on sale / Retirement of asset #	**12,385,007**	–
(b) Write off of account balances of subsidiary	**–**	(8,313,638)
(c) Dimunition in Value of Investments	**–**	7,613,696
(d) Towards Liquidation & Restructure of PAC	**–**	246,951
(e) Loan Recovery by SBI from ECGC *	**(85,846,998)**	–
(f) Bad Debts Recovery	**(35,465)**	–
	(73,497,456)	(452,991)

During the year the company impaired, scrapped and disposed its unused and unusable assets.

* The amount of Rs.8.58 Crores pertain to the claim amount received from ECGC by SBI on account of default comittied towards EPC Facility sanctioned to the company. The same have been adjusted towards the loan due to SBI.

Particulars	2013-14	2012-13
Note No. 22		
INTEREST & FINANCE CHARGES		
(a) Interest on Unsecured Loan	**–**	–
(b) Interest - Others*	**162,870,386**	148,601,175
	162,870,386	148,601,175

This includes the interest towards loan defaulted is provided for in the books and it remains unpaid. The accumulated interest due on defaulted loan as on 31st March 2014 amounts to Rs.65.71 Crores (PY 44.94 Crores).

Note No. 23

CONTINGENT LIABILITY & COMMITMENTS

The following Income Tax dues have not been deposited on account of dispute as detailed under.

S.No.	Statute	Forum where dispute is pending	*Assessed/ Reassessed Demand (Rs.Lakhs)	Assessment Year
1	U/s 269UC and 269UL(2) Income Tax Act, 1961	City Civil Court	5.00 #	2002-03

Of the above demand Rs.2 Lacs have been paid.

The Company has given a Bank guarantee to the tune of Rs.7.75 Lacs favoring "The Commissioner of Customs, Chennai" towards purchase of duty exempted Capital goods.

The Company has been convicted by the trail court, Chennai to pay fine of Rs.2.5 Lacs for each (against which Rs.2 Lacs paid) of the offences u/s 269UC and 269UL(2) read with 276 AB of Income Tax, 1961. The Company has gone on appeal against the same with Principal Sessions Judge, City Civil Court, Chennai.

Note No. 24

RELATED PARTY TRANSACTIONS

Disclosure is being made below separately for all the transactions with related parties as specified under AS 18 – Related Party Disclosure issued pursuant to the Companies (Accounting Standard) Rules, 2006 and by The Institute of Chartered Accountants of India.

(i) The Company has following Related Parties:

a) **Subsidiary Companies:** viz Quintegra Solutions (M) Sdn Bhd, Quintegra Solutions GmbH and PAC Inc. which are now under dilution.

b) **Directors & Key Management Personnel or Companies in which they are interested:**
Mr V Shankarraman and Mr V Sriraman - **Trusted Aerospace Engineering Limited**

(ii) Transactions with related parties (In Rs.)

Particulars	2013-14	2012-13
Subsidiary Companies		
Investment in Subsidiary Companies	**–**	–
Advances (from) / to Subsidiary Companies	**–**	–
Advances or loan received from other than Subsidiary Companies	**102,118,162**	98,118,162
Directors & Key Management Personnel and Remuneration paid to them		
Salary to Mr Shankarraman Vaidyanathan	**–**	–
Salary to Mr Sriraman Vaidyanathan *	**636,000**	636,000

* (Includes PF of Rs.36000 for Mr. Sriraman)

Note No. 25

EARNINGS PER SHARE

Earnings Per Share is calculated as per AS 20 – Earnings Per Share issued pursuant to the Companies (Accounting Standard) Rules, 2006 and by The Institute of Chartered Accountants of India. (In Rs.)

Particulars	2013-14	2012-13
Net Profit / (Loss) Available for Equity Shareholders	**(32,458,771)**	(153,839,242)
Weighted Average No. of Equity Shares for Basic EPS	**26,813,830**	26,813,830
Weighted Average No. of Equity Shares for Diluted EPS	**26,813,830**	26,813,830
No. of Options Granted		
No. of Options Forfeited / Surrendered		
No. of Options Exercised		
No. of Options in Force		
A. Basic EPS	**(1.21)**	(5.74)
B. Diluted EPS	**(1.21)**	(5.74)

Note No. 26

EXPENDITURE IN FOREIGN CURRENCY: (In Rs.)

Particulars	2013-14	2012-13
Travel Foreign	**–**	301,420
Expenses met by Branch Offices	**53,681,973**	86,211,474
	53,681,973	86,512,894

Note No. 27

EARNINGS IN FOREIGN CURRENCY: (In Rs.)

Particulars	2013-14	2012-13
Revenue from Software Exports	**53,175,170**	85,723,705
	53,175,170	85,723,705

Note No. 28

SEGMENT REPORTING

The Segment reporting of the company has been prepared in accordance with the AS 17 "Segment Reporting" issued pursuant to the Companies (Accounting Standard) Rules, 2006 and by The Institute of Chartered Accountants of India.

The Company's operation was focused on Banking Financial Service Institutions (BFSI), Quality Assurance Software Services (QASS) and Other emerging verticals. Accordingly, these three business divisions comprise a significant portion of the primary basis for the segmental information set out in these financial statements.

Secondary Segmental reporting is reported on the basis of the Geographical location of the customers. Geographical revenues are segregated based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized.

(Rs. in lakhs)

		2013-14	2012-13
I	**Business Segment (Primary)**		
	Segmental Revenues		
	BFSI	**531.75**	294.51
	QASS	**–**	245.40
	Other Emerging Verticals	**496.05**	687.22
		1,027.80	1,227.13
	Segmental Profit/ (Loss) before Interest, Depreciation & Tax		
	BFSI	**(6.32)**	(17.69)
	QASS	**–**	(13.80)
	Other Emerging Verticals	**171.98**	(31.32)
		165.66	(62.81)
	Less: Finance Charges	**1,628.70**	1,486.01
	Profit / (Loss) from Operations	**(1,463.04)**	(1,548.82)
	Add: Other Income	**7.16**	8.47
	Less: Exceptional Items	**–**	(4.53)
	Less: Extraordinary Items (Prior Period Expenses)	**–**	–
	Profit before Tax	**(1,455.88)**	(1,535.82)
	Less: Income Tax including Deferred tax	**–**	2.57
	Profit after Taxation	**(1,455.88)**	(1,538.39)
II	**Geographical Segment (Secondary)**		
	Segmental Revenues		
	India	**497.79**	371.21
	USA	**530.01**	855.92
		1,027.80	1,227.13

Note No. 29

DUE TO SMALL SCALE INDUSTRIES

There are no dues to Small Scale Industries, which are outstanding for more than 30 days at the Balance Sheet date. Such information regarding Small Scale Undertaking has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the Auditors.

Note No. 30

L. QUANTITATIVE DETAILS

The Company is primarily engaged in development and maintenance of computer software. The production and sale of such software cannot be expressed in generic unit. Hence it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5 (viii)(c) of general instructions for the preparation of statement of Profit and Loss as per revised Schedule VI to the Companies Act, 1956.

Note No. 31

M. GOING CONCERN

The financial statements of the company have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has reported a net loss of Rs.3.24 Crores (PY 15.38 Crores) for the year ended 31st March 2014. The management has addressed the criticality of the issue in the Company and has initiated various steps, including but not limited to negotiating the terms of the existing debt with the bankers of the Company and opting for one time settlement and other significant business proposals. The management is confident of successfully completing these initiatives and thereby ensuring profitable business operations into the foreseeable future.

Quintegra Solutions Limited

ADMISSION SLIP

CIN: L52599TN1994PLC026867

Regd. Office: Wescare Towers, 3rd Floor, 16, Cenotaph Road, Teynampet, Chennai - 600 018.

Please fill up and hand over this Admission Slip at the entrance of meeting hall. Only members or their proxies are entitled to be present at the Meeting

Client ID / Folio No................................. No. of Shares................................

Name and Address of the Shareholder

I/We hereby record our presence at the 20th Annual General Meeting of the Company held at Russian Cultural Centre, 74, Kasturi Ranga Road, Teynampet, Chennai 600 018 on Tuesday, the 30th September 2014 at 10.00 AM

Name of the Proxy (*In Block Letters*) Signature of the Member / Proxy*

....

**strike out whichever is not applicable*

Quintegra Solutions Limited

PROXY FORM

CIN: L52599TN1994PLC026867

Regd. Office: Wescare Towers, 3rd Floor, 16, Cenotaph Road, Teynampet, Chennai - 600 018.

Name and Address of the Shareholder	Client ID/ Folio No. DP ID: E-mail ID: No. of Shares

I/We being member(s) of .... shares of the above mentioned company, hereby appoint:

1) Name .... Address ....
   E-mail ID .... Signature .... or failing him / her

2) Name .... Address ....
   E-mail ID .... Signature .... or failing him / her

3) Name .... Address ....
   E-mail ID .... Signature .... or failing him / her

As my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 20th Annual General Meeting of the Company to be held on Tuesday, 30th September 2014 at 10 AM at Russian Cultural Centre, 74, Kasturi Ranga Road, Teynampet, Chennai 600 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No of Resolutions (as per Notice Annexed)

1	2	3	4	5

(Tick mark the Sl. No. of the Resolutions for which the Proxy is appointed)

Signed this .... day of .... 2014.

Affix Revenue Stamp

Signature of the Shareholder(s) …………………………………..

Signature of the Proxyholder(s)…………………………………

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

COURIER / REGISTERED POST

If undelivered please return to:

Quintegra Solutions Limited
Regd. Office:
Wescare Towers, 3rd Floor, 16, Cenotaph Road,
Teynampet, Chennai - 600 018.