

quintegra

# Quintegra Solutions Limited

21ST  
ANNUAL REPORT

**2014 - 15**



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# QUINTEGRA SOLUTIONS LIMITED

CIN: L52599TN1994PLC026867

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

www.quintegrasolutions.com

## LOCATIONS

### India

Wescare Towers, 3rd Floor, 16, Cenotaph Road,  
Teynampet, Chennai - 600 018. Tamil Nadu  
Tel : (+91 44) 4391 7100 / 2432 8395  
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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# Quintegra Solutions Limited

## CORPORATE INFORMATION 2014-15

CIN: L52599TN1994PLC026867

### BOARD OF DIRECTORS

|                              |                          |
|------------------------------|--------------------------|
| Mr Shankarraman Vaidyanathan | – Chairman               |
| Mr V Sriraman                | – Wholetime Director     |
| Mr Meleveetil Padmanabhan    | – Non-Executive Director |
| Mr R Kalyanaraman            | – Independent Director   |
| Mr G Venkatarajulu           | – Independent Director   |
| Mrs Kamakshi Shankararaman   | – Independent Director   |

### REGISTERED OFFICE

Wescare Towers, 3rd Floor,  
16, Cenotaph Road, Teynampet  
Chennai 600 018.  
Ph: + 91 44 4391 7100 / 2432 8395  
Fax: + 91 44 2432 8399  
E-mail: investors@quintegrasolutions.com  
URL: <http://www.quintegrasolutions.com>

### AUDITORS

M/s Gopikumar Associates  
Chartered Accountants, Chennai

### BANKERS

State Bank of India  
Axis Bank Ltd

### REGISTRARS & SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited  
Kences Towers, 2<sup>nd</sup> Floor, North Usman Road,  
T.Nagar, Chennai - 600 017.  
Tel: +91 44 2814 0801  
Fax: +91 44 2814 2479  
E-mail: sureshbabu@iepindia.com

### GRIEVANCE CELL / COMPLIANCE OFFICER

E-mail: investors@quintegrasolutions.com

## PROFILE – BOARD OF DIRECTORS

### Mr Shankarraman Vaidyanathan (Non-Executive Chairman)

Mr Shankarraman Vaidyanathan (DIN 00207553) is a Post Graduate in Commerce. He has more than 25 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 businessman representing the Boards of few other companies.

### Mr V Sriraman (Wholetime Director)

Mr V Sriraman (DIN 00207480) is a Graduate in Commerce and a Post Graduate in Business Administration. He has more than 27 years of wide experience in the fields of sales, marketing, business development and administration. He is also on the Boards of other companies.

### Mr Meleveetil Padmanabhan (Non-Executive Director)

Mr Meleveetil Padmanabhan (DIN 00101997) is a Graduate in Commerce and a Member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and has over 42 years experience in Accounts, Auditing and Corporate Consultancy. He also represents the Boards of few other companies.

### Mr R Kalyanaraman (Independent Director)

Mr R Kalyanaraman (DIN 00041770) is 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 developing projects and providing technical and financial consultancy. He also represents the Boards of few other companies.

### Mr G Venkatarajulu (Independent Director)

Mr G Venkatarajulu (DIN 02206405) is a Diploma holder in Civil Engineering with experience in various fields like civil engineering, printing and computer technology. He has about 24 years experience in training and imparting computer skills to students and professionals. He also represents the Boards of few other companies.

### Mrs Kamakshi Shankararaman (Independent Director)

Mrs Kamakshi Shankararaman (DIN 00215869) is a Masters Degree holder in Commerce and pursuing ICWA in the Institute of Costs and Works Accountants of India. She is the Co-founder Director of a company viz. e2d Professional Services Private Limited with principal responsibility of designing the strategy and services of the company, back office management of all processes, HR management relating to employees hiring, training and motivation.

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Company will be held on Friday, the 18<sup>th</sup> September 2015 at 10.00 AM at Russian Cultural Centre, 74, Kasthuri Ranga Road, Chennai 600 018 to transact the following business:

**ORDINARY BUSINESS**

- To consider and if deemed fit to pass with or without modification(s) the following as an **ORDINARY RESOLUTION:**  
**RESOLVED THAT** the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2015 and the Reports of the Directors and Auditors thereon be and are hereby considered, approved and adopted.
- To consider and if deemed fit to pass with or without modification(s) the following as an **ORDINARY RESOLUTION:**  
**RESOLVED THAT** Mr Meleveetil Padmanabhan (DIN: 00101997), who retires by rotation and being eligible for reappointment be and is hereby re-appointed as a Director of the Company.
- 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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and pursuant to the resolution passed by the members at the Annual General Meeting held on 30<sup>th</sup> September 2014, the appointment of Messrs. Gopikumar Associates, Chartered Accountants (Firm Registration No.000981S) as Statutory Auditors of the Company to hold office from the conclusion of the 21<sup>st</sup> Annual General Meeting until the conclusion of the 22<sup>nd</sup> Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors be and is hereby ratified.

**SPECIAL BUSINESS**

- 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, Mrs Kamakshi Shankaraman (DIN: 00215869) Director, who was appointed as an Additional Director by the Board of Directors pursuant to Section 161 read with Section 149 of the Companies Act, 2013 and who holds office upto the date this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing her 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.
- To consider and if deemed fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**  
**RESOLVED THAT** pursuant to the provisions of the Section 180(1)(c) 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) consent of the members be and is hereby accorded to the Board of Directors of the Company (which includes any Committee constituted thereof) to borrow from time to time such sums of money whether unsecured or secured as they may deem necessary for the purposes of the business of the company provided however the total amount so borrowed and remaining outstanding at any point of time (excluding temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital and free reserves of the Company (reserves not set apart for any specific purpose) by more than Rs 100 crores or equivalent foreign currencies at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary for giving effect to the aforesaid resolution.

- To consider and if deemed fit to pass with or without modification(s) the following Resolution as a **SPECIAL RESOLUTION:**  
**RESOLVED THAT** in pursuant to the provisions of Section 180(1)(a) 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) consent of the Company be and is hereby accorded to the Board of Directors of the Company (which includes any Committee constituted thereof) for mortgaging and / or charging the whole or any part of the undertaking(s) of the Company including its immovable / movable properties, both present and future, wheresoever situate or the whole or substantially whole of the undertaking(s) of the Company in such form and in such manner as the Board may deem fit together with power to take over the substantial assets of the company in certain events for securing any loans and / or advances already obtained or that may be obtained from any financial institutions / banks / companies / person(s) and / or other lenders and / or any debenture or other securities that may be issued with all interest, compound / additional interest, commitment charges, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders upto a sum not exceeding Rs 100 crores over and above the paid up capital and free reserves of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary for giving effect to the aforesaid resolution.

By order of the Board

Place : Chennai  
Date : 12.08.2015

**Shankaraman Vaidyanathan**  
Chairman

**NOTES:**

- 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.** 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.

# Quintegra Solutions Limited

2. The Proxy Form, in order to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the time scheduled for the meeting. A proxy form is enclosed.
3. 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.
4. 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.
5. The Explanatory Statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the Special business to be transacted at the meeting is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 8<sup>th</sup> September 2015 to Friday, the 18<sup>th</sup> September 2015 (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, 2<sup>nd</sup> 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 205A of the Companies Act, 1956, the amount of dividend declared for the financial year 2006-07 and remained unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the company had been transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India.
11. Information pursuant to Clause 49 of the Listing Agreement in respect of the directors seeking appointment at this AGM is furnished and forms part of this Notice.
12. 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 Company / RTA.
13. 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, as amended, 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 21<sup>st</sup> 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).
14. 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 E-mail addresses are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their E-mail address, physical copies 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 in the permitted mode.
15. Mr A Rengarajan, Practicing Company Secretary will be acting as the Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner.  
  
The Scrutiniser shall immediately after the conclusion of the voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting in the presence of atleast two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutiniser's Report of the votes cast to the Chairman of the Company. The results of e-Voting will be placed on the company's website: **www.quintegrasolutions.com** and also communicated to the stock exchanges where the shares of the company are listed.
16. The instructions for e-Voting are as under:
  - (i) The voting period **begins on 14<sup>th</sup> September 2015 at 9.00 AM IST and ends on 17<sup>th</sup> September 2015 at 5.00 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) viz. **11<sup>th</sup> September 2015** 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)<br><br>Members who have not updated their PAN with the Company / Depository Participants are requested to enter the first two letters of their name and the 8 digits of the Serial |

|                       |  |
|-----------------------|--|
|                       | Number printed on the Address Slip 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.<br><br>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 print out 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
- 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.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
  - 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.
  - 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 be open 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 : 12.08.2015

**Shankarraman Vaidyanathan**  
Chairman

## ANNEXURE TO THE NOTICE

### A. INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED

#### Item No 2: Mr Meleveetil Padmanabhan (DIN: 00101997) - Non-Executive Director - Brief Resume

|  |   |
|--|---|
| <b>Academic Background</b>                         | A Graduate in Commerce and a Member of the Institute of Chartered Accountants of India  |
| <b>Nature of Expertise</b>                         | Over 42 years experience in Accounts, Auditing and Corporate Consultancy.   |
| <b>Directorship in other Companies</b>             | 1) Butterfly Gandhimathi Appliances Ltd. 2) Tamilnadu Rice Millers Private Ltd.   |
| <b>Committee Membership</b>                        | <b>In the Company:</b> 1) Audit Committee (Member) 2) Nomination and Remuneration Committee (Member) 3) Shareholders / Investors Grievance Committee (Chairman) 4) Risk Management Committee (Member).        |
| <b>Shareholding of the Director in the Company</b> | <b>In other Companies:</b> Butterfly Gandhimathi Appliances Ltd.: Audit Committee (Member); Investor Grievance Committee (Member); Remuneration Committee (Member); Share Transfer Committee (Member).<br>Nil |

# Quintegra Solutions Limited

## Item No 4: Mrs Kamakshi Shankararaman (DIN: 00215869) - Independent Director - Brief Resume

|  |  |
|--|--|
| <b>Academic Background</b>                         | Masters Degree in Commerce; pursuing ICWA in the Institute of Costs and Works Accountants of India.  |
| <b>Nature of Expertise</b>                         | Co-founder Director of a company viz. e2d Professional Services Private Limited with principal responsibility of designing the strategy and services of the company, back office management of all processes, HR management relating to employees hiring, training and motivation. |
| <b>Directorship in other Companies</b>             | e2d Professional Services Private Limited  |
| <b>Committee Membership</b>                        | –  |
| <b>Shareholding of the Director in the Company</b> | Nil  |

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

### Item No. 4

Mrs Kamakshi Shankararaman (DIN 00215869) was appointed as an Additional Director pursuant to the provisions of Section 161 read with Section 149 of the Companies Act, 2013 with effect from 30.3.2015 and designated as Independent Director. She holds office upto the date of the ensuing Annual General Meeting.

The Company has received the requisite consent and declarations from the above director. The company has also received a notice in writing from a member along with requisite deposit as required under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs Kamakshi Shankararaman for the office of Director of the Company.

In the opinion of the Board, Mrs Kamakshi Shankararaman fulfils the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement and her continued association would be of immense benefit to the Company. Therefore it is proposed to appoint her as an Independent Director for a term of five consecutive years from the date of the AGM. Accordingly, the Ordinary Resolution as set out under Item No 4 of the Notice is submitted to the members for approval.

The profile of the Director to be appointed at this meeting and the names of Company(s) in which she holds directorship / membership as required under Clause 49 of the Listing Agreement is annexed to the Notice.

### Memorandum of Interest

Save and except the Independent Director and her relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

### Item No. 5

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company shall exercise the power to borrow money, where the money to be borrowed, together with the money already borrowed by the Company shall exceed aggregate of its paid up

share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the Company by a Special Resolution. It is proposed that the borrowings Company may avail for its revival / growth are likely to exceed the limits specified under the said section and hence consent is being sought from the members. Accordingly, the Special Resolution as set out under Item No 5 of the Notice is submitted to the members for approval.

### Memorandum of Interest

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

### Item No. 6

It is necessary to create mortgages or charges from time to time on the whole or any part of the undertaking or undertakings of the Company and all or any asset of the company as security for the due payment of any money borrowed by the Company. Hence it is considered desirable to get the approval of the members authorising the Board of Directors to create mortgages / charges as and when required to secure the borrowings made / to be made from time to time. Under Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company only with the consent of the Company by a Special Resolution. Accordingly, the Special Resolution as set out under Item No 6 of the Notice is submitted to the members for approval.

### Memorandum of Interest

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 : 12.08.2015

**Shankararaman Vaidyanathan**  
Chairman



## DIRECTORS REPORT

Your Directors have pleasure in presenting the Twenty-first Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2015.

### FINANCIAL HIGHLIGHTS

(Rs. In lakhs)

| Particulars                                | For the year ended<br>31.03.2015 | For the year ended<br>31.03.2014 |
|--|----------------------------------|----------------------------------|
| Total Income                               | 131.20                           | 1034.96                          |
| Expenditure                                | 170.69                           | 806.92                           |
| Interest                                   | 0.08                             | 1628.70                          |
| Depreciation & Exceptional Items           | 86.78                            | (679.75)                         |
| Profit / (Loss) before Tax                 | (126.35)                         | (720.91)                         |
| Tax Expenses (for earlier years)           | 36.33                            | (396.32)                         |
| Profit / (Loss) after Tax                  | (162.68)                         | (324.59)                         |
| Balance brought forward from previous year | (18097.24)                       | (17772.65)                       |
| Balance carried over                       | (18259.92)                       | (18097.24)                       |

### REVIEW OF OPERATIONS AND OUTLOOK

The only business the Company had from Department of Income Tax had been withdrawn with effect from June 2014. The company does not have any business at present. All cost cutting methods, including reduction of staff are implemented and the same will continue till revival. As a first step towards revival, the Company had since cleared the loan through One-time Settlement as approved by State Bank of India. Further efforts to stabilise the company through various possible means are being explored.

### FIXED DEPOSITS

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

### TRANSFER TO RESERVES

During the year the Company had accepted the One-time Settlement (OTS) proposal offered by SBI. The waiver of the principal portion of the term loan was treated as realised gains resulting from the discharge of an obligation at less than its carrying amount and the same was adjusted in capital reserve.

In view of the losses, transfer to General Reserve is not applicable.

### DIVIDEND

In view of the loss incurred the Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March 2015.

### DIRECTORS

Mr Meleveetil Padmanabhan (DIN: 00101997) retires by rotation at the ensuing Annual General Meeting and being eligible, he offers himself for re-election.

During the year, Mrs Kamakshi Shankararaman (DIN: 00215869) was appointed as an Additional Director pursuant to the provisions of Section 161 read with Section 149 of the Companies Act, 2013 and she holds office upto the date of the ensuing Annual General Meeting. The Board recommends the appointment of Mrs Kamakshi Shankararaman as an Independent Director not liable to retire by rotation for a period of five (5) consecutive years from the date of the ensuing AGM. The said Independent Director fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

The Company has received the requisite consent and declarations from the above director. The Company has also received a notice in writing from a member along with requisite deposit as required under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs Kamakshi Shankararaman for the office of Director of the Company.

Brief resume of the Director, nature of expertise and names of Companies in which she holds 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.

### BOARD MEETINGS

The Board met 5 times during the financial year, the details of which are given in the Corporate Governance Report.

### STATUTORY AUDITORS

Messrs. Gopikumar Associates (Firm Registration No.000981S), Chartered Accountants, Chennai were appointed as the statutory auditors of the company at the AGM held on 30.9.2014 for a period of 3 years till the conclusion of 23rd Annual General Meeting subject to ratification by the members every year. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for the continuation of their term.

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report on the financial statements of the company for the year under review does not contain any qualification, reservation or adverse remark.

### SUSIDIARIES

The erstwhile wholly owned overseas subsidiaries of the Company were either liquidated or under liquidation with appropriate statutory authorities in respective countries.

### HUMAN RESOURCES

In the current scenario of the company human resources have been kept at minimum which does not warrant an elaborate policy on HR. However, HR issues are carefully addressed on need basis from time to time. The total number of employees on roll as on 31<sup>st</sup> March 2015 was six.

### AUDIT COMMITTEE

Audit Committee was reconstituted and its roles and powers were redefined as required under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee consists of majority of Independent Directors as its members. During the year, Audit Committee met five times, the details of which are given in the Corporate Governance Report.

### OTHER COMMITTEES

The details of Nomination and Remuneration Committee, Shareholders / Investors Grievance Committee (Stakeholders Relationship Committee) and Risk Management Committee are given in the Corporate Governance Report.

### DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from all Independent Directors confirming that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

# Quintegra Solutions Limited

## REMUNERATION POLICY

The Company follows the policy on remuneration of Directors and Senior Management Personnel as approved by the Nomination and Remuneration Committee and the Board taking into account various parameters viz. company's performance, professional skill and expertise of the Directors, performance as individual and also as a member of the group like board and / or Committees.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan (secured or unsecured) and has not given any guarantee or provided any security to any person.

## RISK MANAGEMENT

The Company is aware that risks are part and parcel of any business and need to be carefully and effectively addressed to achieve business objectives and growth. For this purpose, the Company has constituted a Risk Management Committee and framed a Risk Management policy. The details of the Committee are set out in the Corporate Governance Report forming part of this Report. All the risks associated have been reviewed by the Audit Committee and the Board in their meetings. The policy was framed to identify risks, encourage appropriate level of risk tolerance, analyse risks on agreed parameters, assign responsibility at various levels and devise methods to mitigate risks. The frame work will be suitably amended from time to time considering the pros and cons.

## RELATED PARTY TRANSACTIONS

As per the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges, the Company has formulated a Policy for dealing with Related Parties. Related Party transactions during the year have been disclosed in the accounts. None of the transactions with related parties were in conflict with the interest of the Company (Refer Annexure 1).

## FORMAL ANNUAL EVALUATION

In terms of Section 134(3)(p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board reviewed and evaluated its own performance and of various Committees taking into account various parameters viz. Company's performance, professional skill and expertise of the Directors, performance as individual and also as a member of the group like Board and / or various Committees. The performance evaluation of the Independent Directors were carried out by the entire Board. The performance evaluation of the Chairman and Non Independent Directors were carried out by the Independent Directors.

## WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Company has established a Whistle Blower Policy for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct. The policy ensures right for employees to report their concern / grievance to the Chairman or Audit Committee and provides adequate protection from any victimisation.

## DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has an effective internal financial control procedure commensurate with the size of the company and nature of its business. Internal control includes framing policies, guidelines and procedures, complying with various applicable laws, preparing and monitoring budgets, following applicable accounting standards and maintaining proper accounting records. Further, the internal financial controls are verified and certified by an independent Internal Audit Firm. The Audit Committee and the Board directly oversee the functions.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR Policy is not applicable to the Company.

## INTERNAL AUDITORS

M/s Srikanth and Co., Chartered Accountants, Chennai were appointed as the Internal Auditors of the Company to undertake the Internal Audit of the Company for the financial year 2014-15.

## SECRETARIAL AUDITOR

Mr B. Prabhakar, Practicing Company Secretary, Chennai was appointed as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is annexed to and forms part of this report (Refer Annexure 2).

## COST AUDIT

Cost Audit is not applicable to the Company.

## PREVENTION OF SEXUAL HARASSMENT

The Company follows the requirements of Anti-Sexual Harassment Policy at work place as required under Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal Act, 2013 and Rules made thereunder].

## MATERIAL CHANGES

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year as on 31<sup>st</sup> March 2015 and the date of this report.

## SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year, there were no significant and material orders passed by the regulators or Courts or Tribunals.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sub Section (3)(c) and Sub Section (5) of Section 134 of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2015, 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 / loss 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;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement is annexed to and forms part of the Annual Report.

### CORPORATE GOVERNANCE REPORTS

The report on Corporate Governance as required under Clause 49 of the Listing Agreement and a Compliance Certificate from the Statutory Auditors are annexed to and forms part of this report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

With regard to requirements relating to conservation of energy, technology absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has nothing specific to report.

### FOREIGN EXCHANGE EARNINGS & OUTGO

The details of foreign exchange earnings and outgo are as detailed below:

| Particulars                     | Rs in lakhs |         |
|---------------------------------|-------------|---------|
|                                 | 2014-15     | 2013-14 |
| Expenditure in Foreign Currency | 6.14        | 536.82  |
| Earnings in Foreign Currency    | 2.64        | 531.75  |

### PARTICULARS OF EMPLOYEES

There are no employees who are covered under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

The details of remuneration during the year 2014-15 as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are attached and forms part of this report **(Refer Annexure 3)**.

### EXTRACTS OF ANNUAL RETURN

The extract of the Annual Return in the prescribed form MGT 9 is annexed to and forms part of this report **(Refer Annexure 4)**.

### 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 and the employees.

By order of the Board

Place : Chennai  
Date : 12.08.2015

**Shankarraman Vaidyanathan**  
Chairman

## ANNEXURE - 1

### PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

#### FORM NO. AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

| Sl. No. | Particulars   | Details |
|---------|---|---------|
| a)      | Name(s) of the related party & nature of relationship   | NA      |
| b)      | Nature of contracts / arrangements / transactions   |         |
| c)      | Duration of the contracts / arrangements / transactions   |         |
| d)      | Salient terms of the contracts / arrangements / transactions including the value, if any                          |         |
| e)      | Justification for entering into such contracts / arrangements / transactions                                      |         |
| f)      | Date of approval by the Board   |         |
| g)      | Amount paid as advances, if any   |         |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to Section 188 |         |

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

| Sl. No. | Particulars  | Details |
|---------|--|---------|
| a)      | Name(s) of the related party & nature of relationship                                    | NA      |
| b)      | Nature of contracts / arrangements / transactions  |         |
| c)      | Duration of the contracts / arrangements / transactions                                  |         |
| d)      | Salient terms of the contracts / arrangements / transactions including the value, if any |         |
| e)      | Date of approval by the Board  |         |
| f)      | Amount paid as advances, if any  |         |

Place : Chennai  
Date : 12.08.2015

By order of the Board  
**Shankarraman Vaidyanathan**  
Chairman

## SECRETARIAL AUDIT REPORT

(For the period 1st April 2014 to 31<sup>st</sup> March 2015)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**QUINTEGRA SOLUTIONS LIMITED**  
3rd Floor, Wescare Towers  
No.16, Cenotaph Road ,Teynampet,  
Chennai - 600 018. Tamil Nadu

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by QUINTEGRA SOLUTIONS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**I have examined** the books, papers, minute books, forms and returns filed and other records maintained by QUINTEGRA SOLUTIONS LIMITED ("The Company") for the period ended on 31<sup>st</sup> March 2015 according to the provisions of:

- I. The Companies Act, 2013 and the Rules made thereunder and Companies Act, 1956 to the extent applicable (the Act)
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

**I report that** during the year under review the company has complied with the provisions of the following Acts / Regulations to the extent applicable including the provisions with regard to disclosure and maintenance of records required under them:

- I. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- II. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- III. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- IV. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- V. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- VII. The Securities and Exchange Board of India (Buyback of Securities) Regulations,
- VIII. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- IX. The Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

**I have also examined** compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc., mentioned above except for payment of Listing Fees to BSE / NSE for four years as per Clause 38 and filing of data under Corporate Filing and Dissemination System (CFDS) as per Clause 52.

**I further report that:**

- the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, the Company had not engaged any Key Managerial Personnel due to financial constraints..
- adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- the Company has obtained all necessary approvals under the various provisions of the Act; and
- there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

**I further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai  
Date : 12.08.2015

**B PRABHAKAR**  
Practicing Company Secretary  
CP No. 7870

**DETAILS OF REMUNERATION**
**A) The details of remuneration during the year 2014-15 pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are as follows:**

- (i) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year: Remuneration was paid only to Mr V Sriraman, Wholetime Director. Other Directors were not paid any remuneration except the Sitting fees for attending the meetings of the Board.
- (ii) Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year: Nil
- (iii) Percentage increase in the median remuneration of employees in the financial year: Nil
- (iv) Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2015: 6
- (v) Explanation on relationship between average increase in remuneration & Company performance (standalone): Not Applicable
- (v) Comparison of the remuneration of the Key Managerial Personnel and each Key Managerial Personnel against the performance of the Company: Not Applicable
- (vii) Variations in the market capitalisation of the Company and price earnings ratio as at the closing date of the current financial year and previous financial year: Not Applicable
- (ix) Percentage increase over decrease in market quotations of the shares of the Company in comparison with the last public offer: There was no public offer since 1996.
- (ix) The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: Nil.
- (x) Key parameters for variable component of remuneration of Directors: Remuneration is based on the recommendation of the Nomination and Remuneration Committee. No variable components were included in the remuneration paid to Mr V Sriraman, Wholetime Director. For Other Directors, no remuneration was paid except the Sitting fees for attending Board meetings. No sitting fee was paid for attending meetings of the Committees.
- (xi) Ratio of remuneration of the highest paid Director of that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable.
- (xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company is in compliance with its Remuneration Policy.

**FORM MGT-9  
EXTRACT OF ANNUAL RETURN**

 (As on the financial year ended 31<sup>st</sup> March 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

|  |  |
|--|--|
| i) CIN   | L52599TN1994PLC026867  |
| ii) Registration Date  | 23 <sup>rd</sup> February 1994   |
| iii) Name of the Company   | QUINTEGRA SOLUTIONS LIMITED  |
| iv) Category / Sub-Category of the Company                                     | Company Limited by Shares / Indian Non-Government Company  |
| v) Address of the Registered office and contact details                        | Wescare Towers, 3 <sup>rd</sup> Floor, 16, Cenotaph Road, Teynampet, Chennai 600 018<br>Tel: +91 44 4391 7100 / 2432 8395; Fax: + 91 44 2432 8399<br>Email: investors@quintegrasolutions.com; URL: http://www.quintegrasolutions.com |
| vi) Whether listed company Yes / No  | Yes  |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Integrated Enterprises (India) Limited<br>Kences Towers, 2 <sup>nd</sup> Floor, North Usman Road, T.Nagar, Chennai - 600 017.<br>Tel: +91 44 2814 0801; Fax: +91 44 2814 2479.; Email: sureshbabu@iepindia.com                       |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated.

| Sl. No. | Name and Description of main products / services   | NIC Code of the Product / service | % to total turnover of the Company |
|---------|--|-----------------------------------|------------------------------------|
| 1       | Design and development services of software applications including customized & packaged software and maintenance. | 99831413                          | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The erstwhile wholly owned overseas subsidiaries of the Company were either liquidated or under liquidation with appropriate statutory authorities in respective countries.

| Sl. No.        | Name and Address of the Company Holding / Subsidiary / Associate | CIN / GLN | Holding / Subsidiary Associate | % of shares held | Applicable Section |
|----------------|--|-----------|--------------------------------|------------------|--------------------|
| Not Applicable |  |           |                                |                  |                    |

# Quintegra Solutions Limited

## IV a) SHAREHOLDING PATTERN ( EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY )

| Cat. Code | Category of Shareholder   | No of Shares held at the beginning of the year<br>(1 <sup>st</sup> April 2014) |              |                 |                      | No of Shares held at the end of the year<br>(31 <sup>st</sup> March 2015) |              |                 |                      | % Change<br>During the<br>Year |
|-----------|---|--|--------------|-----------------|----------------------|---|--------------|-----------------|----------------------|--------------------------------|
|           |   | Demat  | Physical     | Total           | % of Total<br>Shares | Demat   | Physical     | Total           | % of Total<br>Shares |                                |
| <b>A</b>  | <b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>                                      |  |              |                 |                      |   |              |                 |                      |                                |
| (1)       | Indian  |  |              |                 |                      |   |              |                 |                      |                                |
| a         | Individual / Hindu Undivided Family   | 665055   | 0            | 665055          | 2.48                 | 665055  | 0            | 665055          | 2.48                 | 0.00                           |
| b         | Central Government  |  |              |                 |                      |   |              |                 |                      |                                |
| c         | State Government  |  |              |                 |                      |   |              |                 |                      |                                |
| d         | Bodies Corporate  |  |              |                 |                      |   |              |                 |                      |                                |
| e         | Financial Institutions / Banks  |  |              |                 |                      |   |              |                 |                      |                                |
| f         | Any other (specify)   |  |              |                 |                      |   |              |                 |                      |                                |
|           | <b>SUB TOTAL A(1)</b>   | <b>665055</b>  | <b>0</b>     | <b>665055</b>   | <b>2.48</b>          | <b>665055</b>   | <b>0</b>     | <b>665055</b>   | <b>2.48</b>          | <b>0.00</b>                    |
| (2)       | Foreign   |  |              |                 |                      |   |              |                 |                      |                                |
| a         | Individual(Non-resident / foreign)  | 1003861  | 0            | 1003861         | 3.74                 | 1003861   | 0            | 1003861         | 3.74                 | 0.00                           |
| b         | Bodies corporate  |  |              |                 |                      |   |              |                 |                      |                                |
| c         | Institutions  |  |              |                 |                      |   |              |                 |                      |                                |
| d         | Qualified Foreign Investor  |  |              |                 |                      |   |              |                 |                      |                                |
| e         | Any other (specify)   |  |              |                 |                      |   |              |                 |                      |                                |
|           | <b>SUB TOTAL A(2)</b>   | <b>1003861</b>   | <b>0</b>     | <b>1003861</b>  | <b>3.74</b>          | <b>1003861</b>  | <b>0</b>     | <b>1003861</b>  | <b>3.74</b>          | <b>0.00</b>                    |
|           | Total Shareholding of promoter and Promoter Group (A) = A(1) + A(2)                     | 1668916  | 0            | 1668916         | 6.22                 | 1668916   | 0            | 1668916         | 6.22                 | 0.00                           |
| <b>B</b>  | <b>Public Shareholding</b>  |  |              |                 |                      |   |              |                 |                      |                                |
| (1)       | Institutions  |  |              |                 |                      |   |              |                 |                      |                                |
| a         | Mutual funds / UTI  |  |              |                 |                      |   |              |                 |                      |                                |
| b         | Financial Institutions / Banks  | 2000000  | 0            | 2000000         | 7.46                 | 2000000   | 0            | 2000000         | 7.46                 | 0.00                           |
| c         | Central Government  |  |              |                 |                      |   |              |                 |                      |                                |
| d         | State Government(s)   |  |              |                 |                      |   |              |                 |                      |                                |
| e         | Venture Capital Funds   |  |              |                 |                      |   |              |                 |                      |                                |
| f         | Insurance Companies   |  |              |                 |                      |   |              |                 |                      |                                |
| g         | Foreign Institutional Investors   | 10000  | 0            | 10000           | 0.04                 | 10000   | 0            | 10000           | 0.04                 | 0.00                           |
| h         | Foreign Venture Capital Investors   |  |              |                 |                      |   |              |                 |                      |                                |
| i         | Qualified Foreign Investor  |  |              |                 |                      |   |              |                 |                      |                                |
|           | Any other (specify)   |  |              |                 |                      |   |              |                 |                      |                                |
|           | <b>SUB TOTAL B(1)</b>   | <b>2010000</b>   | <b>0</b>     | <b>2010000</b>  | <b>7.50</b>          | <b>2010000</b>  | <b>0</b>     | <b>2010000</b>  | <b>7.50</b>          | <b>0.00</b>                    |
| (2)       | Non-Institutions  |  |              |                 |                      |   |              |                 |                      |                                |
| a         | Bodies Corporate (Indian / foreign / Overseas)  | 8565390  | 1800         | 8567190         | 31.95                | 5954694   | 1800         | 5956494         | 22.21                | (9.74)                         |
| b         | Individuals (Resident / NRI / Foreign National)   |  |              |                 |                      |   |              |                 |                      |                                |
|           | (i) Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh                | 5783737  | 65461        | 5849198         | 21.81                | 6064467   | 67011        | 6131478         | 22.87                | 1.05                           |
|           | (ii) Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh              | 7985895  | 0            | 7985895         | 29.78                | 10291523  | 0            | 10291523        | 38.38                | 8.60                           |
| c         | Qualified Foreign Investor  |  |              |                 |                      |   |              |                 |                      |                                |
| d         | Any other (specify)   |  |              |                 |                      |   |              |                 |                      |                                |
|           | (i) Clearing Member   | 31398  | 0            | 31398           | 0.12                 | 10800   | 0            | 10800           | 0.04                 | (0.08)                         |
|           | (ii) Corporate Cm / Tm - Client Margin A/c  | 551942   | 0            | 551942          | 2.06                 | 530236  | 0            | 530236          | 1.98                 | (0.08)                         |
|           | (iii) Corporate Cm / Tm - Client Beneficiary A/c  | 146015   | 0            | 146015          | 0.54                 | 212103  | 0            | 212103          | 0.79                 | (0.25)                         |
|           | (iv) Individual Cm / Tm - Client Beneficiary A/c  | 3276   | 0            | 3276            | 0.01                 | 2276  | 0            | 2276            | 0.01                 | 0.00                           |
|           | (v) Individual-Margin Trading Account   | 0  | 0            | 0               | 0.00                 | 4   | 0            | 4               | 0.00                 | 0.00                           |
|           | <b>SUB TOTAL B(2)</b>   | <b>23067653</b>  | <b>67261</b> | <b>23134914</b> | <b>86.28</b>         | <b>23066103</b>   | <b>68811</b> | <b>23134914</b> | <b>86.28</b>         | <b>0.00</b>                    |
|           | Total Public Share Holding (B) = B(1) + B(2)  | 25077653   | 67261        | 25144914        | 93.78                | 25076103  | 68811        | 25144914        | 93.78                | 0.00                           |
|           | <b>TOTAL (A) + (B)</b>  | <b>26746569</b>  | <b>67261</b> | <b>26813830</b> | <b>100.00</b>        | <b>26745019</b>   | <b>68811</b> | <b>26813830</b> | <b>100.00</b>        | <b>0.00</b>                    |
| <b>C</b>  | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |  |              |                 |                      |   |              |                 |                      |                                |
|           | <b>GRAND TOTAL (A) + (B) + (C)</b>  | <b>26746569</b>  | <b>67261</b> | <b>26813830</b> | <b>100.00</b>        | <b>26745019</b>   | <b>68811</b> | <b>26813830</b> | <b>100.00</b>        | <b>0.00</b>                    |

**b) SHAREHOLDINGS OF PROMOTERS**

| Sl. No. | Shareholder's Name          | Shareholding at the beginning of the year (1 <sup>st</sup> April 2014) |                                  |  | Share holding at the end of the year (31 <sup>st</sup> March 2015) |                                  |  | % Change in Share holding during the year |
|---------|-----------------------------|--|----------------------------------|--|--|----------------------------------|--|---|
|         |                             | No. of Shares  | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares | No. of Shares  | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares |   |
| 1       | Mr Ramaiyer Venkataramani   | 1003861  | 3.74                             | 1000000  | 1003861  | 3.74                             | 1000000  | 0   |
| 2       | Mr Vaidyanathan Sankarraman | 557055   | 2.08                             | 4  | 557055   | 2.08                             | 4  | 0   |
| 3       | Mrs V Mangalam              | 56000  | 0.21                             |  | 56000  | 0.21                             |  | 0   |
| 4       | Mr V Sriraman               | 52000  | 0.19                             |  | 52000  | 0.19                             |  | 0   |
|         |                             | 1668916  | 6.22                             | 1000004  | 1668916  | 6.22                             | 1000004  | 0   |

**c) CHANGE IN PROMOTERS' SHAREHOLDING (Please specify if there is no change)**

|  |
|--|
| There was no change in the promoter's holding during the specified period. |
|--|

**d) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (Other than Promoters, Directors and holders of GDRs / ADRs)**

| Sl. No. | Name   | Shareholding at the beginning of the year (as on 01.04.2014) |       | Increase / Decrease during the year |        | Cumulative Shareholding during the year (as on 31.03.2015) |       |
|---------|--|--|-------|-------------------------------------|--------|--|-------|
|         |  | Shares   | %     | Shares                              | %      | Shares   | %     |
| 1       | ROSEBURG INC                                   |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 2958762  | 11.03 |                                     |        |  |       |
|         | 16/05/2014                                     |  |       | -217762                             | -0.812 | 2741000  | 10.22 |
|         | 23/05/2014                                     |  |       | -255714                             | -0.954 | 2485286  | 9.27  |
|         | 30/05/2014                                     |  |       | -380000                             | -1.417 | 2105286  | 7.85  |
|         | 06/06/2014                                     |  |       | -205256                             | -0.765 | 1900030  | 7.09  |
|         | 27/06/2014                                     |  |       | -1400030                            | -5.221 | 500000   | 1.87  |
|         | Closing Balance as on 31/03/2015               |  |       |                                     |        | 500000   | 1.87  |
| 2       | CNI RESEARCH LIMITED                           |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 2070102  | 7.72  |                                     |        |  |       |
|         | Closing Balance as on 31/03/2015               |  |       |                                     |        | 2070102  | 7.72  |
| 3       | STATE BANK OF INDIA                            |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 2000000  | 7.46  |                                     |        |  |       |
|         | Closing Balance as on 31/03/2015               |  |       |                                     |        | 2000000  | 7.46  |
| 4       | CNI INFOXCHANGE PRIVATE LIMITED                |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 1531489  | 5.71  |                                     |        |  |       |
|         | Closing Balance as on 31/03/2015               |  |       |                                     |        | 1531489  | 5.71  |
| 5       | MAHESHWARI PLAZA RESORTS LIMITED               |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 344601   | 1.29  |                                     |        |  |       |
|         | Closing Balance as on 31/03/2015               |  |       |                                     |        | 344601   | 1.29  |
| 6       | PRAGYA SECURITIES PVT. LTD - CASH MARKET CLIEN |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 312739   | 1.17  |                                     |        |  |       |
|         | 04/04/2014                                     |  |       | 296050                              | 1.104  | 608789   | 2.27  |
|         | 11/04/2014                                     |  |       | 400                                 | 0.001  | 609189   | 2.27  |
|         | 25/04/2014                                     |  |       | 100811                              | 0.376  | 710000   | 2.65  |
|         | 02/05/2014                                     |  |       | 61075                               | 0.228  | 771075   | 2.88  |
|         | 09/05/2014                                     |  |       | 6568                                | 0.024  | 777643   | 2.90  |
|         | 27/06/2014                                     |  |       | 42918                               | 0.160  | 820561   | 3.06  |
|         | 27/03/2015                                     |  |       | -370561                             | -1.382 | 450000   | 1.68  |
|         | Closing Balance as on 31/03/2015               |  |       | -66307                              | -0.247 | 383693   | 1.43  |
| 7       | SINDHU SURESH NIKAM                            |  |       |                                     |        |  |       |
|         | Opening Balance as on 01/04/2014               | 250000   | 0.93  |                                     |        |  |       |
|         | Closing Balance as on 31/03/2015               |  |       | -183693                             | -0.685 | 66307  | 0.25  |

# Quintegra Solutions Limited

## d) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (Other than Promoters, Directors and holders of GDRs / ADRs) Contd.

| Sl. No. | Name                             | Shareholding at the beginning of the year (as on 01.04.2014) |      | Increase / Decrease during the year |        | Cumulative Shareholding during the year (as on 31.03.2015) |      |
|---------|----------------------------------|--|------|-------------------------------------|--------|--|------|
|         |                                  | Shares   | %    | Shares                              | %      | Shares   | %    |
| 8       | P. RAJMOHAN .                    |  |      |                                     |        |  |      |
|         | Opening Balance as on 01/04/2014 | 230453   | 0.86 |                                     |        |  |      |
|         | 27/06/2014                       |  |      | -175127                             | -0.653 | 55326  | 0.21 |
|         | 30/06/2014                       |  |      | 175127                              | 0.653  | 230453   | 0.86 |
|         | 31/07/2014                       |  |      | -175127                             | -0.653 | 55326  | 0.21 |
|         | 01/08/2014                       |  |      | 175127                              | 0.653  | 230453   | 0.86 |
|         | 29/08/2014                       |  |      | -55326                              | -0.206 | 175127   | 0.65 |
|         | 05/09/2014                       |  |      | 55326                               | 0.206  | 230453   | 0.86 |
|         | 19/09/2014                       |  |      | -175127                             | -0.653 | 55326  | 0.21 |
|         | 30/09/2014                       |  |      | 55942                               | 0.209  | 111268   | 0.42 |
|         | 03/10/2014                       |  |      | -55942                              | -0.209 | 55326  | 0.21 |
|         | 24/10/2014                       |  |      | 55942                               | 0.209  | 111268   | 0.42 |
|         | 31/10/2014                       |  |      | -24040                              | -0.090 | 87228  | 0.33 |
|         | 07/11/2014                       |  |      | -31902                              | -0.119 | 55326  | 0.21 |
|         | Closing Balance as on 31/03/2015 |  |      |                                     |        | 55326  | 0.21 |
| 9       | DHANASEKARAN S.S.                |  |      |                                     |        |  |      |
|         | Opening Balance as on 01/04/2014 | 194030   | 0.72 |                                     |        |  |      |
|         | 06/06/2014                       |  |      | 5970                                | 0.022  | 200000   | 0.75 |
|         | 13/06/2014                       |  |      | -200000                             | -0.746 | 0  | 0.00 |
|         | Closing Balance as on 31/03/2015 |  |      |                                     |        | 0  | 0.00 |
| 10      | BBM SECURITIES LIMITED           |  |      |                                     |        |  |      |
|         | Opening Balance as on 01/04/2014 | 154794   | 0.58 |                                     |        |  |      |
|         | 25/07/2014                       |  |      | -7000                               | -0.026 | 147794   | 0.55 |
|         | 31/07/2014                       |  |      | -2000                               | -0.007 | 145794   | 0.54 |
|         | Closing Balance as on 31/03/2015 |  |      |                                     |        | 145794   | 0.54 |

## e) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| Sl. No. | Name                        | Shareholding at the beginning of the year (as on 01.04.2014) |      | Increase / Decrease during the year |       | Cumulative Shareholding during the year (as on 31.03.2015) |      |
|---------|-----------------------------|--|------|-------------------------------------|-------|--|------|
|         |                             | Shares   | %    | Shares                              | %     | Shares   | %    |
| 1       | Mr Vaidyanathan Sankarraman | 557055   | 2.08 | 0                                   | 0.000 | 557055   | 2.08 |
| 2       | Mr V Sriraman               | 52000  | 0.19 | 0                                   | 0.000 | 52000  | 0.19 |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs in Crores)

|   | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |          |                    |
| I. Principal Amount                                 | 110.14                           | 10.51           | -        | 120.65             |
| II. Interest due but not paid                       | 65.71                            | -               | -        | 65.71              |
| III. Interest accrued but not due                   | -                                | -               | -        | -                  |
| Total (i + ii + iii)                                | 175.85                           | 10.51           | -        | 186.36             |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| • Addition  | 12.32*                           | 5.63            | -        | 17.95              |
| • Reduction   | (181.22)#                        | -               | -        | (181.22)           |
| Net Change  | (168.90)                         | 5.63            | -        | (163.27)           |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| IV. Principal Amount                                | 6.95                             | 16.14           | -        | 23.09              |
| V. Interest due but not paid                        | -                                | -               | -        | -                  |
| VI. Interest accrued but not due                    | -                                | -               | -        | -                  |
| Total (i + ii + iii)                                | 6.95                             | 16.14           | -        | 23.09              |

**Note:** During the year the Company had accepted the One Time Settlement (OTS) proposal offered by SBI for Rs.14.50 crores and paid Rs.7.55 crores. Hence the waiver of the principal portion of the term loan amounting to Rs.90.22 crores was treated as realised gains resulting from the discharge of an obligation at less than its carrying amount and the same was adjusted in capital reserve. The Company has since settled the OTS in full and satisfied the charge.

\* This refers to the interest provided for during the year and subsequently written off on account of OTS

# This refers to the written off of the loan amount and interest provided for till the settlement of the OTS



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(in Rs.)

| Sl. No. | Particulars of Remuneration   | Name of MD / WTD / Manager |                  |
|---------|---|----------------------------|------------------|
|         |   | Mr V Sriraman              | Total Amount     |
| 1       | Gross salary<br>(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961. | 495000<br>105000           | 495000<br>105000 |
| 2       | Stock Option  | -                          | -                |
| 3       | Sweat Equity  | -                          | -                |
| 4       | Commission<br>- as % of profit<br>- others, specify...  | -                          | -                |
| 5       | Others, Retirement Benefits (PF & Gratuity)   | 50436                      | 50436            |
|         | Total (A)   | 650436                     | 650436           |
|         | Ceiling as per the Act  | Within the Ceiling         |                  |

B. Remuneration to other directors

| Sl. No. | Particulars of Remuneration   | Name of Directors            |                           |                   |                    |                            | Total Amount |
|---------|---|------------------------------|---------------------------|-------------------|--------------------|----------------------------|--------------|
|         |   | Mr Shankarraman Vaidyanathan | Mr Meleveetil Padmanabhan | Mr R Kalyanaraman | Mr G Venkataramulu | Mrs Kamakshi Shankararaman |              |
| 1       | Independent Directors<br>• Fee for attending Board / Committee meetings<br>• Commission<br>• Others, please specify         | -                            | -                         | 5000              | 5000               | -                          | 10000        |
|         | Total (1)   | -                            | -                         | 5000              | 5000               | -                          | 10000        |
| 2       | Other Non-Executive Directors<br>• Fee for attending Board / Committee meetings<br>• Commission<br>• Others, please specify | 5000                         | 3000                      | -                 | -                  | -                          | 8000         |
|         | Total (2)   | 5000                         | 3000                      | -                 | -                  | -                          | 8000         |
|         | Total (B) = (1 + 2)   | 5000                         | 3000                      | 5000              | 5000               | -                          | 18000        |
|         | Total Managerial Remuneration   | 5000                         | 3000                      | 5000              | 5000               | -                          | 18000        |
|         | Ceiling as per the Act  | Within the Ceiling           |                           |                   |                    |                            |              |

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Financial constraints of the Company prohibit hiring of Key Managerial Personnel. Chairman / Wholetime Director take care of the Key Managerial functions.

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                   |     | Total Amount |
|---------|---|--------------------------|-------------------|-----|--------------|
|         |   | CEO                      | Company Secretary | CFO |              |
| 1       | Gross salary<br>(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961. | -                        | -                 | -   | -            |
| 2       | Stock Option  | -                        | -                 | -   | -            |
| 3       | Sweat Equity  | -                        | -                 | -   | -            |
| 4       | Commission<br>- as % of profit<br>- others, specify...  | -                        | -                 | -   | -            |
| 5       | Others, Retirement Benefits   | -                        | -                 | -   | -            |
|         | Total   | -                        | -                 | -   | -            |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL**

| Type  | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY<br>Penalty<br>Punishment<br>Compounding                      |                              |                   |  |                               |                                    |
| B. DIRECTORS<br>Penalty<br>Punishment<br>Compounding                    |                              |                   |  |                               |                                    |
| C. OTHER OFFICERS<br>IN DEFAULT<br>Penalty<br>Punishment<br>Compounding |                              |                   |  |                               |                                    |

# Quintegra Solutions Limited

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the world's largest sourcing destination for the Information Technology (IT) industry, accounting for more than 50% of the US market. The industry employs about 10 million Indians and continues to contribute significantly to the social and economic transformation in the country. The IT industry has transformed India's image on the global platform and also fuelled economic growth by energising the higher education sector especially in engineering and computer science. In 2014-15 Indian IT-BPM industry grew by 13% year-on-year with revenues of USD 146 billion. Export revenue grew by 12.3% and clocked at USD 98 billion. The domestic market growth was by 14% to reach USD 48 billion. The Indian IT-BPM industry revenue growth in FY 2015-16 is expected to be 12-14%. The domestic growth is expected to be around 15-17% with USD 55 to 57 billion.

### 2. OPPORTUNITIES AND THREATS

As per NASSCOM, IT Sector is on track to reach \$300 billion revenue by 2020. India's cost competitiveness in providing IT services is very much cheaper than the US and this continues to be its unique selling proposition in the global sourcing market. Indian IT's core competencies and strengths have placed it on the international platform, attracting investments from major countries. India continues to be the top most offshoring destination for IT companies. Emerging technologies present an entire new scope of opportunities for IT firms in India. Indian IT companies driven by factors such as the improvement in the quality of service offerings, stable pricing environment and the depreciation of the Indian rupee may result in good performance. Indian IT firms continue to move up the value chain by providing more end-to-end solutions and engaging directly and closely with clients. They also increasingly rely on internal cost optimisation measures to improve profitability. The new Indian government's emphasis on better technology enabled delivery mechanisms for a multitude of government projects is an advantage. Further, with the new Digital India initiative being launched, the domestic market for software services looks forward to a bright future. Few threats that IT industry face are listed below which drives the company constantly to realign its policies and procedures to mitigate the threats:

- Abundant supply across segments, mainly lower-end, such as Application Development and Maintenance (ADM). Though supply is lower in higher-end areas like IT / Business Consulting the competition is very tough.
- The global downturn in demand had put considerable pressure on global IT spending even though the situation is now improving.
- Barriers to entry are low, particularly in the ADM & BPO segments as these are prone to relatively easy commoditization. It's high in value-added services like IT / Business Consulting and R&D where in-domain expertise creates a barrier. The size of a particular company / scalability and brand-image also creates barriers to entry as such firms have built up long-term relationships with major clients.

- Competition is global in nature and stretches across boundaries and geographies. It is expected to intensify due to the attempted replication of the Indian offshoring model by MNC IT majors as well as small start-ups.
- Increased competition, pressure on billing rates of traditional services and increased commoditization of lower-end services are among the key reasons forcing the Indian software industry to move up fast in the software value chain. The companies now start providing higher value-added services like consulting, product development, R&D as well as new digital technologies like Social media, Mobility, Analytics, and Cloud computing (SMAC).
- Other threats like, targeted cyber attacks, data breaches, cloud computing and social networks.

### 3. OUTLOOK

The NASSCOM 'Perspective 2020' report factors in the current economic environment and identifies the industry's long term certainties and opportunities arising from them. It also outlines specific measures that the industry, NASSCOM and the Government will need to undertake over the next 12 years for the industry to realize these opportunities. The industry recognizes that the next decade will be fundamentally different from the last one, owing to a radically restructured global economy; rapidly evolving customer needs, services and business models; and rising stakeholder aspirations.

Several global megatrends in economic, demographic, business, social and environmental will create new opportunities for the industry by 2020 in:

- New verticals: public sector, healthcare, media and utilities (which have adopted global sourcing only to a limited extent).
- New customer segments: Small and Medium Businesses (SMBs).
- New geographies: greater outsourcing in BRIC, GCC, Japan and Rest of the World (ROW).

These new opportunities will result in export revenues of USD 175 billion by 2020. These megatrends will also make the Indian domestic industry to experience significant growth and record a four-fold increase in revenues from USD 12 billion in 2008 to USD 50 billion by 2020.

### 4. RISKS AND CONCERNS

The Company is aware that risks are part and parcel of any business and need to be carefully and effectively addressed to achieve business objectives and growth. The Company has constituted a Risk Management Committee and framed a Risk Management policy. The policy was framed to identify risks, encourage appropriate level of risk tolerance, analyse risks on agreed parameters, assign responsibility at various levels and devise methods to mitigate risks. 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 are:

i) Changes in economic and business conditions ii) Performance of the key clients iii) Fluctuation in exchange rates iv) Market competition v) Cost of hiring and attrition of skilled professionals vi) Business disruption or IT system failure risk vii) Statutes and regulations 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 also aware of the risks faced by the industry. The management constantly realigns its policies and employs appropriate measures such as risk identification, assessment of its impact and redressing process etc. to mitigate risks involved in various segments. The Risk Management Framework will be suitably updated to take care of the changing needs from time to time.

## 5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System commensurate with the size, scale and structure of its operations. The system and processes have budgetary control, policies and procedures in place for the smooth conduct of businesses. 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. Internal Auditor appointed specifically for this purpose verifies the systems and controls that are in place and gives a report certifying the adequacy of internal control. Further the statutory 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

## 6. 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 which is the accepted accounting standards of the Companies Act. 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.

## 7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Even though the present volume does not warrant an elaborate HR Policies, the company is fully aware that right human resources are key for the success of the Company. HR issues are carefully addressed on the basis of demands from time to time. 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.

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance practices originate from the commitment towards discipline with the basic objective of presenting true facts to stakeholders. The Company believes in adhering to sound principles of corporate governance through corporate fairness, transparency, accountability and professionalism. Great deal of importance is given 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, vigil mechanism and statutory compliance.

## 2. BOARD OF DIRECTORS

The Board comprises of combination of Executive and Non-Executive Directors. The Board met 5 times during the financial year on 30.05.2014, 30.07.2014, 20.08.2014, 30.10.2014, 30.01.2015. Details of Directors together with their at the Board Meeting / last AGM are given below:

| S. No. | Name of the Director                    | Category                             | Other directorship | Other Committee membership | Board Meetings (attended) | Attendance at the last AGM | No. of Shares held in the Company |
|--------|---|--------------------------------------|--------------------|----------------------------|---------------------------|----------------------------|-----------------------------------|
| 1      | Mr Shankarraman Vaidyanathan (Chairman) | Promoter / Non-Executive Director    | 7                  | -                          | 5(5)                      | Present                    | 557055                            |
| 2      | Mr V Sriraman (Wholetime Director)      | Promoter / Executive Director        | 1                  | -                          | 5(5)                      | Present                    | 52000                             |
| 3      | Mr Meleveetil Padmanabhan               | Non-Executive Director               | 2                  | 1                          | 5(3)                      | Present                    | -                                 |
| 4      | Mr R Kalyanaraman                       | Non-Executive / Independent Director | 3                  | -                          | 5(5)                      | Present                    | -                                 |
| 5      | Mr G Venkatarajulu                      | Non-Executive / Independent Director | 2                  | -                          | 5(5)                      | Present                    | -                                 |
| 6      | Mrs Kamakshi Shankararaman*             | Non-Executive / Independent Director | 1                  | -                          | NA                        | NA                         | -                                 |

\* inducted into the Board as an Additional Director wef 30.3.2015.

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 Directors who are being appointed / reappointed at the ensuing Annual General Meeting are given in the Annexure to AGM Notice.

# Quintegra Solutions Limited

## 3. BOARD COMMITTEES

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

### I) Audit Committee

The Audit Committee consists of 3 Non-Executive Directors with majority being independent.

The Committee met 5 times during the financial year on 30.05.2014, 30.07.2014, 20.08.2014, 30.10.2014, 30.01.2015. The attendance of the members is given below:

| S. No | Name of the Member           | Attendance                      |          |
|-------|------------------------------|---------------------------------|----------|
|       |                              | Meetings held                   | Attended |
| 1.    | Mr R Kalyanaraman (Chairman) | Non-Executive / Independent     | 5(5)     |
| 2.    | Mr Meleveettil Padmanabhan   | Non-Executive / Non-Independent | 5(3)     |
| 3.    | Mr G Venkatarajulu*          | Non-Executive / Independent     | 5(2)     |
| 4.    | Mr V Sriraman #              | Executive / Non-Independent     | 5(3)     |

Committee was reconstituted wef 6.10.2014 - # Mr V Sriraman (Non-Independent Director) stepped down from the Committee; \*Mr G Venkatarajulu (Independent Director) was inducted.

### II) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 Non-Executive Directors with majority being independent. The Committee has been empowered to identify suitable persons for the position of Directors / Key Managerial Personnel, review and recommend the appointment or removal to the Board, evaluating the performances, recommending to the Board appropriate remuneration for Directors / Key Managerial Personnel considering the qualification, professional expertise, contributions made in respective fields. The compensation policy of the Company is directed towards rewarding performance based on targets and achievements. 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.

The Committee met twice on 20.8.2014 and 30.1.2015 during the financial year. The attendance of the members is given below:

| Sl. No | Name of the Member           | Category                    | Meetings held (Attended) |
|--------|------------------------------|-----------------------------|--------------------------|
| 1.     | Mr R Kalyanaraman (Chairman) | Non-Executive / Independent | 2(2)                     |
| 2.     | Mr Meleveettil Padmanabhan   | Non-Executive / Independent | 2(2)                     |
| 3.     | Mr G Venkatarajulu           | Non-Executive / Independent | 2(2)                     |

### III) Shareholders / Investors Grievance Committee (Stakeholders Relationship Committee)

The Shareholders / Investors Grievance Committee presently consists of 3 members, two of them being Non-Executive Directors. The Committee is constituted to look into the redressal of the grievances of security holders of the

Company. This Committee inter alia approves share transfers, transmissions, transpositions, splitting / consolidation and issue of duplicate share certificates.

The Committee met twice during the financial year on 20.1.2015 and 18.2.2015. The attendance of the members is given below:

| Sl. No | Name of the Member                    | Category                    | Meetings held (Attended) |
|--------|---------------------------------------|-----------------------------|--------------------------|
| 1.     | Mr Meleveettil Padmanabhan (Chairman) | Non-Executive / Independent | 2(2)                     |
| 2.     | Mr R Kalyanaraman                     | Non-Executive / Independent | 2(2)                     |
| 3.     | Mr V Sriraman                         | Executive / Non-Independent | 2(2)                     |

During the year one Investor complaint had been received and resolved to the satisfaction of the shareholder. There were no transfers pending as on 31.03.2015.

### IV) Risk Management Committee

During the year a Risk Management Committee was constituted to identify the risks, delegate responsibilities, decide strategies to mitigate risks and frame appropriate risk management policy.

The Committee met once on 30.1.2015. The attendance of the members are given below:

| Sl. No | Name of the Member           | Category                        | Meetings held (Attended) |
|--------|------------------------------|---------------------------------|--------------------------|
| 1.     | Mr R Kalyanaraman (Chairman) | Non-Executive / Independent     | 1(1)                     |
| 2.     | Mr G Venkatarajulu           | Non-Executive / Independent     | 1(1)                     |
| 3.     | Mr Meleveettil Padmanabhan   | Non-Executive / Non-Independent | 1(1)                     |

### V) Compliance Officer

Chairman and Wholetime Director take care of the compliances.

## 4. DIRECTORS' REMUNERATION

(i) Wholetime Director - Mr V Sriraman (in Rs.)

| Salary & Allowances | Fixed Components                    |          | Variable Components |
|---------------------|-------------------------------------|----------|---------------------|
|                     | Retirement benefits (PF & Gratuity) | Total    |                     |
| 6,00,000            | 50,436                              | 6,50,436 | -                   |

Service Terms : \* 3 years wef 18.5.2014 Stock Options : Nil

(ii) Non-Executive Directors

| Sl No | Name                        | Sitting Fees (Rs) |
|-------|-----------------------------|-------------------|
| 1.    | Mr Shankaraman Vaidyanathan | 5,000             |
| 2.    | Mr Meleveettil Padmanabhan  | 3,000             |
| 3.    | Mr R Kalyanaraman           | 5,000             |
| 4.    | Mr G Venkatarajulu          | 5,000             |
|       | Total                       | 18,000            |

## 5. GENERAL MEETINGS

### a) Last 3 Annual General Meetings

| Year    | Date       | Time     | Venue   |
|---------|------------|----------|---|
| 2011-12 | 28.09.2012 | 10.00 AM | Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018 |
| 2012-13 | 30.09.2013 | 10:00 AM | Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018 |
| 2013-14 | 30.09.2014 | 10:00 AM | Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018 |

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

c) Postal Ballot

There were no resolutions passed through Postal Ballot during 2014-15

## 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](http://www.quintegrasolutions.com). A declaration signed by Chairman affirming the Code of Conduct is annexed.

Insider Trading Code as per revised guidelines has been framed in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 to ensure the conduct of dealings in the securities of the Company by the Directors and designated employees.

## 7. DISCLOSURES

### a) Material Transactions with Related Party

Related Party transactions during the year have been disclosed in the accounts as required under AS-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 (Vigil Mechanism)

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](http://www.quintegrasolutions.com)

### d) Details of Compliance

The Company has complied with both mandatory / non mandatory requirements of Corporate Governance pursuant to Clause 49 of the Listing agreement.

## 8. MEANS OF COMMUNICATION

Financial results are electronically intimated to exchanges within 15 minutes of the Board meetings. Hard copies of the same are sent by courier immediately on the same day. Further the results are published in one English news paper and in one vernacular news paper in compliance with listing requirements.

## 9. DESIGNATION OF AN EMAIL-ID

As per the new Sub-Clause (f) of Clause 47 of the Listing Agreement an exclusive Email-Id viz. [investors@quintegrasolutions.com](mailto: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) is attached and forms part of the Annual Report.

## 11. GENERAL SHAREHOLDER INFORMATION

Annexed to the Report.

For and on behalf of the Board

Place : Chennai  
Date : 12.08.2015

**Shankarraman Vaidyanathan**  
Chairman

# Quintegra Solutions Limited

## 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** : Friday, 18<sup>th</sup> September 2015 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 30.9.2015          | Within 45 days from the end of the quarter        |
| Quarter ending 31.12.2015         | Within 45 days from the end of the quarter        |
| Quarter and Year ending 31.3.2016 | Within 60 days from the end of the Financial Year |
| Quarter ending 30.6.2016          | Within 45 days from the end of the quarter        |
| Annual General Meeting            | September 2016                                    |

5. **Book Closure Period** : Tuesday, the 8<sup>th</sup> September 2015 to Friday, the 18<sup>th</sup> September 2015 (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. **Market Price Data - BSE Sensex and NSE Nifty** (Nominal Value of Share Rs.10/-)

| Month          | BSE Sensex (Rs.) |      | NSE Nifty (Rs.) |      | Month         | BSE Sensex (Rs.) |      | NSE Nifty (Rs.) |      |
|----------------|------------------|------|-----------------|------|---------------|------------------|------|-----------------|------|
|                | High             | Low  | High            | Low  |               | High             | Low  | High            | Low  |
| April 2014     | 0.57             | 0.47 | 0.65            | 0.45 | October 2014  | 2.05             | 1.22 | 1.95            | 1.60 |
| May 2014       | 0.67             | 0.49 | 0.70            | 0.50 | November 2014 | 1.54             | 1.12 | 1.55            | 1.25 |
| June 2014      | 1.26             | 0.54 | 1.45            | 0.60 | December 2014 | 1.32             | 0.90 | 1.25            | 1.00 |
| July 2014      | 3.32             | 1.32 | 3.00            | 1.50 | January 2015  | 1.39             | 1.12 | 1.30            | 1.00 |
| August 2014    | 3.00             | 1.64 | 2.95            | 1.80 | February 2015 | 1.20             | 1.00 | 1.45            | 1.25 |
| September 2014 | 2.12             | 1.52 | 2.00            | 1.55 | March 2015    | 1.32             | 0.62 | 1.40            | 1.35 |

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: sureshbabu@iepindia.com 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. The transfers are approved within 15 days from the date of receipt.

12. **Pattern and Distribution of Shareholding (as on 31.3.2015)**

a) Shareholding Pattern

b) Distribution of Shareholding

| Shareholders Category      | Shareholding    |                    | Distribution Range | No. of Holders | %             | No. of Shares   | %             |
|----------------------------|-----------------|--------------------|--------------------|----------------|---------------|-----------------|---------------|
|                            | No. of Shares   | % to total Capital |                    |                |               |                 |               |
| Promoters                  | 1668916         | 6.22               | Upto 500           | 4736           | 64.08         | 803101          | 3.00          |
|                            |                 |                    | 501 - 1000         | 981            | 13.27         | 864876          | 3.23          |
| Bodies Corp & OCB's        | 5956494         | 22.21              | 1001 - 2000        | 565            | 7.64          | 906860          | 3.38          |
|                            |                 |                    | 2001 - 3000        | 266            | 3.60          | 699175          | 2.61          |
| Institutions- FIIL & Banks | 2010000         | 7.50               | 3001 - 4000        | 135            | 1.83          | 494158          | 1.84          |
|                            |                 |                    | 4001 - 5000        | 154            | 2.08          | 742132          | 2.77          |
| Others                     | 17178420        | 64.07              | 5001 - 10000       | 254            | 3.44          | 1914558         | 7.14          |
|                            |                 |                    | 10001 & above      | 300            | 4.06          | 20388970        | 76.04         |
| <b>Grand Total</b>         | <b>26813830</b> | <b>100.00</b>      | <b>TOTAL</b>       | <b>7391</b>    | <b>100.00</b> | <b>26813830</b> | <b>100.00</b> |

### 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. 26745019 equity shares, constituting 99.74% of the total paid up capital, are already in dematerialized form.

| Category | Shares   | %      |
|----------|----------|--------|
| NSDL     | 13763647 | 51.33  |
| CDSL     | 12981372 | 48.41  |
| Physical | 68811    | 0.26   |
| 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 4391 7100 / 2432 8395  
Fax No.: +91 44 2432 8399  
E-mail Id: investors@quintegrasolutions.com

### 16. Unpaid / Unclaimed Dividend

During the year, the dividend declared for the financial year 2006-07 and remained unclaimed had been transferred to Investor Education and Protection Fund (IEPF) pursuant to the provisions of Section 124(5) of the Companies Act, 2013.

### 17. Locations

Given elsewhere in the Annual Report.

For and on behalf of the Board

Place : Chennai  
Date : 12.08.2015

**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 of the Listing Agreements with the Stock Exchanges, I hereby confirm that for the financial year ended March 31, 2015, the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct framed by the Company.

Place : Chennai  
Date : 12.08.2015

**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, for the financial year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges.

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

Place : Chennai  
Date : 12.08.2015

**S Gopinath**  
Partner  
Membership No: 23854

# Quintegra Solutions Limited

## 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, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2015;
- 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 4(d) to the financial statements of the fact that the waiver of term loan amounting to Rs.90.22 Crores by State Bank of India under OTS is credited to Capital Reserve which is not in accordance with the AS-5, Net profit or loss for the period, Prior Period Item and Changes in accounting policies specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and not in line with the opinion of Expert Advisory Committee of ICAI on accounting treatment of waiver of loan.

Had the said waiver of principal amount of loan been credited to the statement of profit or loss account instead of capital reserve account the profit for the period and carried forward balances in surplus under the head "Reserves and Surplus" would have been higher by Rs.90.22 Crores.

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.184.81 Crores (PY Rs. 183.20 Crores) (excluding General, Capital Reserves and Securities Premium) eroding its total net worth.

#### Other Matter

We did not audit the financial statements of the company's operation in USA - Quintegra Solutions Limited (Integral foreign operation), who's financial statements show Nil Revenue and Nil Fixed assets 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements;
- ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **GOPIKUMAR ASSOCIATES**  
Chartered Accountants  
FRN : 0009815

**S Gopinath**  
Partner

Place : Chennai  
Date : 29.05.2015

M. No. 023854

### 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 2015. We report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. 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 3(ii) of the order is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
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. The Company has not accepted any deposits from the public.
6. The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
7. 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.

Statement of Arrears of Statutory Dues Outstanding for more than 6 Months as on 31<sup>st</sup> March 2015.

1. Tax on Dividend Rs.1,367,103 pertaining to the FY 2007-08 under Income tax Act, 1961.

2. Property Tax of Rs.1,415,017 (Rs.451,744 for the year 2011-12 and Rs.361,896 for the year 2012-13, Rs.601,377 for the year 2014-15).
3. Water Tax of Rs.242,937 (Rs.81,532 for the year 2012-13 and Rs.161,405 for the year 2014-15).

The above taxes are not paid till date of our report.

- b. 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 <sup>#</sup>            | 2002-03         | City Civil Court               |

<sup>#</sup> Of the above demand Rs.2 lakhs have been paid.

- c. According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules there under has been transferred to such fund within time.
8. The Company has accumulated losses at the end of the financial year as on March 31 2015 and has incurred cash losses during the financial year ended on that date and also incurred cash losses in the immediately preceding financial year.
9. The Company has honoured OTS arrangement entered into with State Bank of India, Overseas Branch, Chennai on its various fund facilities availed and defaulted. The balance of OTS amount outstanding as on 31<sup>st</sup> March 2015 is Rs.6.95 Crores which was settled in full and the charge is satisfied before the date of our report.
10. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
11. No term loans were obtained during the year.
12. No fraud on or by the Company has been noticed or reported during the year.

For **GOPIKUMAR ASSOCIATES**  
Chartered Accountants  
FRN : 0009815

**S Gopinath**  
Partner

Place : Chennai  
Date : 29.05.2015

M. No. 023854

# Quintegra Solutions Limited

## BALANCE SHEET AS AT

(in Rs.)

|  | Notes | 31 <sup>st</sup> March 2015 | 31 <sup>st</sup> March 2014 |
|--|-------|-----------------------------|-----------------------------|
| <b>I. Source of Funds</b>                  |       |                             |                             |
| <b>(1) Shareholders' Funds</b>             |       |                             |                             |
| (a) Share Capital                          | 3     | <b>268,138,300</b>          | 268,138,300                 |
| (b) Reserves & Surplus                     | 4     | <b>(464,992,857)</b>        | (1,351,088,234)             |
|  |       | <b>(196,854,557)</b>        | (1,082,949,934)             |
| <b>(2) Non Current Liabilities</b>         |       |                             |                             |
| Deferred tax liabilities (Net)             | 5     | <b>3,224,303</b>            | 3,278,421                   |
|  |       | <b>3,224,303</b>            | 3,278,421                   |
| <b>(3) Current Liabilities</b>             |       |                             |                             |
| (a) Short-term borrowings                  | 6     | <b>230,903,162</b>          | 1,206,529,054               |
| (b) Trade payables                         | 7     | <b>14,411,343</b>           | 16,538,151                  |
| (c) Other current liabilities              | 8     | <b>23,715,548</b>           | 660,452,547                 |
| (d) Short-term provisions                  | 9     | <b>2,656,727</b>            | 3,219,207                   |
|  |       | <b>271,686,781</b>          | 1,886,738,959               |
| Total                                      |       | <b>78,056,526</b>           | 807,067,446                 |
| <b>II. Application of Funds</b>            |       |                             |                             |
| <b>(4) Non-current assets</b>              |       |                             |                             |
| (a) Fixed assets                           | 10    |                             |                             |
| (i) Tangible assets                        |       | <b>48,632,775</b>           | 50,259,586                  |
| (ii) Intangible assets                     |       | <b>166,988</b>              | 717,057,420                 |
| (b) Non-current investments                | 11    | -                           | -                           |
| (c) Deferred tax assets (net)              | 5     | -                           | 3,050,057                   |
| (d) Long term loans and advances           | 12    | <b>4,101,293</b>            | 4,695,276                   |
| <b>(5) Current assets</b>                  |       |                             |                             |
| (a) Trade receivables                      | 13    | -                           | 6,396,107                   |
| (b) Cash and cash equivalents              | 14    | <b>6,358,892</b>            | 6,011,984                   |
| (e) Other current assets                   | 15    | <b>18,796,578</b>           | 19,597,016                  |
| Total                                      |       | <b>78,056,526</b>           | 807,067,446                 |
| 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

**S Gopinath**  
Partner  
M. No. 023854

Place: Chennai  
Date : 29.05.2015

**Shankarraman Vaidyanathan**  
Chairman

For and on behalf of the Board of Directors

**V Sriraman**  
Wholtime Director

**STATEMENT OF PROFIT AND LOSS**

(in Rs.)

|   | Notes | For the<br>Year ended<br>31 <sup>st</sup> March 2015 | For the<br>Year ended<br>31 <sup>st</sup> March 2014 |
|---|-------|--|--|
| <b>I. Income</b>  |       |  |  |
| (a) Revenue from operations   | 16    | <b>11,818,058</b>                                    | 102,779,970  |
| (b) Other Income  | 17    | <b>1,301,957</b>                                     | 716,484  |
|   |       | <b>13,120,015</b>                                    | <b>103,496,454</b>                                   |
| <b>II. Expenditure</b>  |       |  |  |
| (a) Compensation & Benefits   | 18    | <b>5,859,655</b>                                     | 56,554,534   |
| (b) Administration Expenses   | 19    | <b>10,306,765</b>                                    | 15,960,937   |
| (c) Selling & Distribution Expenses   | 20    | <b>902,328</b>                                       | 8,177,038  |
|   |       | <b>17,068,749</b>                                    | <b>80,692,509</b>                                    |
| <b>III. Earnings before exceptional, extraordinary items, interest, Depreciation / Amortisation and tax</b> |       |  |  |
| (d) Exceptional Items   | 21    | <b>5,816,566</b>                                     | (73,497,456)   |
| (e) Extraordinary Items   |       | –  | –  |
| <b>IV. Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>                            |       |  |  |
| (f) Interest & Finance Charges  | 22    | <b>8,255</b>   | 162,870,386  |
| (g) Depreciation and Amortisation   | 10    | <b>2,861,284</b>                                     | 5,521,746  |
| V. Profit / (Loss) before Tax   |       | <b>(12,634,838)</b>                                  | (72,090,731)   |
| <b>VI. Tax Expenses</b>   |       |  |  |
| (a) Income tax - Current year   |       | <b>637,859</b>                                       | –  |
| (b) Income tax - Earlier Years & Branch Profit Tax  |       | –  | 197,484  |
| (c) Deferred Tax  |       | <b>2,995,938</b>                                     | (39,829,444)   |
| <b>VII. Profit / (Loss) from continuing operations</b>  |       |  |  |
| <b>VIII. Profit / (Loss) from discontinuing operations</b>  |       |  |  |
| Profit / (Loss) for the year  |       | <b>(16,268,635)</b>                                  | (32,458,771)   |
| Earnings Per Share  |       |  |  |
| Basic   |       | <b>(0.61)</b>  | (1.21)   |
| Diluted   |       | <b>(0.61)</b>  | (1.21)   |
| 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 : 29.05.2015

# Quintegra Solutions Limited

## CASH FLOW STATEMENT

|  | (in Rs.)   |  |
|--|--|--|
|  | For the<br>year ended<br>31 <sup>st</sup> March 2015 | For the<br>year ended<br>31 <sup>st</sup> March 2014 |
| <b>A Cash Flow from Operating Activities</b>                                 |  |  |
| Net profit before tax, as per profit and loss account                        | (12,634,838)   | (72,090,731)   |
| <i>P &amp; L adjustments:</i>  |  |  |
| Depreciation & Amortisation  | 2,861,284  | 5,521,746  |
| Other Non Cash Expenses *  | 5,938,523  | 11,567,082   |
| Interest & Finance charges   | 8,255  | 162,870,386  |
| Other non operating income   | —  | (716,484)  |
|  | <u>8,808,062</u>                                     | <u>179,242,730</u>                                   |
| Operating profit before changes in working capital                           | (3,826,776)  | 107,151,999  |
| <i>Changes in current assets &amp; current liabilities</i>                   |  |  |
| Trade and other Advances   | 7,790,529  | 8,944,907  |
| Trade payables & other liabilities #   | 17,685,963   | 135,318,178  |
|  | <u>25,476,492</u>                                    | <u>144,263,085</u>                                   |
| Less: Taxes Paid   | 637,859  | 197,484  |
| <b>Cash generated from operations</b>  | <u>21,011,857</u>                                    | <u>251,217,600</u>                                   |
| <i>* This includes exchange reinstatement and Non Cash Exceptional items</i> |  |  |
| <i># This includes advance received towards sale of assets</i>               |  |  |
| <b>B Cash Flow from Investing Activities</b>                                 |  |  |
| Purchase of fixed assets   | (647,793)  | —  |
| Sale of fixed assets   | —  | 405,000  |
| Other income   | —  | 716,484  |
| <b>Net cash from investing activities</b>                                    | <u>(647,793)</u>                                     | <u>1,121,484</u>                                     |
| <b>C Cash Flow from Financing Activities</b>                                 |  |  |
| Increase in equity   | —  | —  |
| Borrowings   | —  | (85,897,183)   |
| - Raised   | 56,285,000   | —  |
| - (Repaid)   | (76,293,900)   | —  |
| Interest paid  | (8,255)  | (162,870,386)  |
| <b>Net cash from Financing Activities</b>                                    | <u>(20,017,155)</u>                                  | <u>(248,767,569)</u>                                 |
| The write off of Loan has not been shown since it is a non cash item         |  |  |
| <b>D Net Increase in Cash and Cash Equivalents</b>                           | 346,909  | 3,571,515  |
| Cash and cash equivalents at the beginning of the year                       | 6,011,984  | 2,440,469  |
| <b>Cash and cash equivalents at the end of the year</b>                      | 6,358,892  | 6,011,984  |

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

For **Gopikumar Associates**

Chartered Accountants

FRN : 000981S

**S Gopinath**

Partner

M. No. 023854

Place : Chennai

Date : 29.05.2015

**Shankarraman Vaidyanathan**

Chairman

For and on behalf of the Board of Directors

**V Sriraman**

Wholetime Director

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

### 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 NSE & BSE. The Company is primarily engaged in the business of providing IT services and consulting company delivering services through innovative and customized solutions.

### 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, 2013. 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

Effective 1st April 2014, the Company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 for the purpose of providing depreciation on fixed assets. Accordingly the carrying amount of fixed assets as on 1<sup>st</sup> April 2014 has been depreciated over the remaining useful life of fixed assets.

The 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 outcome 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 II to the Companies Act, 2013. The company has used the following useful life to provide depreciation on its fixed assets.

|                                |   |
|--------------------------------|---|
| Building (Factory)             | - 30 years  |
| Building (Other than Factory)  | - 60 years  |
| Plant and Machinery            | - 15 years or based on usage of the assets          |
| Office Equipments              | - 5 years   |
| Furniture and Fittings         | - 10 years  |
| Computers (Servers & Networks) | - 3 Years   |
| Computers (Others)             | - 6 Years   |
| Vehicles                       | - 10 Years (Two Wheelers) & 6 Years (Four Wheelers) |

The management may carry out the internal assessment and independent technical evaluation by the external valuers to estimate the useful lives of the above assets which may represent the period over which management expects to use these assets.

##### 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,

# Quintegra Solutions Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)

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 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 now                             | - 20%                              |
| Computer Software                              | - 40% or based on use of the asset |

The residual 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 II to the Companies Act, 2013, 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 II to the Companies Act, 2013.

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)

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 has taken on lease its operating premises which is renewed on a 6 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 recoverable amount. An asset recoverable amount is the higher of an asset or Cash Generating Units (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 CGU 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 assets or CGUs 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 activities 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

# Quintegra Solutions Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)

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 II to the Companies Act, 2013 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 does not 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.

## **L. Revenue recognition**

### *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



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)**

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

# Quintegra Solutions Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)

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**

As per AS-17, 'Segment Reporting' issued pursuant to the companies (Accounting standard) Rules, 2006, the company operates in single business segment and from one geographical area (exports are not considered as separate geographical area) hence separate disclosure of segmental information is not warranted.

### **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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)

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

# Quintegra Solutions Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 - (continued)

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 III to the Companies Act, 2013*, 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.

| Particulars | (In Rs.)                             |                                      |
|-------------|--------------------------------------|--------------------------------------|
|             | As at<br>31 <sup>st</sup> March 2015 | As at<br>31 <sup>st</sup> March 2014 |

### 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 | <b>450,000,000</b> | 450,000,000 |
|--|--------------------|-------------|

##### Issued, Subscribed & Paidup Capital

|  |                    |             |
|--|--------------------|-------------|
| b) 2,68,13,830 (Previous year 2,68,13,830) Equity shares of Rs.10/- each | <b>268,138,300</b> | 268,138,300 |
|--|--------------------|-------------|

##### c) Reconciliation of Shares Outstanding

|  |                   |            |
|--|-------------------|------------|
| Number of equity shares at the beginning of the year | <b>26,813,830</b> | 26,813,830 |
|--|-------------------|------------|

|                   |   |   |
|-------------------|---|---|
| Add: Rights issue | - | - |
|-------------------|---|---|

|           |   |   |
|-----------|---|---|
| Allotment | - | - |
|-----------|---|---|

|             |   |   |
|-------------|---|---|
| Bonus issue | - | - |
|-------------|---|---|

|                |   |   |
|----------------|---|---|
| Less: Buy back | - | - |
|----------------|---|---|

|  |                   |            |
|--|-------------------|------------|
| Number of equity shares at the end of the year | <b>26,813,830</b> | 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 if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders was Nil (31 March 2014: 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                       |                             |
|-------------|-----------------------------|-----------------------------|
|             | 31 <sup>st</sup> March 2015 | 31 <sup>st</sup> March 2014 |

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

| S.No. | Name of Share Holders           | Holding |        |
|-------|---------------------------------|---------|--------|
| 1     | ROSEBURG INC                    | 1.86%   | 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%   | 5.71%  |

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**

**a) General reserve**

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| Opening balance | 49,462,799        | 49,462,799        |
| Add: Addition   | –                 | –                 |
| Less: Deduction | –                 | –                 |
| Closing balance | <u>49,462,799</u> | <u>49,462,799</u> |

**b) Security premium reserve**

|                 |                    |                    |
|-----------------|--------------------|--------------------|
| Opening balance | 431,433,100        | 431,433,100        |
| Add: Addition   | –                  | –                  |
| Less: Deduction | –                  | –                  |
| Closing balance | <u>431,433,100</u> | <u>431,433,100</u> |

**c) Surplus from Profit & Loss account**

|                                       |                        |                        |
|---------------------------------------|------------------------|------------------------|
| Opening balance                       | (1,809,723,746)        | (1,777,264,975)        |
| Add: Current year surplus / (Deficit) | (16,268,635)           | (32,458,771)           |
| Less: Transfer to general reserve     | –                      | –                      |
| Less: Proposed dividend               | –                      | –                      |
| Less: Dividend tax                    | –                      | –                      |
| Closing balance                       | <u>(1,825,992,381)</u> | <u>(1,809,723,746)</u> |

**d) Capital reserve**

|   |                    |          |
|---|--------------------|----------|
| Opening balance                                 |                    |          |
| Add: Addition (Term Loan Waived Off under OTS)* | 902,242,054        | –        |
| Less: Deduction                                 | –                  | –        |
| Closing balance                                 | <u>902,242,054</u> | <u>–</u> |

# Quintegra Solutions Limited

| Particulars                                    | (In Rs.)                             |                                      |
|--|--------------------------------------|--------------------------------------|
|  | As at<br>31 <sup>st</sup> March 2015 | As at<br>31 <sup>st</sup> March 2014 |
| <b>e) Foreign Currency Translation Reserve</b> |                                      |                                      |
| Opening balance                                | (22,260,386)                         | (21,442,462)                         |
| Add: Addition                                  | 121,957                              | (817,925)                            |
| Less: Deduction                                | -                                    | -                                    |
| Closing balance                                | (22,138,429)                         | (22,260,386)                         |
| <br>Total reserves and surplus                 | <u>(464,992,857)</u>                 | <u>(1,351,088,234)</u>               |

During the year, the company has accepted the One Time Settlement (OTS) proposal offered by SBI for Rs.14.50 Crores and paid Rs.7.55 Crores through short term borrowings and advance received towards sale of assets. Hence the waiver of the principal portion of the term loan amounting to Rs.90.22 Crores is treated as realised gains resulting from the discharge of an obligation at less than its carrying amount and the same is adjusted in capital reserve. The company has since settled the OTS in full and satisfied the charge.

## 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 | 3,224,303        | 3,278,421        |
| Others   |                  |                  |
| Gross deferred tax liability   | <u>3,224,303</u> | <u>3,278,421</u> |

#### 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 diminution in the value of investments  | -                | -                |
| Provision for doubtful debts and advances   | -                | -                |
| Branch Profit tax   | -                | 3,050,057        |
| Gross deferred tax assets   | -                | <u>3,050,057</u> |
| Net deferred tax liability (a-b)  | <u>3,224,303</u> | <u>228,364</u>   |

The Company has accumulated huge losses as on 31<sup>st</sup> March 2015. Even though there is virtual certainty of revival in future years in the view of the management, as a matter of prudence the deferred tax assets are not recognized in the books of account.

## Note No. 6

### SHORT TERM BORROWINGS

|   |                    |                      |
|---|--------------------|----------------------|
| a) Loans repayable on demand                            |                    |                      |
| from banks <sup>1</sup>                                 | 69,500,000         | 1,101,410,892        |
| from others - Inter Corporate Deposit <sup>2</sup>      | 15,000,000         | 3,000,000            |
| b) Loans and advances from related parties <sup>3</sup> | <u>146,403,162</u> | <u>102,118,162</u>   |
|   | <u>230,903,162</u> | <u>1,206,529,054</u> |

#### Details of Security

- 1 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 V Shankarraman and pledge of 20 Lakh Shares of the company in the name of Mr V Shankarraman 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.

During the year, the company has accepted the One Time Settlement (OTS) proposal offered by SBI for Rs.14.50 Crores and paid Rs.7.55 Crores through short term borrowings and advance received towards sale of assets. Hence the waiver of the principal portion of the term loan amounting to Rs.90.22 Crores is treated as realised gains resulting from the discharge of an obligation at less than its carrying amount (Rs.6.95 Crores) and the same is adjusted in capital reserve. The company has since settled the OTS in full and satisfied the charge.

- 2 The company has obtained inter corporate deposits during the year against the personal guarantee of the directors.
- 3 Loans and advances from related parties refers to the loan acquired from Trusted Aerospace Engineering Private Limited, Anukrith Securities Pvt Ltd and Interest free unsecured Loan due to director.

The immovable property of one of the directors Mr V Shankarraman which was given as security for the above mentioned bank loan has been taken over under SARFAESI 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 Shankarraman in the books as interest free unsecured loan.

| Particulars  | (In Rs.)                             |                                      |
|--|--------------------------------------|--------------------------------------|
|  | As at<br>31 <sup>st</sup> March 2015 | As at<br>31 <sup>st</sup> March 2014 |
| <b>Note No. 7</b>  |                                      |                                      |
| <b>TRADE PAYABLES</b>                                      |                                      |                                      |
| a) Trade Payables - Other than Micro & Small enterprises   | 14,411,343                           | 16,538,151                           |
| b) Due to Micro & Small Enterprises (Principal & Interest) | —                                    | —                                    |
|  | <u>14,411,343</u>                    | <u>16,538,151</u>                    |
| <b>Note No. 8</b>  |                                      |                                      |
| <b>OTHER CURRENT LIABILITIES</b>                           |                                      |                                      |
| a) Interest accrued and due on borrowings <sup>1</sup>     | —                                    | 657,112,250                          |
| b) Unpaid dividends <sup>2</sup>                           | 1,103,880                            | 1,285,096                            |
| c) Advances received towards sale of assets                | 20,000,000                           | —                                    |
| d) Other payables (i) Expenses Payable                     | 4,913,886                            | 4,671,393                            |
| (ii) Statutory Payable                                     | 1,699,496                            | 954,858                              |
| (iii) Indirect Tax Credits                                 | (4,001,713)                          | (3,571,049)                          |
|  | <u>23,715,548</u>                    | <u>660,452,547</u>                   |

- 1 During the year interest on loan and bank charges payable amounting to Rs.71.04 Crores (PY 65.71 Crores) have been written back on account of OTS and subsequent write offs. This includes interest and bank charges amounting to Rs.5.33 Crores crystallized as part of term loan.
- 2 Unpaid dividend pertains to the FY 2007-08.

**Note No. 9**

**SHORT TERM PROVISIONS**

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| a) Provisions for employee benefits # | 1,289,624        | 1,289,624        |
| b) Others (Specify)                   |                  |                  |
| Provision for income tax              | —                | —                |
| Provision for dividend                | —                | —                |
| Provision for dividend tax *          | 1,367,103        | 1,367,103        |
| Others - expenses                     | —                | 562,480          |
|                                       | <u>2,656,727</u> | <u>3,219,207</u> |

# There is no change in provision for employee benefits due to high attrition rate

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

# Quintegra Solutions Limited

## Note No. 10

### TANGIBLE AND INTANGIBLE ASSETS

| Asset Group                  | Cost               |                |                    |                    | Depreciation      |                  |                   |                   | Net Cost           |                    |
|------------------------------|--------------------|----------------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|--------------------|--------------------|
|                              | As at<br>31.03.14  | Additions      | Deletions          | As at<br>31.03.15  | As at<br>31.03.14 | Additions        | Deletions         | As at<br>31.03.15 | As at<br>31.03.14  | As at<br>31.03.15  |
| <b>I. Tangible Assets</b>    |                    |                |                    |                    |                   |                  |                   |                   |                    |                    |
| a Furniture & Fixtures       | 762,026            | –              | 80,974             | <b>681,052</b>     | 462,819           | 188,885          | 80,974            | <b>570,730</b>    | 299,207            | <b>110,322</b>     |
| b Land & Buildings           | 57,733,679         | –              | –                  | <b>57,733,679</b>  | 9,163,547         | 567,168          | –                 | <b>9,730,715</b>  | 48,570,132         | <b>48,002,964</b>  |
| c Plant & Equipments         |                    |                |                    |                    |                   |                  |                   |                   |                    |                    |
| Air Conditioners             | 110,209            | –              | –                  | <b>110,209</b>     | 51,116            | 7,387            | –                 | <b>58,503</b>     | 59,093             | <b>51,707</b>      |
| Computer & Accessories       | 6,741,857          | 554,000        | 58,705             | <b>7,237,152</b>   | 6,732,025         | 96,051           | 58,705            | <b>6,769,371</b>  | 9,832              | <b>467,781</b>     |
| Office Equipments            | 3,413,819          | –              | 641,822            | <b>2,771,998</b>   | 2,092,497         | 1,321,322        | 641,822           | <b>2,771,997</b>  | 1,321,322          | –                  |
| <b>Total</b>                 | <b>68,761,591</b>  | <b>554,000</b> | <b>781,501</b>     | <b>68,534,090</b>  | <b>18,502,004</b> | <b>2,180,813</b> | <b>781,501</b>    | <b>19,901,316</b> | <b>50,259,586</b>  | <b>48,632,775</b>  |
| PY 31.03.2014                | 245,827,629        | –              | 177,066,038        | <b>68,761,591</b>  | 179,313,754       | 3,508,055        | 164,319,804       | <b>18,502,004</b> | 66,513,874         | <b>50,259,586</b>  |
| <b>II. Intangible Assets</b> |                    |                |                    |                    |                   |                  |                   |                   |                    |                    |
| a Softwares                  | 48,042,986         | 93,793         | 708,963            | <b>47,427,816</b>  | 47,289,320        | 680,471          | 708,963           | <b>47,260,828</b> | 753,666            | <b>166,988</b>     |
| b Goodwill                   | 716,303,754        | –              | 716,303,754        | –                  | –                 | –                | –                 | –                 | 716,303,754        | –                  |
| c Copyrights                 | 27,175,655         | –              | 27,175,655         | –                  | 27,175,655        | –                | 27,175,655        | –                 | –                  | –                  |
| <b>Total</b>                 | <b>791,522,396</b> | <b>93,793</b>  | <b>744,188,372</b> | <b>47,427,816</b>  | <b>74,464,975</b> | <b>680,471</b>   | <b>27,884,618</b> | <b>47,260,828</b> | <b>717,057,420</b> | <b>166,988</b>     |
| PY 31.03.2014                | 921,246,251        | –              | 129,723,855        | <b>791,522,396</b> | 202,131,366       | 2,013,691        | 129,680,082       | <b>74,464,975</b> | 719,114,885        | <b>717,057,420</b> |
| <b>Total</b>                 | <b>860,283,987</b> | <b>647,793</b> | <b>744,969,873</b> | <b>115,961,906</b> | <b>92,966,980</b> | <b>2,861,283</b> | <b>28,666,119</b> | <b>67,162,144</b> | <b>767,317,007</b> | <b>48,799,763</b>  |
| PY 31.03.2014                | 1,167,073,880      | –              | 306,789,893        | <b>860,283,987</b> | 381,445,121       | 5,521,746        | 293,999,886       | <b>92,966,980</b> | 785,628,759        | <b>767,317,007</b> |

Effective 1<sup>st</sup> April 2014, the company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 for the purpose of providing depreciation on fixed assets. Accordingly the carrying amount of fixed assets as on 1<sup>st</sup> April 2014 has been depreciated over the remaining useful life of fixed assets. Consequently the depreciation for the year ended 31<sup>st</sup> March 2015 is higher and profit before tax is lower to the extent of Rs.15 Lakhs.

I (b) The SBI was in the possession of Company's land & building for the secured loan availed. However the company re took the possession of the company's properties pledged with bank on honouring OTS and satisfaction of charge before the date of reporting.

II (b) The good will arose on various mergers and amalgamations have been written off to give effect to the qualifications in audit report of previous years and related directions by SEBI.

II (c) Since the Company doesn't foresee any future benefits out of its intangibles in form of copyrights the same have been impaired during the year.

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<br>31 <sup>st</sup> March 2015 | As at<br>31 <sup>st</sup> March 2014 |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

## Note No. 11

### NON-CURRENT INVESTMENTS

|                                      |          |          |
|--------------------------------------|----------|----------|
| (i) Trade Investments                | –        | –        |
| (ii) Other Investments               |          |          |
| a Investment in property             | –        | –        |
| b Investment in equity instruments * | –        | –        |
|                                      | <u>–</u> | <u>–</u> |

### \*Capital commitments & Investment in Subsidiary (Unquoted Long-Term Investments)

The liquidation of subsidiaries of the Company Quintegra Solutions (M) Sdn Bhd, Malaysia and Quintegra Solutions GmbH, Germany is under process. The subsidiary PA Corp., USA has been declared purged by Virginia Council for Corporation. Hence the Investments and related provisions have been adjusted accordingly.

## Note No. 12

### LONG TERM LOANS AND ADVANCES

|                   |                         |                  |
|-------------------|-------------------------|------------------|
| Security deposits | <b>4,101,293</b>        | 4,695,276        |
|                   | <u><b>4,101,293</b></u> | <u>4,695,276</u> |



| Particulars | (In Rs.)                             |                                      |
|-------------|--------------------------------------|--------------------------------------|
|             | As at<br>31 <sup>st</sup> March 2015 | As at<br>31 <sup>st</sup> March 2014 |

**Note No. 13**
**TRADE RECEIVABLES**

|   |          |                  |
|---|----------|------------------|
| a) Trade receivables outstanding for  |          |                  |
| more than 2 years   | -        | -                |
| more than 6 months  | -        | -                |
| others  | -        | 6,396,107        |
|   | <u>-</u> | <u>6,396,107</u> |
| b) Trade receivables  |          |                  |
| 1. Secured, considered good   | -        | -                |
| 2. Unsecured, considered good   | -        | 6,396,107        |
| 3. Doubtful   | -        | -                |
| 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             |                  |                  |
| Current account                   | 5,239,478        | 3,931,722        |
| Dividend Account                  | 1,105,000        | 1,286,216        |
| ii) Cash in hand                  | 14,414           | 145              |
| b) Other Bank Balances:           |                  |                  |
| Fixed deposit & Margin money      | -                | 793,900          |
|                                   | <u>6,358,892</u> | <u>6,011,984</u> |
| Bank Balance with Scheduled Banks |                  |                  |
| i) EEFC Accounts                  | -                | -                |
| ii) Other Accounts                | 5,239,478        | 3,931,722        |
| iii) Margin Money                 | -                | 793,900          |
| iv) Dividend Account              | 1,105,000        | 1,286,216        |

**Note No. 15**
**OTHER CURRENT ASSETS**

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| a) TDS on Receipts              | -                 | 4,748,343         |
| b) Income tax refund receivable | 18,796,578        | 14,848,673        |
|                                 | <u>18,796,578</u> | <u>19,597,016</u> |

| Particulars | 2014-15 | 2013-14 |
|-------------|---------|---------|
|-------------|---------|---------|

**Note No. 16**
**REVENUE FROM OPERATIONS**
**Software Services**

|                     |                   |                    |
|---------------------|-------------------|--------------------|
| a) Overseas Revenue | 264,000           | 53,175,170         |
| b) Domestic Revenue | 11,554,058        | 49,604,800         |
|                     | <u>11,818,058</u> | <u>102,779,970</u> |

# Quintegra Solutions Limited

|  | (In Rs.)                 |                          |
|--|--------------------------|--------------------------|
| Particulars  | 2014-15                  | 2013-14                  |
| <b>Note No. 17</b>   |                          |                          |
| <b>OTHER INCOME</b>  |                          |                          |
| a) Interest Income   |                          |                          |
| On Bank Deposits   | -                        | -                        |
| On Income Tax Refunds  | -                        | 488,258                  |
| b) Rental Income   | -                        | 180,000                  |
| c) Other Income *  | <b>1,301,957</b>         | 48,226                   |
|  | <b><u>1,301,957</u></b>  | <b><u>716,484</u></b>    |
| *Other income refers to reduction in contractual trade liability on account of derecognition, term expiry and agreement. |                          |                          |
| <b>Note No. 18</b>   |                          |                          |
| <b>COMPENSATION &amp; BENEFITS</b>   |                          |                          |
| a) Salaries & Allowances   | 4,608,524                | 55,106,163               |
| b) PF, ESI, PT & LWF Contributions   | 251,394                  | 727,750                  |
| c) Directors' Remuneration   | 600,000                  | 600,000                  |
| d) Bonus & Ex-gratia   | 236,877                  | 10,000                   |
| e) Staff Welfare Expenses  | 162,860                  | 110,621                  |
|  | <b><u>5,859,655</u></b>  | <b><u>56,554,534</u></b> |
| <b>Note No. 19</b>   |                          |                          |
| <b>ADMINISTRATIVE EXPENSES</b>   |                          |                          |
| a) Communication Expenses, Postage & Courier   | 659,217                  | 2,150,786                |
| b) Rent & Amenities  | 3,975,477                | 2,475,415                |
| c) Repairs & Maintenance   | 1,233,027                | 1,029,872                |
| d) Legal & Professional Fees   | 712,544                  | 2,001,856                |
| e) Rates & Taxes   | 278,545                  | 871,573                  |
| f) Power & Fuel  | 2,486,858                | 767,861                  |
| g) Insurance Charges   | 230,872                  | 4,771,747                |
| h) Printing & Stationery   | 63,778                   | 169,546                  |
| i) Local Conveyance, Transportation & Freight  | 81,950                   | 96,590                   |
| j) Audit Fees  |                          |                          |
| i) Statutory Auditor   | 125,000                  | 125,000                  |
| ii) Tax Auditor  | 25,000                   | 25,000                   |
| iii) Branch Audit fee  | 61,040                   | 150,705                  |
| iv) Certification & Consultation   | 80,000                   | 80,000                   |
| k) Bank Charges  | 83,274                   | 16,372                   |
| l) Secretarial Expenses  | 97,990                   | 48,877                   |
| m) Other Expenses  | 93,075                   | 15,700                   |
| n) Loss / (Gain) on Exchange Realisation   | 7,423                    | (23,410)                 |
| o) Bad Debts Written Off   | -                        | 1,187,449                |
| p) Books and Periodicals   | 11,695                   | -                        |
|  | <b><u>10,306,765</u></b> | <b><u>15,960,937</u></b> |
| <b>Note No. 20</b>   |                          |                          |
| <b>SELLING &amp; DISTRIBUTION EXPENSES</b>   |                          |                          |
| a) Travel Foreign, Inland  | 780,820                  | 7,150,813                |
| b) Business Development and Training Expenses  | 121,508                  | 1,026,225                |
|  | <b><u>902,328</u></b>    | <b><u>8,177,038</u></b>  |

| Particulars | 2014-15 | 2013-14 |
|-------------|---------|---------|
|-------------|---------|---------|

**Note No. 21**

**EXCEPTIONAL ITEMS**

| Particulars                                      | 2014-15              | 2013-14             |
|--|----------------------|---------------------|
| a) Loss / (Gain) on sale / Retirement of asset # | -                    | 12,385,007          |
| b) Goodwill written off                          | <b>716,303,754</b>   | -                   |
| c) Waiver of Interest portion of the Term Loan   | <b>(710,487,188)</b> | -                   |
| d) Loan Recovery by SBI from ECGC*               | -                    | (85,846,998)        |
| e) Bad Debts Recovery                            | -                    | (35,465)            |
|  | <b>5,816,566</b>     | <b>(73,497,456)</b> |

# The goodwill arose on various mergers and amalgamations have been written off to give effect to the qualifications in audit report of previous years and related directions by SEBI.

\* During the year interest on loan and bank charges payable amounting to Rs.71.04 Crores have been written back on account of OTS and subsequent write off.

**Note No. 22**

**INTEREST & FINANCE CHARGES**

| Particulars                   | 2014-15      | 2013-14     |
|-------------------------------|--------------|-------------|
| a) Interest on Unsecured Loan | -            | -           |
| b) Interest - Others*         | <b>8,255</b> | 162,870,386 |
|                               | <b>8,255</b> | 162,870,386 |

\* This includes the interest towards loan defaulted provided for in the books during the current year and reversed subsequently on account of OTS.

**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                                     | Assessed / Reassessed Demand (Rs.Lakhs) | Assessment Year |
|-------|---|---|-----------------|
| 1     | U/s 269UC and 269UL(2) Income Tax Act, 1961 | 5.00 #                                  | 2002-03         |

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

The Company has gone on appeal against the conviction by the Trial Court, Chennai to pay fine of Rs.2.5 Lakhs for each (against which Rs.2 Lakhs paid) of the offences u/s 269UC and 269UL(2) read with 276 AB of Income Tax, 1961 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:** Subsidiaries are either liquidated or under liquidation with appropriate statutory authorities in respective countries.

**b) Directors & Key Management Personnel or Companies in which they are interested:**

Mr V Shankarraman and Mr V Sriraman - **Trusted Aerospace Engineering Private Limited, Anukrith Securities Private Limited**

**ii) Transactions with related parties**

| Particulars   | 2014-15            | 2013-14    |
|---|--------------------|------------|
| <b>Subsidiary Companies</b>   |                    |            |
| Investment in Subsidiary Companies  | -                  | -          |
| Advances (from) / to Subsidiary Companies                                     | -                  | -          |
| Advances or loan received from other than Subsidiary Companies                | <b>146,403,162</b> | 98,118,162 |
| <b>Directors &amp; Key Management Personnel and Remuneration paid to them</b> |                    |            |
| Salary to Mr Shankarraman Vaidyanathan  | -                  | -          |
| Salary to Mr Sriraman Vaidyanathan *  | <b>600,000</b>     | 600,000    |

\* (does not include PF & Retirement benefits of Rs.50,436 (PY 36,000) for Mr V Sriraman)

# Quintegra Solutions Limited

## 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   | 2014-15       | 2013-14       |
|---|---------------|---------------|
| Net Profit / (Loss) Available for Equity Shareholders | (16,268,635)  | (32,458,771)  |
| 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                               |               |               |
| <b>A. Basic EPS</b>                                   | <b>(0.61)</b> | <b>(1.21)</b> |
| <b>B. Diluted EPS</b>                                 | <b>(0.61)</b> | <b>(1.21)</b> |

## Note No. 26

### EXPENDITURE IN FOREIGN CURRENCY:

(In Rs.)

| Particulars                    | 2014-15        | 2013-14           |
|--------------------------------|----------------|-------------------|
| Travel Foreign                 | -              | -                 |
| Expenses met by Branch Offices | 613,891        | 53,681,973        |
|                                | <u>613,891</u> | <u>53,681,973</u> |

## Note No. 27

### EARNINGS IN FOREIGN CURRENCY:

(In Rs.)

| Particulars                   | 2014-15        | 2013-14           |
|-------------------------------|----------------|-------------------|
| Revenue from Software Exports | 264,000        | 53,175,170        |
|                               | <u>264,000</u> | <u>53,175,170</u> |

## Note No. 28

### SEGMENT REPORTING

As per AS-17, 'Segment Reporting' issued pursuant to the companies (Accounting standard) Rules, 2006, the company operates in single business segment and from one geographical area (exports are not considered as separate geographical area) hence separate disclosure of segmental information is not warranted.

## 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

### 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.

## Note No. 31

### 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.1.62 Crores (PY 3.24 Crores) for the year ended 31st March 2015. The management has addressed the criticality of the issue in the company and has initiated various steps, including but not limited to settlement of bank debts through OTS, cost reduction measures, closing down non profitable operations 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

|                                     |   |
|-------------------------------------|---|
| Name and Address of the Shareholder | Client ID / Folio No<br>DP. ID.<br>No. of Shares. |
|-------------------------------------|---|

I / We hereby record our presence at the 21st Annual General Meeting of the Company held at Russian Cultural Centre, 74, Kasturi Ranga Road, Teynampet, Chennai 600 018 on Friday, the 18th September 2015 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.<br>DP ID:<br>E-mail ID:<br>No. of Shares |
|-------------------------------------|--|

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

- Name ..... Address .....  
E-mail ID ..... Signature ..... or failing him / her
- Name ..... Address .....  
E-mail ID ..... Signature ..... or failing him / her
- 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 21st Annual General Meeting of the Company to be held on Friday, 18th September 2015 at 10.00 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:

\* I wish my Proxy to vote in the manner indicated in the box below:

Sl. No of Resolutions (as per Notice Annexed)

| 1   |         | 2   |         | 3   |         | 4   |         | 5   |         | 6   |         |
|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|
| For | Against | For | Against | For | Against | For | Against | For | Against | For | Against |
|     |         |     |         |     |         |     |         |     |         |     |         |

Please put 'X' in the appropriate box(s). \* This is only optional. If you leave the box(s) blank, your proxy will be entitled to vote as he / she thinks appropriate.

Signed this .....day of ..... 2015.

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.