



# **Quintegra Solutions Limited**

**20TH  
ANNUAL REPORT  
2013 - 14**



# QUINTEGRA SOLUTIONS LIMITED

CIN: L52599TN1994PLC026867

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

## LOCATIONS

### India

Wescare Towers, 3rd Floor, 16, Cenotaph Road,  
Teynampet, Chennai - 600 018. Tamil Nadu

Tel : (+91 44) 4391 7100

Fax : (+91 44) 2432 8399

### USA

8433 N Black Canyon Highway,  
Suite 100 Phoenix, Arizona - 85021-4859

Tel : 620-595-3800, 408-260-7342

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## CORPORATE INFORMATION 2013-14

### BOARD OF DIRECTORS

Mr Shankarraman Vaidyanathan	– <i>Chairman</i>
Mr V Sriraman	– <i>Wholetime Director</i>
Mr Meleveetil Padmanabhan	– <i>Director</i>
Mr R Kalyanaraman	– <i>Director</i>
Mr G Venkatarajulu	– <i>Director</i>

### REGISTERED OFFICE

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

### DEVELOPMENT CENTRES

Wescare Towers, Cenotaph Road, Chennai

### AUDITORS

M/s Gopikumar Associates  
Chartered Accountants, Chennai

### BANKERS

State Bank of India  
Deutsche Bank  
Axis Bank Ltd

### REGISTRARS & SHARE TRANSFER AGENTS

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

### GRIEVANCE CELL / COMPLIANCE OFFICER

E-mail ID: investors@quintegrasolutions.com

## PROFILE – BOARD OF DIRECTORS

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

# QUINTEGRA SOLUTIONS LIMITED

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

## NOTICE TO SHAREHOLDERS

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

### ORDINARY BUSINESS

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

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

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

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

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

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

### SPECIAL BUSINESS

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

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

liable to retire by rotation to hold office for a term of five (5) consecutive years from the date of this AGM.

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

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

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

- i. Allowances / Perquisites

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

- ii. Retirement Benefits

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

- iii. General

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

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr V Sriraman shall not except with the approval of the Central Government exceed the limits prescribed under the Companies Act, 2013 and rules

made thereunder or any statutory modification or re-enactment thereof.

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

By order of the Board

Place : Chennai

**Shankarraman Vaidyanathan**

Date : 20.08.2014

Chairman

**NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a member.** The instrument appointing the Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time scheduled for the meeting. The proxy form is enclosed.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members / Proxies are requested to bring their Attendance Slip duly filled and hand it over at the meeting hall before attending the meeting. In case of demat holding, Client ID and DP ID numbers and in case of physical holding respective folio numbers along with the number of shares held have to be clearly mentioned.
4. Corporate Members intending to send their authorised representatives are requested to send a certified copy of the Board resolution authorising their representatives to attend and vote at the meeting on behalf of the Company.
5. The Explanatory Statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the Ordinary business under item nos. 2 and 3 and Special business under item nos. 4 and 5 of the Notice to be transacted at the AGM is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 19<sup>th</sup> September 2014 to Tuesday, the 30<sup>th</sup> September 2014 (both days inclusive)
7. Members holding shares in physical form, in multiple folios under the same name/s are requested to send the Share Certificates to the Company's Registrars and Share Transfer Agents, Integrated Enterprises (India) Ltd. Kences Towers, 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 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and the company has complied with the requisite provisions.
11. Information pursuant to Clause 49 IV (G) of the Listing Agreement about the directors seeking appointment at this AGM is annexed and forms part of this Notice.
12. Electronic copy of the Annual Report / Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being

sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
14. Pursuant to Clause 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has entered into an agreement with Central Depository Services Limited (CDSL) to provide members the facility to exercise their right to vote at the 20<sup>th</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).
15. Mr V K Sankararaman of VKS & Associates, Company Secretaries will be acting as the Scrutiniser to scrutinise the e-Voting process. The Scrutiniser shall within a period of not exceeding three(3) days from the conclusion of the e-Voting period make a Scrutiniser Report and submit to the Chairman of the Company. The results shall be declared on or after the 20<sup>th</sup> AGM of the Company. The results declared by the Scrutiniser shall also be placed on the Company's website.
16. The instructions for e-Voting are as under:
  - (i) The voting period **begins on 24<sup>th</sup> September 2014 at 9.00 AM IST and ends on 26<sup>th</sup> September 2014 at 6.00 PM IST.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30<sup>th</sup> August 2014 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-Voting website **www.evotingindia.com**.
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

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

# Quintegra Solutions Limited

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Quintegra Solutions Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

By order of the Board

Place : Chennai  
Date : 20.08.2014

**Shankarraman Vaidyanathan**  
Chairman

## ANNEXURE TO THE NOTICE

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

#### Item No 2: Mr G Venkatarajulu (Independent Director)

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



**Item No 4: Mr R Kalyanaraman (Independent Director)**

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

**Item No 5: Mr V Sriraman (Wholetime Director)**

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

**B. Explanatory statement pursuant to Section 102 of the Companies Act, 2013.**
**Item No 2 & 4.**

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

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

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

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

**Memorandum of Interest**

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

**Item No 3:**

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

period of three years from the date of commencement of the act to comply with the requirement.

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

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

**Memorandum of Interest**

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

**Item No 5:**

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

**Memorandum of Interest**

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

By order of the Board

Place : Chennai  
Date : 20.08.2014

**Shankarraman Vaidyanathan**  
Chairman

# Quintegra Solutions Limited

## DIRECTORS REPORT

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

## FINANCIAL HIGHLIGHTS

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

## REVIEW OF OPERATIONS AND OUTLOOK

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

## FIXED DEPOSITS

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

## DIVIDEND

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

### 2. OPPORTUNITIES AND THREATS

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

- Targeted cyber attacks:** The attack on networks is changing with organized crime syndicates are behind the cyber attacks. Instead of one go information, even targeted attacks can now extract data over a longer period of time.
- Data breaches:** Data escapes from inside organizations from intentional leaks from some employees to blunders involving misplaced laptops. It is found that almost 50 percent of data breaches were inside jobs. Companies need to be more vigilant about who has access to information, especially 'when it comes to corporate networks outside the firewall.
- Cloud computing:** Opens up a new set of data-security concerns, mainly because companies must relinquish control of security to an outside party. While cloud computing providers are trying their best to build secure data centers, the way data is stored in the cloud - especially in shared environments alongside other customer data - is different from how a company might store it themselves and poses security concerns.
- Social networks:** Corporate employees are inadvertently leaking company data in social networking. Apart from the vulnerabilities in these online applications that seep into corporate networks. Third-party applications that employees can access through Facebook may also pose security threats unknown to corporate IT administrators. The Company constantly re-aligns its policies to mitigate the threats.

### 4. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

(Rs. lacs)	
BFSI	531.75
Other emerging verticals	496.05
Total	1027.80

### 5. OUTLOOK

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

### 6. RISKS AND CONCERNS

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

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



- II. **Performance of the key clients:** Any loss or reduction in the revenues of these clients may pass on to the company either by down sizing or cancellation of projects,
- III. **Fluctuation in Exchange Rates:** A common phenomena on which the company's performance is linked to and may affect the results of the company.
- IV. **Market Competition:** Like any other industry market competitions in the industry are on the increase every year which gives clients more options to choose thereby forcing the company to reduce prices in order to stay in business.
- V. **Professional Skill:** Identifying a highly skilled professional is not only difficult but also costlier. Thus increase in project cost and reduction in price would make it difficult for the company to break even.
- VI. **Business disruption or IT system failure risk:** Business disruption following a major outage event or a failure of our IT systems could cause a disruption in the Company's services and reduce client confidence.
- VII. **Statutes and regulations:** Statutory Restrictions imposed through legislation and regulatory authorities of different countries vary and thus make the company difficult to comply with, or pay more for compliance or the client is restricted to go for outsourcing.
- VIII. **Others:** Unauthorised access to confidential data, loss/ theft of critical information, corruption of data during conversion process, storage, recovery and security of electronic data/records and delay in meeting delivery schedules due to bottlenecks at various stages.

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

## 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## 8. FINANCIAL PERFORMANCE

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

## 9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

## DIRECTORS

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

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

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

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

## AUDITORS

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

## HUMAN RESOURCES

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

# Quintegra Solutions Limited

## CORPORATE GOVERNANCE REPORTS

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

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

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

## AUDITORS REPORT

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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.

## ACKNOWLEDGEMENT

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

By order of the Board

Place : Chennai  
Date : 20.08.2014

**Shankarraman Vaidyanathan**  
Chairman

## ANNEXURE TO DIRECTORS REPORT

### Annexure 1

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

#### 1. Conservation of Energy

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

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

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

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

The Company has not imported any technology during the year.

### 4. Foreign Exchange Earnings and Outgo

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

### Annexure 2

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

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

For and on behalf of the Board

Place : Chennai  
Date : 20.08.2014

**Shankarraman Vaidyanathan**  
Chairman