

quintegra

Report **Quintegra Solutions Limited**

15TH  
ANNUAL REPORT  
**2008 - 09**



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**QUINTEGRA SOLUTIONS LIMITED**

Regd. Office : 168, Eldams Road, Teynampet, Chennai 600 018

quintegra

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Wednesday, the 30th September 2009 at 10.00 AM at Russian Cultural Centre, 74, Kasthuri Ranga Road, Chennai 600 018 to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Directors' Report, the audited Profit and Loss Account for the financial year ended 31 March 2009 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To elect a Director in place of Mr R Rengharajan who retires by rotation and being eligible offers himself for re-election.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if deemed fit to pass with or without modification the following as an **Ordinary Resolution**.

**RESOLVED THAT** M/s Gopikumar Associates, Chartered Accountants, Chennai, the retiring Auditors be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

**Special Business**

4. To consider and if deemed fit to pass with or without modification the following as an **Ordinary Resolution**:

**RESOLVED THAT** Mr G Venkatarajulu be and is hereby appointed as a Director of the Company.

5. To consider and if deemed fit to pass with or without modification the following as a Special Resolution:

**RESOLVED THAT** subject to the provisions of Sections 269, 198, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any amendment or statutory modifications thereto and subject to such approvals, if any, Mr Shankarraman Vaidyanathan be and is hereby re-appointed as Managing Director of the Company for a period of 3 years with effect from 18th January 2009 on a remuneration as detailed below:

Description	Rs. per month
Salary	75,000/-
Allowances and perquisites	1,00,000/-
Total	1,75,000/-

## i. Allowances/Perquisites

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

## ii. Retirement Benefits

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

## iii. General

- a) Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- b) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employee. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per Income Tax Act, 1961 and the rules made thereunder.
- c) Mr Shankarraman Vaidyanathan will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- d) Mr Shankarraman Vaidyanathan will be subject to all other service conditions as applicable to any other employee of the Company.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr Shankarraman Vaidyanathan as aforesaid shall be the minimum remuneration.

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

6. To consider and if deemed fit, to pass with or without modification, the following as a Special Resolution:

**RESOLVED THAT** pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or modifications thereof) and subject to necessary statutory approvals, including approvals from the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Stock Exchanges and subject to consents, permissions and/or sanctions of any other appropriate authorities (including financial institutions) as may be necessary and further subject to such conditions as may be prescribed by any of them in granting any such approval, consent or sanction, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board constituted to exercise one or more powers conferred by this resolution) to issue, offer and allot Equity Shares/Preference shares/Convertible notes/ Securities with or without detachable warrants/Fully Convertible Debentures (FCDs) / Partly Convertible Debentures (PCDs) or any other Securities convertible into Equity shares whether optionally or otherwise/ Euro Convertible Bonds (ECB's) / Foreign Currency Convertible Bonds (FCCB's) / Global Depository Receipts (GDR's) / American Depository Receipts (ADR's) / Secured Premium Notes (SPN), (hereinafter referred to as "Securities") for an aggregate amount not exceeding USD 100 million or equivalent in Indian and / or in any other currency(ies) (inclusive of such premium, as may be fixed on such securities) or upto such limit as may be permitted by the Ministry of Finance or such other authorities whichever is higher, directly to Indian or Foreign Investors (whether institutions, incorporated bodies, mutual funds and/ or individuals or otherwise and whether or not such investors are members, promoters, directors or their associates of the Company) through public issue(s), rights issue(s), Private placement(s), Preferential allotment

## Quintegra Solutions Limited

for cash or stock swap or acquisition of business / companies or a combination thereof at such time or times in one or more tranches, at such price or prices whether at market price(s) or at a discount or at a premium to market price(s) and in such manner and on such terms and conditions as the Board in its absolute discretion think fit at the time of such issue/allotment considering the prevailing market conditions and other relevant factors that are necessary and also to get the Company shares listed on any Indian and/or Overseas Stock Exchange(s) such as Singapore, Luxembourg, London, Nasdaq, New York and/or any of the other Overseas Stock Exchanges.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities involved in such issues subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of granting their approval and agreed to by the Board.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, issue of securities mentioned hereinabove may have all or any term or combination of terms in accordance with market practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt services payment whatsoever and all such terms as are provided in offering of this nature including terms for issue of additional equity shares or variation of the conversion price of the securities during the duration of the securities.

**RESOLVED FURTHER THAT** the Board is also entitled to enter into and execute all such arrangement/agreement with any Lead Managers / Underwriters / Guarantors / Depositors / Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised, subject to approval of the Reserve Bank of India and the concerned authorities, if necessary, to secure the entire or any part of the issue by creation of the mortgage/charge on the company's immovable and movable properties, present and future, such charge to rank either pari passu with or second, subsequent, subservient and subordinate to all the mortgages/charges created/to be created by the Company for all existing and future borrowings and facilities whatsoever.

**RESOLVED FURTHER THAT** the company and/or any agency or body authorised by the Company may issue Global Depository Receipts and/or other form of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the Capital markets.

**RESOLVED FURTHER THAT** the Securities issued in international offering shall be deemed to have been made abroad in the markets and/ or at the place of issue of the Securities in international markets and shall be governed by English or American law, as the case may be.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph(s) above as may be

necessary in accordance with the terms of the offering and all such shares to rank pari passu with the existing equity shares of the Company in all respects, excepting such right as to dividend and voting as may be provided under the terms of the issue and in the Offer Document.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue of allotment of equity shares or securities representing the same, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilisation of the issue proceeds, as it may in its absolute discretion, deem fit and proper.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or executives of the Company as deemed fit to give effect to the resolution.

By order of the Board

Place : Chennai  
Date : 31.08.2009

**Shankarraman Vaidyanathan**  
Chairman & Managing Director

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time scheduled for the meeting. A proxy form is enclosed.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 23rd September 2009 to Wednesday, the 30th September 2009 (both days inclusive)
4. Members are requested to bring their Attendance Slip along with the copy of the Annual Report to the meeting.
5. Members/Proxies are requested to fill in the Attendance Slip 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.
6. 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.
7. All the documents referred to in the Notice are available at the Registered Office of the Company for inspection on all working days, during office hours upto the date of Annual General Meeting.
8. Members holding shares in physical form, in multiple folios under the same name/s are requested to send the Share Certificates to the Company's Registrars and Share Transfer Agents, Integrated Enterprises (India) Ltd. Kences Towers, 2nd Floor, North Usman Road, T.Nagar, Chennai 600 017 for consolidation into a single folio.
9. In case of joint holders, where more than one person attend the meeting, only the first holder will be entitled to vote.
10. Information pursuant to Clause 49 IV (G) of the Listing Agreement about the directors proposed to be appointed/ reappointed is annexed.

**ANNEXURE TO THE NOTICE****A. INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED****Item No 2:****Mr R Rengharajan (Non-Executive Director) - Brief Resume**

<b>Academic Background</b>	An Associate Member of the Institute of Chartered Accountants of India
<b>Nature of expertise</b>	Has about 39 years of dedicated experience in the areas of finance, out of which 23 years have been with a leading private sector bank both in operational and credit areas. Having associated with a non banking financial institution in a senior position for a period of 5 years and with a Corporate House as a Financial Controller. He also has, to his credit, more than 8 years experience in software industries.
<b>Directorship in other Companies</b>	1) Quintegra Solutions Europe Ltd., UK; 2) Quintegra Solutions (M) SDN BHD, Malaysia.
<b>Committee Membership</b>	<b>In the Company:</b> 1) Remuneration Committee (Member) <b>In other Companies:</b> Nil
<b>Shareholding of the Director in the Company</b>	Nil

**Mr G Venkatarajulu (Non-Executive Director) - Brief Resume**

<b>Academic Background</b>	Diploma in Civil Engineering
<b>Nature of expertise</b>	Has experience in various fields like civil engineering, printing and computer technology. Has about 18 years experience in training and imparting computer skills to students and other professionals.
<b>Directorship in other Companies</b>	Nil
<b>Committee Membership</b>	<b>In the Company:</b> Nil <b>In other Companies:</b> Nil
<b>Shareholding of the Director in the Company</b>	Nil

**B. EXPLANATORY STATEMENT**

(Pursuant to Section 173 of the Companies Act, 1956)

**Item No 4:**

Mr G Venkatarajulu was appointed as an Additional Director by the Board in March 2009 and he holds office upto the date of the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member signifying the intention to propose the appointment of Mr G Venkatarajulu at the ensuing Annual General Meeting. Accordingly, the ordinary resolution as set out under Item No 4 of the Notice is placed before the members for their approval.

**Interest of Directors**

Mr G Venkatarajulu is interested in the resolution and none of the other Directors is concerned or interested in the resolution.

**Item No 5:**

Mr Shankarraman Vaidyanathan's term as Managing Director expired on 17th January 2009 and the Board based on the

recommendation of the Remuneration Committee, renewed his appointment for a further term of 3 years with effect from 18th January 2009 on the terms and conditions briefly set out below:

<b>Description</b>	<b>Rs. per month</b>
Salary	75,000/-
Allowances and perquisites	1,00,000/-
<b>Total</b>	<b>1,75,000/-</b>

The re-appointment of Mr Shankarraman Vaidyanathan as Managing Director and the revision in the terms of remuneration payable to him require the approval of the members. Accordingly, a Special Resolution as set out under Item No.5 of the notice is submitted for the approval of the members.

This explanatory statement together with the accompanying notice may be treated as an abstract of the terms and conditions of appointment of Mr Shankarraman Vaidyanathan and memorandum of concern or interest under Section 302 of the Companies Act, 1956 and the requirements of the said act deemed to have been sufficiently complied with.

**Interest of Directors**

Mr Shankarraman Vaidyanathan is interested in the resolution relating to his appointment and the remuneration payable to him as Managing Director. Mr V Sriraman, Wholtime Director being a relative of Mr Shankarraman Vaidyanathan is deemed to be concerned or interested in the resolution. No other Director is concerned or interested in the resolution.

**Item No 6**

In order to finance business expansion and to augment working capital it is proposed to issue securities by way of equity/equity linked instruments like American Depository receipts (ADRs), Global Depository Receipts (GDRs), Convertible Debentures (whether fully convertible or not), Secured Premium Notes, and/or other type of securities for cash or stock swap or acquisition of business or combination thereof through public offer/private placement, as mentioned in the resolution for an amount not exceeding US Dollars 100 Million or equivalent in Indian or any other currency(ies) or upto such limit as may be permitted. The purpose of the offer is to exploit the emerging opportunities for growth through acquisitions or otherwise, joint ventures and strategic alliances, both abroad and in India. The mode of financing plans and also the utilisation plans will be worked out in consultation with the Advisors, Lead Managers and/or other agencies wherever applicable subject to the approvals of Government of India, Reserve Bank of India, SEBI and other authorities concerned. The issue price of such securities will be determined by the Board at the time of issue(s) depending on the prevailing market conditions. This is an enabling resolution which gives adequate flexibility in respect of working out the modalities of issue including size, timing and pricing and also issue such securities, in such tranches, and at such times and at such price and/ or such other valuable consideration(s) as the Board may in its absolute discretion deem fit. Pursuant to Section 81(1A) of the Companies Act, 1956, a Special Resolution needs to be passed by the shareholders for issuing securities to persons other than the existing shareholders. Accordingly the Special Resolution as set out under Item No 7 of the Notice is submitted to the members for approval.

**Interest of Directors**

None of the Directors is concerned or interested in the resolution.

By order of the Board

Place : Chennai  
Date : 31.08.2009

**Shankarraman Vaidyanathan**  
Chairman & Managing Director



# Quintegra Solutions Limited

## PROFILE - BOARD OF DIRECTORS

### **Mr Shankarraman Vaidyanathan** - *Chairman and Managing Director*

- Post Graduate in Commerce.
- 19 years extensive experience in finance, project management, marketing and IT.
- Wide exposure in development of various businesses, a pioneer in IT sector.
- A leading business man and represents the Board of several Companies.

### **Mr V Sriraman** - *Wholtime Director*

- Graduate in Commerce and a Post Graduate in Business Administration.
- 21+ years experience in Sales/marketing and overall business development and Administration.

### **Mr R Rengharajan** - *Director- Non Executive*

- Associate Member of the Institute of Chartered Accountants of India.
- 39 years overall experience in various areas of finance
- 23 years with a leading private sector bank - operational and credit areas.
- More than 8 years experience in software industries.

### **Mr Meleveetil Padmanabhan** - *Director- Non Executive*

- Graduate in Commerce and a Member of the Institute of Chartered Accountants of India
- 36 years experience in Accounts, Auditing and Corporate Consultancy.

### **Mr R Kalyanaraman** - *Director- Non Executive*

- Graduate in Electrical and Electronics Engineering.
- Worked in BHEL from 1975 to 1993 in various fields including research and development, project management and ancillary development.
- Presented several technical papers in various national conferences.
- Managing a company developing projects and providing technical and financial consultancy.

### **Mr G Venkatarajulu** - *Director- Non Executive*

- Diploma in Civil Engineering
- Has experience in various fields like civil engineering, printing and computer technology.
- About 18 years experience in training and imparting computer skills to students and the professionals.

**CORPORATE INFORMATION 2008-09****BOARD OF DIRECTORS**

Mr Shankarraman Vaidyanathan	-	<i>Chairman &amp; MD</i>
Mr V Sriraman	-	<i>Wholetime Director</i>
Mr R Rengharajan	-	<i>Director</i>
Mr R Krishnan	-	<i>Director (till 22.8.2008)</i>
Mr Meleveetil Padmanabhan	-	<i>Director</i>
Mr R Kalyanaraman	-	<i>Director</i>
Mr G Venkatarajulu	-	<i>Director (wef 30.3.2009)</i>

**REGISTERED OFFICE**

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URL: <http://www.quintegrasolutions.com>

**DEVELOPMENT CENTRES**

Eldams Road, Chennai, India.  
San Jose, USA  
Kuala Lumpur, Malaysia

**SUBSIDIARIES**

Quintegra Solutions Limited, UK  
Quintegra Solutions (M) SDN BHD, Malaysia  
Quintegra Solutions GmbH, Germany  
Quintegra Solutions Ireland Limited, Ireland  
P A Corporation, USA

**AUDITORS**

M/s Gopikumar Associates  
Chartered Accountants, Chennai

**BANKERS**

State Bank of India  
Bank of America  
Chevy Chase Bank

**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: +91 44 2814 2479. e-mail: sureshbabu@iepindia.com

**GRIEVANCE CELL/COMPLIANCE OFFICER**

e-mail ID: investors@quintegrasolutions.com

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# Quintegra Solutions Limited

## DIRECTORS REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Financial Statements for the year ended 31st March 2009.

## FINANCIAL HIGHLIGHTS

Particulars	(Rs. In lacs)	
	For the year ended 31.03.2009	For the year ended 31.03.2008
Total Income	7,751.04	8,988.82
Expenditure	7,549.06	7,104.93
Interest	1,543.60	807.82
Depreciation & Exceptional Items	788.47	356.59
Profit/(Loss) before tax	(2,130.09)	719.48
Provision for tax	211.68	49.14
Profit/(Loss) after tax	(2,341.78)	670.34
Balance brought forward from previous year	2,607.35	2098.24
Amount available for Appropriation	265.57	2768.58
Recommended Appropriations :		
Transfer to General Reserve	-	67.10
Dividend	-	80.44
Dividend Tax	-	13.67
Surplus carried over	265.57	2,607.35

## REVIEW OF OPERATIONS AND OUTLOOK

### OPERATIONS

The global financial meltdown has casted its effect on the Company. Over the years, your Company has invested in the takeover of some companies to expand its business through introduction of new product portfolios and creation of new business verticals. In the wake of current crisis, these acquisitions did not seem to be fruitful as expected. The recession in US had forced many companies to file bankruptcy petition and seek Government aid for survival. This situation prevented US companies from outsourcing as a result of which we had lost many clients. The recession has cast negative impact on Company's revenues and profits.

### OUTLOOK

It is hoped that the near future would be extremely challenging. Your Company is facing major challenges in terms of infrastructure, employability, competition from other low-cost nations which has started to reduce revenues and profit margins.

However, Quintegra believes that the current recession is only a temporary phenomena and takes this an opportunity to re-align the Company's policies and work patterns. During the year under review, Quintegra has made efforts to get over the difficult situation and had initiated steps to re-build the business besides reducing overheads,

postponing/shelve major expansion programmes. It is believed that with the expertise and the goodwill the Company has, it can sail over the recession smoothly.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 your Directors provide the audited Consolidated Financial Statements in the Annual Report.

## FIXED DEPOSITS

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

## DIVIDEND

In view of the loss incurred the Board does not recommend any dividend for the financial year ended 31st March 2009.

## DIRECTORS

During the year, Mr R Krishnan, Director resigned from the Board. The Board places on record its grateful appreciation of the valuable services rendered by Mr R Krishnan during his tenure of office as a Director.

Mr G Vekatarajulu was inducted into the Board as an Additional Director and he will hold office upto the date of the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 together with necessary deposit, has been received from a member signifying the intention to propose the appointment of Mr G Venkatarajulu as a Director of the Company at the ensuing Annual General Meeting.

Mr R Rengharajan, Director will retire by rotation at the ensuing Annual General Meeting and being eligible he offers himself for re-election.

Mr Shankarraman Vaidyanathan was re-appointed by the Board as the Managing Director for further term of three years with effect from 18.1.2009.

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

## AUDITORS

The Board recommends the re-appointment of M/s. Gopikumar Associates, Chartered Accountants, Chennai, the retiring Auditors of the Company who being eligible offer themselves for re-appointment.

## SUBSIDIARIES

### Quintegra Solutions Limited, UK

This subsidiary has incurred a loss of GBP 18,685 for the year ended 31 March 2009 as against the loss of GBP 18,781 for the previous year ended 31 March 2008.

### Quintegra Solutions (M) SDN BHD, Malaysia

The subsidiary had posted a net profit of MYR 22,400 during the financial year as against the profit of MYR 252,400 for the previous financial year.

### Quintegra Solutions (Singapore) Pte. Limited., Singapore

During the year, the Government of Singapore, Ministry of Law, has wound up this subsidiary pursuant to an Order of Court dated 9th January 2009.



**Quintegra Solutions GmbH, Germany**

The subsidiary had posted a net loss of Euros 5,689 as against the net loss of Euros 5,121 for the previous financial year.

**Quintegra US Inc. USA**

During the year, the subsidiary has been merged with the holding company as per US laws.

**PA Corporation, USA**

The Subsidiary had posted a net loss of US \$ 18,905 during the year.

US economic melt down, closure of business by various customers and non receipt of monies on time have affected the business of the company very badly. Hence the company has been forced to re-organize its business. As part of the process, PAC had filed a voluntary bankruptcy petition with US Bankruptcy Court in June 2009 seeking relief under the provisions of bankruptcy code to restructure the business and resurrect. The Company is confident of reviving its business once the restructuring is approved.

**Quintegra Solutions Ireland Limited**

During the year, the subsidiary, Quintegra Solutions Ireland Limited had incurred a loss of Euro 1,750 as against loss of Euro 5,449 for the previous year.

**HUMAN RESOURCES**

The HR had planned and systematically put in place several effective systems that addressed the needs of the Organization during the global economic slowdown period. Individual employee productivity is measured on a continuous basis and is currently maintained at higher levels without compromising on employee morale or work quality. Adequate care is taken to ensure that each employee maintains a healthy work - life balance. Continuous training initiatives with focused attention to cater today's needs and also with an eye for future business trends are meticulously designed and executed.

**ACCREDITATIONS**

During the year, your Company has successfully completed its first surveillance audit under ISO 27001 certification.

**EMPLOYEES STOCK OPTION SCHEME**

Disclosure as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is annexed and forms part of this report.

**PREFERENTIAL ISSUE OF WARRANTS**

The proposal of preferential issue of warrants to certain key management personnel had been withdrawn during the year.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**CORPORATE GOVERNANCE REPORTS**

The Report on Corporate Governance along with a compliance certificate from the Auditors and a declaration affirming the compliance of Code of Conduct are annexed as required by the Listing Agreement with Stock Exchanges.

**CEO/CFO CERTIFICATION**

The Managing Director and Head of Finance have submitted a certificate to the Board regarding financial statements and other matters as required under clause 49(V) of the Listing Agreement.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- 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;
- the Directors had prepared the annual accounts on a going concern basis.

**TRANSFER OF UNPAID/UNCLAIMED DIVIDEND**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the said Act.

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

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

**PARTICULARS OF EMPLOYEES**

The Statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed and forms part of this report. The particulars of employees of the Company posted and working outside India are not reported pursuant to the Notification G.S.R. 212(E) dated 24 March 2004 issued by the Department of Company Affairs, Ministry of Finance, Government of India.

**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. Our special thanks to State Bank of India, our bankers for their continued support and encouragement by extending necessary credit facilities and thereby contributing to our growth. The Directors also place their special appreciation to all the employees.

By order of the Board

Place : Chennai  
Date : 31.08.2009

**Shankarraman Vaidyanathan**  
Chairman & Managing Director

# Quintegra Solutions Limited

## ANNEXURE TO DIRECTORS REPORT

### Annexure 1

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

#### 1. Conservation of Energy

Your Company requires a low level of energy consumption. Measures like installation of energy saving systems, switching off the power when not in use are being followed regularly. However, the financial impact of these measures is not material.

#### 2. Research and Development (R&D)

- a) Research and Development is a need based one. Development on new systems, design and methodology

continues to improve product quality and to sustain business in the present challenging business environment.

#### b) Expenditure on R&D

(Rs. lacs)

	2008-09	2007-08
Capital	–	272
Revenue	208	63
Total	208	335

#### 3. Technology Absorption, adaptation and innovation

The Company has not imported any technology during the year.

### Annexure 2

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

Name & Age	Designation/ Nature of Employment	Qualifications & Experience	Total Remuneration paid in 2008-09 (Rs.)	Date of Employment	Previous Employment / Designation
Mr Shankarraman Vaidyanathan (42 years)	Chairman and Managing Director	Post Graduate in Commerce (19 years)	4,200,000	18.01.2006	Nil
*Mr Murali Subrahmanyam (43 years)	Chief Operating Officer	M.Sc (Phy), Ph.D., (19 years)	7,000,000	18.01.2008	Merrill Lynch (India) Technology Services Pvt. Ltd., (Managing Director)
*Mr Chandra Kant (46 years)	Senior Vice President	B.Tech (IIT), PGDM (IIM) (25 years)	2,916,667	03.01.2008	Merrill Lynch (India) Technology Services Pvt. Ltd., (Vice President)
*Mr Srinivasan K (38 years)	Senior Vice President	BE, PGDBA (15 years)	4,077,381	03.01.2008	Merrill Lynch (India) Technology Services Pvt. Ltd., (Director)
* Mr Arunmozhi Arumugam (44 years)	Senior Vice President	MCA (21 years)	4,166,667	02.01.2008	Merrill Lynch (India) Technology Services Pvt. Ltd., (Vice President)
*Mr Sunder Bala Athreya (45 years)	Senior Vice President	MS (19 years)	2,628,574	02.01.2008	Merrill Lynch (India) Technology Services Pvt. Ltd., (Vice President)

\*employed for part of the year.

### Annexure 3

ESOP Disclosures to be made under Clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

1.	Number of Options granted	968,020
2.	Pricing Formula	Latest available closing price on date of grant on a stock exchange where there is highest trading volume
3.	Number of Options vested and Exercisable	96,787
4.	Number of Options exercised	13,730
5.	Total number of shares arising out of exercise of Options	13,730
6.	Number of Options lapsed	692,045
7.	Variation in the terms of the Options	Not Applicable