Quintegra Solutions Limited

16TH

ANNUAL REPORT

2009 - 10

quintegra

www.quintegrasolutions.com

India

Chennai
Global Headquarters

168,Eldams Road
Chennai -600 018.
Tamilnadu, India.
Tel : (+91 44) 4391 7100
Fax : (+91 44) 2432 8399

Malaysia

Level 40, Tower 2,
PETRONAS Twin Towers,
Kuala Lumpur City Centre,
50088, Kuala Lumpur, Malaysia.
Tel : (+603) 2168 4227 / 2168 4228
Fax : (+603) 2168 4201

Germany

Stromberger Strasse 2
55545 Bad Kreuznach Germany
Tel : (+49)671 920 275-1
Fax : (+49)671 920 275-9

San Jose

888,Saratoga Ave,Suite 201
San Jose,CA 95129
Tel : (+1)408-260-7342
Fax : (+1)408-260-1608

UK

68, St. Margarets Road
Edgware
Middlesex
HA8 9UU
Tel : (+44) 20 8966 9296
Fax : (+44) 20 8966 9396

Ireland

Riverside Two
Sir John Rogerson's Quay
Dublin 2. Co
Dublin
Tel : +353 (0)1 4180600
Fax : +353 (0)1 6177056

New Jersey

600 Alexander Road Ist Floor
Princeton,NJ 08540
Tel : (+1)609-356-5171
Fax : (+1)609-514-0305

Virginia

1660 International Drive
Suite 400,Mclean,
Virginia 22102
Unite states of America
Tel : (+1)703-288-5251
Fax : (+1)703-288-5240

CORPORATE INFORMATION 2009-10

BOARD OF DIRECTORS

Mr Shankarraman Vaidyanathan	–	*Chairman & MD*
Mr V Sriraman	–	*Wholetime Director*
Mr R Rengharajan	–	*Director (till 31.03.2010)*
Mr Meleveettil Padmanabhan	–	*Director*
Mr R Kalyanaraman	–	*Director*
Mr G Venkatarajulu	–	*Director*

REGISTERED OFFICE

Quintegra Towers,
168, Eldams 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

Eldams Road, Chennai, India.
Sanjose, USA
Kuala Lumpur, Malaysia

SUBSIDIARIES

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

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 28140801,
Fax: +91 44 28142479. e-mail: sureshbabu@iepindia.com

GRIEVANCE CELL/COMPLIANCE OFFICER

e-mail ID: investors@QuintegraSolutions.com

CONTENTS

	Page No
Profile of Board of Directors	2
Notice to Shareholders	3
Directors Report	5
Management Discussion & Analysis Report	8
Report on Corporate Governance	9
Auditors Report	16
Balance Sheet	18
Profit and Loss Account	19
Schedules	20
Cash Flow Statement	27
Statement of Interest in Subsidiaries	29
Audited Report on Consolidated Accounts	29
Consolidated Financial Statements	30
Subsidiaries:	
Quintegra Solutions Limited, UK	40
Quintegra Solutions (M) SDN BHD, Malaysia	43
Quintegra Solutions GmbH, Germany	47
Quintegra Solutions Ireland Ltd.	50
P A Corporation, USA	53

PROFILE - BOARD OF DIRECTORS

Shankarraman Vaidyanathan *Chairman and Managing Director*	• Post Graduate in Commerce. • About 20 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 *Wholetime Director*	• Graduate in Commerce and a Post Graduate in Business Administration. • More than 22 years experience in sales & marketing and in business development /administration
Mr R Rengharajan (till 31.3.2010) *Director- Non Executive*	• Associate Member of the Institute of Chartered Accountants of India. • 40 years overall experience in various areas of finance • 23 years with a leading private sector bank - operational and credit areas. • More than 9 years experience in software industries.
Mr Meleveettil Padmanabhan *Director- Non Executive*	• Graduate in Commerce and a Member of the Institute of Chartered Accountants of India • 37 years experience in Accounts, Auditing and Corporate Consultancy. • Represents the board of few other companies
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. • Represents the board of few other companies
Mr G Venkatarajulu *Director- Non Executive*	• Diploma in Civil Engineering • Has experience in various field like civil engineering, printing and computer technology • About 19 years experience in training and imparting computer skills to students and professionals.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Thursday, the 30th September 2010 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 2010 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To elect a Director in place of Mr G Venkatarajulu who retires by rotation and being eligible offers himself for reelection.
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 **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 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 25 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 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 : 02.09.2010

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. 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 Thursday, the 23rd September 2010 to Thursday, the 30th September 2010 (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/REAPPOINTED

Item No 2:

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

Academic Background	Holds Diploma in Civil Engineering
Nature of expertise	Has experience in various field like civil engineering, printing and computer technology; About 19 years experience in training and imparting computer skills to students and professionals.
Directorship in other Companies	1
Committee Membership	**In the Company:** Nil **In other Companies:** Nil
Shareholding of the Director in the Company	Nil

B. EXPLANATORY STATEMENT

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

Item No 4:

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 25 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 4 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 : 02.09.2010

Shankarraman Vaidyanathan
Chairman & Managing Director

DIRECTORS REPORT

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Financial Statements for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Total Income	3,739.04	7,751.04
Expenditure	3,495.93	7,549.06
Interest	1,188.92	1,543.60
Depreciation & Exceptional Items	632.06	788.47
Profit /(Loss) before tax	(1,577.87)	(2,130.09)
Provision for tax	0.52	211.68
Profit after tax	(1,578.39)	(2,341.78)
Balance brought forward from previous year	165.66	2,607.35
Available for appropriation	–	265.57
General Reserve	–	99.91
Balance carried forward	(1,412.73)	165.66

REVIEW OF OPERATIONS AND OUTLOOK

OPERATIONS

The Company has not recovered from the burden of the heavy loss incurred by take over of some companies as briefed in the last Annual Report. Even though the recession is in the process of easing out during the year, the impact has not yet been felt by your company. The negative impact on business due to recession continues which is reflected in the revenues and loss for the year.

OUTLOOK

The Company puts in all out efforts to come out of the set backs and is optimistic to turn around the table in the years to come. The Company is continuously taking steps to reduce overheads, postpone/shelve expansion programmes. Your Company is optimistic that it will get over the difficult situation and show better results in the years to come.

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 2010.

DIRECTORS

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

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

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 reappointment 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 20,857 for the year ended 31 March 2010 as against the loss of GBP 18,685 for the previous year.

Quintegra Solutions (M) SDN BHD, Malaysia

The subsidiary had posted a loss of RM 376,206 during the financial year ended 31 March 2010 as against the profit of RM 22,400 for the previous financial year.

Quintegra Solutions GmbH, Germany

The subsidiary had posted a net loss of Euros 7,029 for the financial year ended 31 December 2009 as against the net loss of Euros 5,689 for the previous financial year.

Quintegra Solutions Ireland Limited

During the year, the subsidiary had incurred a loss of Euro 8,167 for the financial year ended 31 March 2010 as against the loss of Euro 1,750 for the previous year.

P A Corporation, USA

The Subsidiary had incurred a net loss of US$ 1,390,980 during the financial year ended 31 December 2009 as against a net loss of US$ 18,905 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 carter today's needs and also with an eye for future business trends are meticulously designed and executed.

EMPLOYEES STOCK OPTION SCHEME

Neither the Company had granted nor the employees had exercised any options during the current financial year. 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.

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 Finance In-charge 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:

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

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

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

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

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

There are no employees posted in India who are covered under Section 217(2A) read with Companies (Particulars of Employees) Rules 1975. However, 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 : 02.09.2010

Shankarraman Vaidyanathan
Chairman & Managing Director

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**

   Eventhough the operations of your Company require 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 in order to save energy. However, the financial impact of these measures is not material.

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

   Research and Development is being carried out on need basis. Development on new systems, design and methodology continues to upgrade existing quality, reduce lead time, enhance customer satisfaction and to capture new clients. The benefits of these initiatives are likely to reflect in the years to come. 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.

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 posted in India who are covered under Section 217(2A) read with Companies (Particulars of Employees) Rules 1975

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 the 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
8	Money realized by exercise of Options	1,098,400
9.	Total number of Options in force	262,245
10.	Employee wise details of options granted	The Company has not grated any options during the current financial year.
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS - 20) Earnings Per Share	(5.83)
12 a.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	The Company has used the intrinsic value method of accounting. had it used the Fair Value Method following would be the impact. Rs. Net Income as reported (157,839,304) Add Intrinsic value compensation cost – Less Fair value compensation cost – Adjusted proforma Net Income (157,839,304)
12. b.	The impact of this difference on profits and on EPS of the company shall also be disclosed.	Nil
13. a.	Weighted average exercise prices for options whose exercise price - i. equals market price ii. exceeds market price iii. is less than market price	The Company has not granted any options during the current Financial year
13. b.	Weighted fair values for options whose exercise price - i. equals market price ii. exceeds market price iii. is less than market price	The Company has not granted any options during the current Financial year
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: i. risk free rate ii. expected life iii. expected volatility iv. expected dividends and v. the price of the underlying share in the market at the time of option grant.	The Company has not granted any options during the current Financial year

By order of the Board

Place : Chennai
Date : 02.09.2010

Shankarraman Vaidyanathan
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Pursuant to Clause 49 of the Listing Agreement)

1. OVERVIEW

Quintegra Solutions Limited (Quintegra) is a leading IT services and consulting company delivering services through innovative and customized solutions. With over 16 years of experience, the Company provides services in a global delivery model consisting of customer relationship management offices and development centers spread across the world. Evolving core competence in all its line of activities, Quintegra provides a wide range of IT services to industries like financial services, manufacturing, education, healthcare and hi-technology. It delivers a full range of service offerings covering the software services spectrum of application development and maintenance, product services, testing and professional services. Over the years, the Company has built a reputation as the best-value services provider among its clients. Most importantly, Quintegra has built a fine track record of excellence to earn this distinction. With headquarters in Chennai - India, Quintegra operates across the globe with offices in USA, UK, Malaysia etc., The Company is SEI CMM Level 4 and ISO 27001:2005 certified.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

As per NASSCOM Strategic Review 2010, world-wide technology and related products and services spend is estimated to have crossed USD 1.5 trillion in 2009, a decline of 2.9% over 2008. Due to the global economic slowdown, considerable reductions were experienced in IT service spends across categories as global corporations cut back on discretionary spends and focused on leveraging IT spends to drive organisation-wide ef?ciencies, business transformation and adoption of new business models.

As per NASSCOM Strategic Review 2010, IT services spend is estimated to cross US $ 1.5 trillion in 2009, a decline of about 3% over last year. The economic slow down resulted in reductions in spending in the ?rst half of 2009 and signs of pick up became visible in the second half. This reduction in spend was by means of either delaying the decisions or putting on hold some new IT projects. This led to both pricing and volume pressures for IT service providers. However, in the second half of 2009 as economic growth showed signs of revival many companies started focussing on process improvements, reducing cycle time, consolidating infrastructure and increasing speed to market . Globally, technology spending is expected to further increase in proportion with the speed of economic recovery. Information technology being an integral part of business operations is seen by companies as key for productivity improvement and business transformation. Global technology spend is expected to increase from USD 1.6 trillion in 2008 to USD 1.9 trillion by 2013 at a Compounded Annual Growth Rate (CAGR) of 3.5%.

Quintegra, being a part of this industry, is trying to exploit latest business and technology trends by adopting new strategies in order to provide improved and simplified solutions with increased process capabilities and additional value to its clients. In addition, Quintegra is focusing on customer satisfaction by closely interacting with the customers and narrowing the gaps between clients and the company. Quintegra also monitors the developments in the industry for continuous improvements and course corrections.

3. OPPORTUNITIES AND THREATS

Quintegra practice groups are centered on high growth areas like testing, SAP, Consulting, Infrastructure Management, BFSI, Healthcare, Education and Logistics which are ideal platforms to continue to create value for clients across the globe. Opportunities exist to address pain points of clients in the BFSI Sector who are looking to radical rebalancing of their IT portfolio. Along with services, Quintegra is also involved in developing a strong portfolio of enterprise management products in the growing areas of healthcare, education and logistics.

Advanced economies are projected to expand sluggishly in 2010, with the continuance of unemployment situation Annual growth in 2010 is projected to be about 1.25 percent, following a contraction of 3.5 percent in 2009. The shadows caste over IT fortunes on account of global financial meltdown have still not completely cleared even though 2009-10 showed signs of recovery as compared to the previous year. The investments made in acquisitions had not resulted in returns and growth as expected. With a slow economic recovery anticipated in the developed markets in 2010, there is a change in the contours of global business. However, Quintegra views the situation optimistically as an opportunity to re-think, re-prioritise, re-evaluate and re-align the Company's policies and work patterns.

4. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

In 2009-10, the break-up of revenues among Quintegra's domains were as follows:

(Rs. lacs)

	2009-10	
	Consolidated	Standalone
BFSI	1980.80	1945.61
QASS	1025.20	1022.28
Other emerging verticals	783.27	770.58
Total	3789.27	3738.47

5. OUTLOOK

In general, it is expected that the industry will operate conservatively, continuing to reduce headcounts and discretionary spending. Most industry are expecting new IT investment and project work to continue in recession while some others feel that technical spending will be vital in helping business to boost efficiency, save money and retain customers. Software companies in India are driving force in the economy of the nation which contributes nearly five percent in the GDP of the country. Quintegra is set to bring more focus on developing domain expertise, improving efficiency and productivity and customising their product to enhance client satisfaction. To perform better in the domestic sector, Quintegra is making sincere efforts to acknowledge and understand the requirements of Indian enterprises, evolve India-centric pricing models and demonstrate greater flexibility. The Company is adopting various measures to meet steep rise in operational cost and to remain alive during the current slow recovery phase. Cost reduction and effectiveness of product and services is expected to play a pivotal role in retaining existing business ventures.

6. RISKS AND CONCERNS

With a slow economic recovery anticipated in the developed markets in 2010, there is a change in the line of global business. The Company has to adapt to the changing environment in order to sustain its place. Eventhough efforts are taken to stay in place, various other factors make it difficult to cope with. To mention a few, the borrowed funds and its deployment in various operations of the Company becomes risky. Employees retention cost, attrition of skilled resources are causes of concern. High volatility of global currencies which are the main sources of Company's revenue enhances impact on financial risks - credit risk, currency risk and liquidity risk.

The Company believes in risk management processes and adopting positive steps to mitigate risks related to various segments - Strategic (Art of Planning), Business (Art of Execution) Project (Means of Business) and Technology (Know-how), Finance (Monetary Control), Legal (Statutory Compliance) and Human Resources (People Management). All project groups are required to monitor the performance against plan and report to the executive management periodically explaining the reasons for variations. Various measures - such as risk identification, assessment of its impact, use of appropriate measures- are employed by Quintegra to monitor and mitigate risks.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Quintegra has an effective internal control mechanism and processes comprising of budgetary control, policies and procedures in place for the smooth conduct of its businesses,. To check these processes, Quintegra has both external and internal audit systems. The auditors have access to all records and information about the Company. This ensures adequacy of internal control systems and their adherence to management policies & statutory requirements. The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee guides the internal audit department by periodically reviewing its functioning. The Audit Committee follows up on the implementation of corrective actions. The Committee interacts with statutory auditors to ascertain the adequacy of internal control systems. Audit Committee Minutes are placed before the Board for its information.The Board oversees the effective governance through competent management, implementation of standard policies and processes, maintenance of an appropriate audit program & internal control environment, effective risk monitoring; 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. The management of Quintegra accepts the responsibility for the integrity and objectivity of these financial statements and the basis for various estimates and the judgment used in preparing the financial statements.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Company strongly believes that human resources are the key to its success. Quintegra's HR strategy is designed and corrected from time to time to fall in line with the changes in the environment. Company's philosophy is to hire best talents and impart necessary training not only to cater the needs of the clients but also to handle new trends in technology. Our priority has always been to ensure uncompromising quality, zero slippage in our service levels and productivity of our employees. This was met by implementing continuous performance reviews resulting in retaining the right person for the right job. Recognition of Performers through rewards/ promotion is a continuous process.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Quintegra Solutions Limited (Quintegra) has always been committed to the highest standards of quality and business integrity. Quintegra continually strives to honour its commitments which enables the Company to keep its reputation for quality and integrity. The Company strongly believes in adhering to sound principles of corporate governance through corporate fairness, transparency, accountability and professionalism. This belief is the foundation on which the Company builds ethical business, maintains reputation and gains investors confidence and customers goodwill. Quintegra follows industry-best corporate governance practices with regard to composition of the board, constitution of committees, code of ethics, disclosures, accounting & auditing, information review, risk management, internal controls, compensation packages and statutory compliance. Quintegra is also committed to promote the interests of all stakeholders - customers, shareholders, employees, lenders, vendors and the Government. The Board empowers responsible professionals to act freely within its broad policies and guidelines and has set up adequate review processes.

2. BOARD OF DIRECTORS

a) Composition

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

Promoter and Executive Director (incl. Chairman) - 2

Non executive independent director - 3

S. No.	Name of the Director	Category	*Other directorship	Other Committee membership	No of Shares held in the Company
1.	Mr Shankarraman Vaidyanathan (Chairman & MD)	Promoter/ Executive Director	4	–	4442160
2.	Mr V Sriraman (Wholetime Director)	Promoter/ Executive Director	–	–	52000
3.	Mr R Rengharajan **	Non Executive/Non Independent Director	–	–	–
4.	Mr Meleveettil Padmanabhan	Non Executive/ Independent Director	2	2	–
5.	Mr R Kalyanaraman	Non Executive/ Independent Director	2	–	–
6.	Mr G Venkatarajulu	Non Executive/ Independent Director	1	–	–

**does not include companies incorporated outside India. ** Mr R Rengharajan resigned from the Board wef 31.3.2010*

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

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

b) Board Procedure

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

c) Board Meetings

The Board met 5 times during the financial year on 27.4.2009, 31.7.2009, 31.8.2009,30.10.2009 and 29.1.2010. The attendance of the Directors at the Board Meeting and the last AGM are given below:

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

3. BOARD COMMITTEES

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

I) Audit Committee

a) Composition

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

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

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

b) Role

The role of the Audit Committee, in brief, includes a review of financial reporting process and quarterly financial statements, internal controls and internal audit system, accounting policies and practices, management discussion and analysis of financial position and results of operations, directors responsibility statement, statement of significant related party transactions, whistle blower mechanism. The Committee also recommends to the Board, the appointment/remuneration of statutory auditors. The Committee holds periodical discussions with the statutory auditors on various financial matters. The 'Charter' of the Audit Committee is in line with the guidelines of Clause 49 of the Listing Agreement.

c) Meetings

The Committee met 5 times during the financial year on 27.4.2009, 31.7.2009, 31.8.2009, 30.10.2009 and 29.1.2010. The attendance of the members are given below:

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

II) Remuneration Committee

a) Composition

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

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

**Resigned wef 31.3.2010*

b) Role:

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

c) Meetings

The Committee did not meet during the year as there was no requirement.

III) Shareholders/Investors Grievance Committee

a) Composition

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

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

b) Role

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

c) Meetings

The Committee met 2 times during the financial year on 30.10.2009 and 29.1.2010. The attendance of the members are given below:

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

3 Investors complaints had been received from the shareholders during the year and they have been resolved to the satisfaction of shareholders. There were no transfers pending as on 31.03.2010. The Board has also delegated the power of approving the transfer, transmission etc. of securities to the Chairman.

IV) Compensation Committee (ESOS-2006)

The Compensation Committee (ESOS- 2006) constituted with Mr Shankarraman Vaidyanathan as Chairman and Mr Meleveettil Padmanabhan and Mr R Kalyanaraman as Members. No meeting was held during the year.

V) Compliance Officer

Consequent to the resignation of Company Secretary, Chairman & Managing Director takes care of the compliances.

VI) Procedure for Committee Meetings

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

4. DIRECTORS' REMUNERATION

a) Policy

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

b) Remuneration for 2009-10

(i) Executive Directors

Name	Fixed Components			Variable Components	Service Terms	Stock Options
	Salary & Allowances	Retirement benefits	Other benefits			
Mr Shankarraman Vaidyanathan	2,100,000	216,000	–	–	3 years wef 18.1.2009 *	Nil
Mr V Sriraman	600,000	36,000	–	–	3 years wef 18.5.2008	Nil
Total	2,700,000	252,000				

** Mr Shankarraman Vaidyanathan was re- appointed as MD.*

(ii) Non-Executive Directors

Sl No	Name	Sitting Fees (Rs)
1.	Mr Meleveettil Padmanabhan	5,000
2.	Mr R Kalyanaraman	5,000
3.	Mr R Rengharajan	5,000
4.	Mr G Venkatarjulu	5,000
	Total	20,000

5. GENERAL MEETINGS

a) Last 3 Annual General Meetings

Year	Date	Time	Venue
2006-07	26.9.2007	9.30 AM	Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018
2007-08	29.9.2008	10.00 AM	Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018
2008-09	30.9.2009	10.00 AM	Russian Cultural Centre, 74, Kasturi Rangan Road, Alwarpet, Chennai 600 018

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

S. No	Business	Passed on
1.	Reappointment of Mr Shankarraman Vaidyanathan as Managing Director pursuant to Sections 269,198, 309 and Schedule XIII of the Companies Act, 1956	30.9.2009
2.	Issue of further shares/securities/FCD/PSD/CDR/ADR etc pursuant to Section 81(1A) of the Companies Act, 1956.	30.9.2009
3.	Re-appointment of Mr V Sriraman as Wholetime Director pursuant to Sections 269,198, 309 and Schedule XIII of the Companies Act, 1956	29.09.2008
4.	Keeping Register of Members and Share transfer books with RTA pursuant to Section 163 of the companies Act., 1956	29.09.2008
5.	Issue of further shares/securities/FCD/PSD/CDR/ADR etc pursuant to Section 81(1A) of the Companies Act, 1956.	29.09.2008
6.	Increase in remuneration payable to Mr Rengharajan, Wholetime Director for the period from 1st September 2006 to 31st January 2007 pursuant to Sections 198,269,309, 310 and Schedule XIII of the Companies Act, 1956	26.09.2007
7.	Permission to FIIs, OCBs, NRIs etc. all taken together to hold equity shares of the Company upto a maximum aggregate limit of 100% of the paid up capital of the company as may be permitted under the provisions of FEMA (Transfer or issue of security by a person resident outside India) Regulations 2000.	26.09.2007
8.	Issue of further shares/securities/FCD/PSD/CDR/ADR etc pursuant to Section 81(1A) of the Companies Act, 1956.	26.09.2007

c) Postal Ballot

There were no resolutions passed through Postal Ballot during 2009-10

6. CODE OF CONDUCT AND INSIDER TRADING CODE

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

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

7. DISCLOSURES

a) Materially significant related party transactions

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

b) Details of non-compliance

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

c) Whistle Blower Policy

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

d) Details of Compliance

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

8. MEANS OF COMMUNICATION

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

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

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

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

9. DESIGNATION OF AN E-MAIL ID

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

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

11. GENERAL SHAREHOLDER INFORMATION

Annexed to the Report

For and on behalf of the Board

Place : Chennai
Date : 02.09.2010

Shankarraman Vaidyanathan
Chairman & Managing Director

GENERAL SHAREHOLDER INFORMATION

1. Name of the Company : Quintegra Solutions Limited
2. Registered Office of the Company : 168, Eldams Road, Teynampet, Chennai 600 018
3. Forthcoming Annual General Meeting : Wedsnesday, 30th September 2010 at 10.00 A.M. 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 the quarter ending	Tentative Schedule
30th September 2010	Last week of October 2010
31st December 2010	Last week of January 2011
31st March 2011	Last week of April 2011
30th June 2011	Last week of July 2011
Annual General Meeting	September 2011

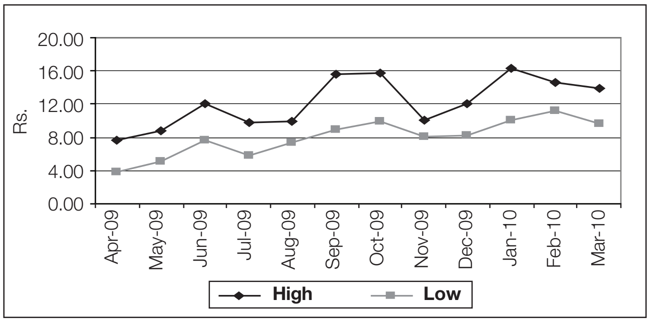
5. Book Closure Period : Thursday, the 23rd September 2010 to Thursday, the 30th September 2010 (both days inclusive)
6. Share Capital : The paid up Capital Rs 26,81,38,300 comprising of 2,68,13,830 equity shares of Rs 10/- each.
7. Dividend Payment Date : Not Applicable
8. Listing on Stock Exchanges

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

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

Month	High	Low	Month	High	Low
Apr-09	7.60	3.90	Oct-09	15.70	9.90
May-09	8.85	5.10	Nov-09	10.05	8.05
Jun-09	12.00	7.60	Dec-09	12.10	8.25
Jul-09	9.80	5.85	Jan-10	16.30	10.05
Aug-09	10.00	7.40	Feb-10	14.55	11.20
Sep-09	15.65	9.00	Mar-10	13.85	9.60

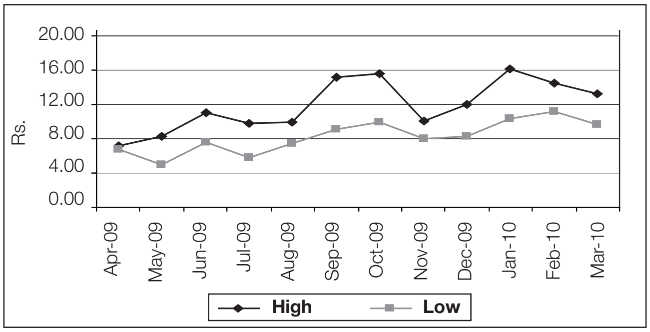
ii) Share Price Performance Graph - NSE Nifty (Rs.)



10. i) Market Price Data - BSE Sensex
(Nominal Value of Share Rs 10/-)

Month	High	Low	Month	High	Low
Apr-09	7.14	6.79	Oct-09	15.59	9.91
May-09	8.23	4.96	Nov-09	10.05	8.06
Jun-09	11.00	7.61	Dec-09	12.04	8.30
Jul-09	9.85	5.75	Jan-10	16.10	10.31
Aug-09	9.93	7.50	Feb-10	14.55	11.12
Sep-09	15.17	9.05	Mar-10	13.18	9.70

ii) Share Price Performance Graph - BSE Sensex (Rs.)



11. 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

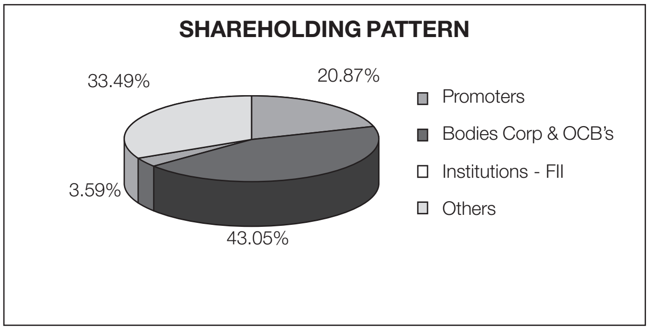
12. Share Transfer System

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

13. Pattern and Distribution of Shareholding

a) Shareholding Pattern (as on 31.3.2010)

Shareholders category shares	Shareholding	
	No. of Capital	% to total
Promoters	5595938	20.87
Bodies Corp & OCB's	11542758	43.05
Institutions- FII	962511	3.59
Others	8712623	32.49
Grand Total	**26813830**	**100.00**



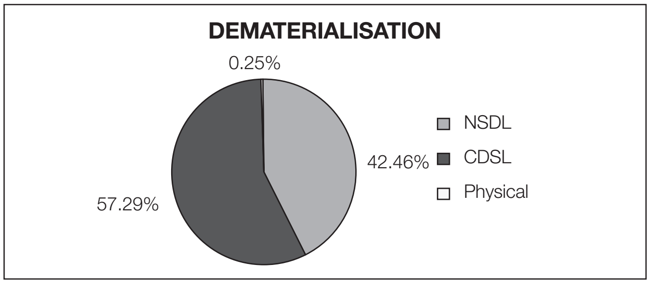
b) Distribution of Shareholding (as on 31.3.2010)

No. Shares		No of Holders	%	No. of Shares	%
Upto	500	4335	72.99	715122	2.67
501	1000	626	10.54	538369	2.01
1001	2000	363	6.11	571246	2.13
2001	3000	156	2.63	404272	1.51
3001	4000	78	1.31	279501	1.04
4001	5000	79	1.33	379781	1.42
5001	10000	131	2.21	1016442	3.79
Above	10000	171	2.88	22909097	85.43
TOTAL		**5939**	**100.00**	**26813830**	**100.00**

14. 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. 26744535 equity shares, constituting 99.74% of the total paid up capital, are already in dematerialized form.

Category	shares	%
NSDL	11385878	42.46
CDSL	15360097	57.29
Physical	67855	0.25
Total	**26813830**	**100.00**



Company's Demat ISIN : INE033B01011

15. 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.

16. Address for Correspondence

Quintegra Solutions Limited,
168, Eldams Road, Teynampet, Chennai - 600 018.
Tel No: +91 44 43917100 / 24328395 Fax No.: +91 44 2432 8399
e-mail ID viz. investors@QuintegraSolutions.com

17. Unpaid/Unclaimed Dividend

During the financial year, the company has transferred a sum Rs 1.89 lacs being the Unpaid/unclaimed Dividend - 2000-01, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

18. Office Locations

Given elsewhere in the Annual Report.

For and on behalf of the Board

Place : Chennai
Date : 02.09.2010

Shankarraman Vaidyanathan
Chairman & Managing Director

CONFIRMATION ON CODE OF CONDUCT

(Pursuant to Clause 49 of the Listing Agreement)

To the Members of Quintegra Solutions Limited

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreements with the Stock Exchanges, I hereby confirm that for the financial year ended March 31, 2010, the Board members and the employees have affirmed compliance with the Code of Conduct framed by the Company.

Place : Chennai
Date : 02.09.2010

Shankarraman Vaidyanathan
Chairman & Managing Director

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, 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended March 31, 2010, no investor grievances are pending for a period exceeding one month against the Company, as per the records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Gopikumar Associates**
Chartered Accountants
FRN : 000981S
S Gopinath
Partner
Membership No: 23854

Place : Chennai
Date : 02.09.2010

AUDITOR'S REPORT

To the Members of M/s. Quintegra Solutions Limited

We have audited the attached Balance Sheet of M/s. QUINTEGRA SOLUTIONS LIMITED ("the Company") as at 31st March 2010, the Profit & Loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order 2004 ("the order") issued by the Central Government of India in terms of sub-section (4A) of the Section 227 of the Companies Act, 1956 (the Act), we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to above, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the those books.

c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.

e. On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956; and

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes 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 31st March, 2010.

    b. In the case of Profit & Loss account, of the Loss of the Company for the year ended on that date; and

    c. In the case of the Cash flow statement, of the cash flows for the year ended on that date.

For **GOPIKUMAR ASSOCIATES**
Chartered Accountants
FRN : 000981S
S Gopinath
Partner
M. No. 023854

Place : Chennai
Date : 02.09.2010

Annexure to the Auditors' report referred to in paragraph 3 of our report of even date.

The Annexure referred to in our report to the members of M/s QUINTEGRA SOLUTIONS LIMITED ('the Company') for the year ended 31st March 2010. We report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
   b. The company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
   c. Fixed Assets disposed off during the year were not substantial and therefore does not affect the going concern assumption.
2. The company is a service company, primarily rendering Information Technology services. Accordingly it does not hold any physical inventories. Thus paragraph 4(ii) of the order is not applicable.
3. a. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 301 of the act.
   b. The Company has not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under Section 301 of the act except an unsecured loan from Trusted Aerospace Engineering Limited. The said loan is interest free and the balance outstanding as on 31st March 2010 is Rs. 10.64 crores (Previous Year 12.38 crores)
   c. Recurring transactions during the course of business are classified under advances. No interest is applicable to such types of inter company advances. Repayment of principal and interest are not applicable as they are not in the nature of loan.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchases of fixed assets and for the sale of solutions and services. During the course of our audit no major weakness has been noticed in the above controls and therefore reporting of the same does not arise.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of Companies Act, 1956 have been entered in the register required to be maintained under that section.
   b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs.5 Lakh with any party during the year have been made at a price which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public under the provisions of Section 58A and Section 58AA of the Act and rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company. Accordingly, paragraph 4 (viii) of the order is not applicable.
9. a. According to the information and explanations given to us and on the basis of our examination of the records of the company, amount deducted /accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities wherever applicable except the following,

Statement of Arrears of Statutory Dues Outstanding for more than 6 Months as on 31st March 2010

1. TDS on Salaries amounting to Rs. 155,07,872 pertaining to the FY 2008-09 under Income Tax Act, 1961.
2. Tax on dividend Rs. 13,67,103 pertaining to the FY 2007-08 under Income Tax Act, 1961.
3. Professional Tax of Rs. 2,62,128 (Rs. 180,055 pertains to 2008-09 and Rs. 82,073 for pertains to 1st half year of 2009-10) and Property and Watertax of Rs. 82,964 pertaining to 1st half year of FY 2009-10.

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

There were no dues on account of Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government of India.

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

Rs. In Lacs

Statute	*Assessed/Reassessed Demand	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	16.24	2002-03	ITAT
	6.53	2004-05	Not Appealed
	49.31	2007-08	CIT (Appeals)
U/s 269UC and 269UL(2) Income Tax Act, 1961	5.00#	2002-03	City Civil Court

* *The above figures are net of taxes paid on self assessment. As against the above assessed / Reassessed demands, Rs.1,51,65,000 has been recovered from the company towards various assessment years, by the Income Tax Department.*

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

10. The Company has no accumulated losses at the end of the financial year as on March 31, 2010 and has incurred cash losses during the financial year ended on that date and also in the immediately preceding financial year.
11. The Company has defaulted in repayment of dues including interest and principal to State Bank of India, Overseas Branch, Chennai on its various fund facilities availed, outstanding at the year end amounting to Rs.119.12 Crores. The unpaid interest provided for in the books of accounts on the said loan amounts to Rs.12.39 Crores.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society. Accordingly, paragraph 4(xiii) of the order is not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other financial instruments.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. Term Loans were applied for the purpose for which the loans were obtained.
17. Funds raised on short-term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of The Companies Act, 1956.
19. There is no debentures against which securities have to be created.
20. Disclosure on the end use of money raised by public issue is not applicable.
21. No fraud on or by the Company has been noticed or reported during the year.

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

S Gopinath
Partner
M. No. 023854

Place : Chennai
Date : 02.09.2010

Quintegra Solutions Limited

BALANCE SHEET AS AT

(in Rs.)

	Schedule No.		31.03.2010		31.03.2009
I. Source of Funds					
1 Shareholders' Funds :					
a. Share Capital	1	268,138,300		268,138,300	
b. Reserves and Surplus	2	317,635,038		474,607,257	
			585,773,338		742,745,557
2 Loan Funds :	3				
a. Secured Loans		1,191,296,375		1,151,755,380	
b. Unsecured Loans		122,657,878		168,876,449	
			1,313,954,253		1,320,631,829
3 Deferred Tax Liability	4		39,371,205		39,371,205
			1,939,098,796		**2,102,748,591**
II. Application of Funds					
Fixed Assets :	5				
Gross Block		1,166,004,780		1,168,096,590	
Less : Depreciation		326,186,384		308502,365	
Net Block			**839,818,396**		**859,594,225**
Investments	6		**765,964,971**		**765,964,971**
Current Assets, Loans and Advances					
a. Sundry Debtors	7	524,886,387		492,385,325	
b. Cash & Bank Balances	8	5,751,052		2,845,922	
c. Loans and Advances	9	(23,414,510)		144,005,501	
		507,222,930		**639,236,748**	
Less : Current Liabilities and Provisions					
a. Current Liabilities	10	164,658,665		151,309,538	
b. Provisions	11	9,248,836		10,737,815	
		173,907,501		**162,047,353**	
Net Current Assets			333,315,428		477,189,395
			1,939,098,796		**2,102,748,591**
Significant Accounting Policies and Notes to Accounts	19				

The schedules referred to above are an integral part of these Financial Statements

As per our Report of even date

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

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

PROFIT AND LOSS ACCOUNT

(in Rs.)

		Schedule No.	**For the Year ended 31.03.2010**	For the Year ended 31.03.2009
I.	**Income**			
	a. Software Services	12	373,847,298	772,009,878
	b. Other Income	13	57,538	3,094,668
			373,904,836	**775,104,546**
II.	**Expenditure**			
	a. Compensation & Benefits	14	274,051,686	589,394,892
	b. Administration Expenses	15	65,610,873	144,853,875
	c. Selling & Distribution Expenses	16	9,930,847	20,658,100
	d. Interest & Finance Charges	17	118,892,001	154,360,356
	e. Depreciation, Amortisation & Exceptional Item	18	63,206,615	78,847,168
			531,692,021	**988,114,391**
III.	**Profit /(Loss) Before Tax**		**(157,787,185)**	**(213,009,845)**
IV.	**Tax Expenses**			
	a. Current Tax		–	–
	b. Fringe Benefit Tax - Previous Year		52,119	1,227,695
	c. Deferred Tax		–	19,940,769
			52,119	21,168,464
V.	**Profit / (Loss) After Tax**		**(157,839,304)**	**(234,178,309)**
VI.	**Provision for Dividend & Dividend Tax**			
	a. Dividend		–	–
	b. Dividend Tax		–	–
VII.	**Balance Brought forward from last year**		**16,566,043**	**260,735,773**
VIII.	**Amount transferred to general Reserve / other reserves**		**–**	**9,991,421**
	Profit / (Loss) Carried forward to Balance Sheet		**(141,273,261)**	**16,566,043**
	Earnings Per Share - Basic		(5.89)	(8.74)
	- Diluted		(5.83)	(8.65)
	Significant Accounting Policies and Notes to Accounts	19		

The schedules referred to above are an integral part of these Financial Statements

As per our Report of even date

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

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

(in Rs.)

		31.03.2010		31.03.2009
Schedule 1				
Share Capital				
a. Authorised Share Capital				
45,000,000 (Prev. year 45,000,000) Equity Shares of Rs. 10/- each		450,000,000		450,000,000
b. Issued, Subscribed & Paid Up Capital				
26,813,830 (Prev. year 26,813,830) Equity Shares of Rs. 10/- each		268,138,300		268,138,300
		268,138,300		**268,138,300**
Schedule 2				
Reserves & Surplus				
a. General Reserve				
Opening Balance	49,462,799		49,462,799	
Add: Transferred during the year	–		–	
		49,462,799		49,462,799
b. Securities Premium				
Opening Balance	431,433,100		431,433,100	
Add: Received during the year	–		–	
		431,433,100		431,433,100
c. Profit & Loss Account				
Opening Balance	16,566,042		260,735,773	
Add: Reserves on conversion of Investment	–		(9,991,421)	
Add: Received during the year	(157,839,304)		(234,178,310)	
		(141,273,262)		16,566,042
d. Exchange Re-instatement Reserve		(21,987,599)		(22,854,684)
		317,635,038		**474,607,257**
Schedule 3				
Loan Funds				
(a) Secured Loans*				
a. Bank Overdraft / Term Loan / Working Capital				
Team Loan	980,965,844		950,611,831	
Working Capital	210,330,531		201,143,549	
		1,191,296,375		**1,151,755,380**
** Secured against all the movable and immovable assets of the company*				
(b) Unsecured Loans				
From Banks	5,661,416		7,987,307	
From Others	116,996,462	122,657,878	160,889,142	168,876,449
		1,313,954,253		**1,320,631,829**
Schedule 4				
Deferred Tax Liability				
Deferred Tax Liability		39,371,205		39,371,205
		39,371,205		**39,371,205**

Schedule 5

Fixed Assets

Asset Group	Cost				Depreciation				Net Cost	
	As at 31.03.09	Additions	Deletions	As on 31.03.10	As on 31.03.09	During the year	Deletions	As on 31.03.10	As on 31.03.09	As on 31.03.10
Furniture & Fixtures	33,363,828	–	–	33,363,828	16,179,147	2,831,042	–	19,010,189	17,184,681	14,353,639
Land & Buildings	57,733,679	–	–	57,733,679	6,247,182	583,273	–	6,830,455	51,486,497	50,903,224
Plant & Machinery										
Air Conditioners	5,909,377	–	–	5,909,377	2,095,707	500,741	–	2,596,448	3,813,670	3,312,929
Computers & Accessories	134,392,483	132,505	1,356,718	133,168,271	116,249,639	5,688,759	745,257	121,193,141	18,142,845	11,975,130
Office Equipments	17,677,985	–	2,864,610	14,813,375	9,760,427	755,382	2,976,885	7,538,924	7,917,558	7,274,451
Softwares	175,539,829	2,001,243	4,230	177,536,842	152,535,132	5,732,344	120,510	158,146,966	23,004,697	19,389,876
Goodwill	716,303,754	–	–	716,303,754	–	–	–	–	716,303,754	716,303,754
Copyrights	27,175,655	–	–	27,175,655	5,435,131	5,435,131	–	10,870,262	21,740,524	16,305,393
Total	**1,168,096,590**	**2,133,748**	**4,225,558**	**1,166,004,780**	**308,502,365**	**21,526,671**	**3,842,652**	**326,186,384**	**859,594,225**	**839,818,396**
Prev. year 31.03.2009	1,163,494,669	4,746,667	144,746	1,168,096,590	283,334,081	25,177,210	8,926	308,502,365	880,160,588	859,594,225

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

		31.03.2010		(in Rs.) 31.03.2009
Schedule 6				
Investments				
Unquoted Long Term Investments - at cost				
A. Investment in Wholly Owned Subsidiaries				
1. Quintegra Solutions Limited, UK				
1 (1) Equity Share of £ 1/- each		70		70
2. Quintegra Solutions (M) Sdn Bhd, Malaysia				
621,725 (621,725) Equity share of MYR 1/- each		7,613,696		7,613,696
3. Quintegra Solutions GmbH, Germany				
50,000 (50,000) Equity share of Euro 1/- each		2,757,350		2,757,350
4. PAC Inc, USA				
198 (198) Equity share of US$ 1/- each		755,593,800		755,593,800
5. Quintegra Solutions Ireland Limited				
1 (1) Equity share of Euro 1/- each		55		55
		765,964,971		**765,964,971**
Schedule 7				
Sundry Debtors				
a. Debts considered Good, but Unsecured				
i. Debts outstanding for a period exceeding 2 years	360,799,490		1,804,755	
ii. Debts outstanding for a period exceeding 6 Months	120,101,623		390,686,975	
iii. Other Debts	43,985,275		99,893,595	
		524,886,388		492,385,325
		524,886,388		**492,385,325**
Schedule 8				
Cash & Bank Balances				
a. Cash on Hand		25,801		8,751
b. Bank Balance with Scheduled Banks				
i. in EEFC Accounts	37,599		45,062	
ii. in Other Accounts	3,604,842		1,396,940	
iii. in Margin Money & Gratuity Account	796,200		796,300	
iv. in Dividend Account	1,286,610		598,869	
		5,725,251		2,837,171
		5,751,052		**2,845,922**
Schedule 9				
Loans & Advances				
a. Loan to employees		6,154,907		7,124,122
b. Advances others		56,243,671		49,992,089
c. Advances due (to) / from subsidiaries		(117,659,245)		72,818,875
d. Deposits		4,595,353		8,676,881
e. Due from Revenue authorities		24,550,805		5,393,534
f. Unbilled Revenue		2,700,000		–
		(23,414,510)		**144,005,501**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

(in Rs.)

	31.03.2010	31.03.2009
Schedule 10		
Current Liabilities		
a. Sundry Creditors		
- For Expenses	128,357,301	65,836,541
b. Other Liabilities	20,162,436	66,181,733
c. Dividend Payable		
- 6% - FY 2006-07	1,105,345	1,106,077
-3% - FY 2007-08	181,306	509,711
d. Duties & Taxes Payable	14,852,277	17,675,476
	164,658,665	**151,309,538**
Schedule 11		
Provisions		
a. Provision for Expenses	4,083,422	5,483,597
b. Provision for Dividend & Dividend Tax	1,367,103	1,367,103
c. Provision for Taxes	3,798,311	3,887,115
	9,248,836	**10,737,815**

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 12		
Software Services		
a. Overseas Revenue	337,571,422	733,909,666
b. Domestic Revenue	36,275,876	38,100,212
	373,847,298	**772,009,878**
Schedule 13		
Other Income		
a. Miscellaneous Income	57,538	3,094,668
	57,538	**3,094,668**
Schedule 14		
Compensation & Benefits		
a. Salaries & Allowances	258,633,010	572,710,133
b. PF, ESI, PT & LWF Contributions	12,687,476	7,756,174
c. Directors' Remuneration	2,700,000	7,108,064
d. Bonus & Ex-gratia	31,200	1,820,521
	274,051,686	**589,394,892**

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 15		
Administrative Expenses		
a. Communication Expenses, Postage & Courier	5,452,017	12,871,306
b. Rent & Amenities	5,721,928	49,011,527
c. Repairs & Maintenance	2,903,037	7,410,421
d. Legal & Professional Fees	8,936,464	12,163,528
e. Rates & Taxes	1,303,295	3,021,888
f. Power & Fuel	2,259,426	5,646,335
g. Insurance Charges	17,069,284	11,634,634
h. Printing & Stationery	549,740	1,115,897
i. Staff Welfare Expenses	426,030	2,222,837
j. Local Conveyance, Transportation & Freight	788,864	18,310,339
k. Audit Fees	876,070	815,853
l. Bank Charges	718,409	1,570,094
m. Secretarial Expenses	38,820	53,200
n. Training, Retainer Fees & Recruitment Exp.	5,395	2,593,310
o. Other Expenses	144,202	24
p. Loss / (Gain) on Exchange Realisation	2,636,924	5,084,755
q. Bad Debts Written Off	15,780,970	11,220,109
r. Loss on Sale of Assets / Investments	–	107,820
	65,610,873	**144,853,875**
Schedule 16		
Selling & Distribution Expenses		
a. Travel Foreign, Inland	8,036,990	16,464,182
b. Business Development Expenses	1,893,857	4,193,918
	9,930,847	**20,658,100**
Schedule 17		
Interest & Finance Charges		
a. *Interest on Unsecured Loan	(8,115,618)	8,612,828
b. Interest - Others	127,007,619	145,747,528
	118,892,001	**154,360,356**

* *Refers to the reversal of interest provided last year on the interest free unsecured loan*

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 18		
Depreciation, Amortisation & Exceptional items		
a. Depreciation on Assets & amortisation expense	21,526,672	25,172,210
b. Write off of account balances of subsidiary - Singapore	41,679,943	53,669,958
	63,206,615	**78,847,168**

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 19

Significant Accounting Policies and Notes to accounts for the Standalone Financials

I. Significant Accounting Policies

1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the accounting principles generally accepted in India and comply with mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt within the period in which results are known/materialize.

3. Fixed Assets and depreciation / amortization

3.1 Fixed assets are stated at historical cost. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition, installation and up-gradation of assets and borrowing cost incurred up to date in which assets are ready for its installed use, but excludes duties and taxes that are recoverable subsequently from taxing authorities.

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

3.3 Depreciation on Buildings, Plant & Machinery, Vehicles, Computers, Furniture and Office Equipments is calculated on straight line method - single shift basis based on rates prescribed in Schedule XIV to the Companies Act, 1956

3.4 Depreciation / amortization on additions during the year are provided on a pro rata basis from the date, the assets are put to use. In respect of assets sold or disposed off during the year, depreciation / amortization is provided till the date of sale or disposal of the assets.

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

4 Impairment of assets

The management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

5 Goodwill

The excess cost of acquisition over the carrying value of the net assets on the date of merger is recognized in the financial statements as goodwill. The Company evaluates carrying value of its goodwill whenever events or change in circumstance indicate that its carrying value may be impaired for diminution other than temporary. The value of the Goodwill in the books as at 31 March 2010 is Rs. 71.63 crores. (Prev. year - Rs. 71.63 crores)

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

6 Investments

Investments are classified as either current or long-term based on management intention at the time of purchase. Current investments are carried at the lower of cost or market value. Long-term investments are stated at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Cost of overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

The wholly owned subsidiary 'Pingho Associates Corporation (the Company) incorporated in USA ceased its business operation during the year and filed a voluntary chapter 11 bankruptcy protection petition to reorganize its business with US bankruptcy court, Eastern District of Virginia, USA.

7 Revenue Recognition

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

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

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

7.4 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.

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

7.6 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.

7.7 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.

8 Foreign Currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of accounts at the average rate for the month.

Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the profit and loss account.

Translation:

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the profit and loss account.

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, 2011, whichever is earlier, subsequent to the amendment to AS-11 by the Ministry of Corporate affairs.

Non integral Operations

The Standalone Financial Statements are prepared in Indian Rupees, which is the functional currency for the Company. The translation of the functional currencies into the reporting currency is considered under the category "Non integral Operation" as per Accounting Standard 11 - The Effects of changes in Foreign exchange rates. While the revenues and expenses of the foreign branches have been converted at average conversion rate for the year, Assets and liabilities have been converted at closing exchange rate. The difference arising from the restatement is recognized in the Exchange reinstatement reserve under reserves and surplus.

9 Employee Benefits

a. Short term employee benefit obligations are estimated and provided for.

b. Post employment benefits and other long term employee benefits

(i) Defined Contribution plans

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to revenue.

(ii) Defined benefit plans and compensated absences

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.

The company records an obligation for compensated absences in the period in which the employee renders services that increase this entitlement. The company measures the expected cost of compensated absence as the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

10 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

11 Cash Flow Statement

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.

12 Earnings per share

Basic

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period excluding equity shares held by controlled trust.

Diluted

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.

13 Accounting for Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the Company.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Significant Accounting Policies and Notes on Accounts (contd.)

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

14 Research and development cost

Research costs are expenses as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

15 Financial Instruments

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.

II Notes on Accounts

A Contingent Liability & Commitments

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

Rs. In Lacs

Statute	*Assessed/Reassessed Demand	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	16.24	2002-03	ITAT
	6.53	2004-05	Not appealed
	49.31	2007-08	CIT (Appeals)

** The above figures are net of taxes paid on self assessment. Against the above assessed / Reassessed demand Rs.1,51,65,000 has been paid towards various assessment years.*

- The company has given a Bank guarantee to the tune of Rs. 7.75 Lacs favouring "The Commissioner of Customs, Chennai" towards purchase of duty exempted Capital goods.
- The company has been convicted by the trail court, Chennai to pay fine of Rs. 2.5 Lacs (against which Rs. 2 lacs paid) for each of the offences u/s 269UC and 269UL(2) read with 276 AB of Income Tax, 1961. The company went on appeal against the same with Principal Sessions Judge, City Civil Court, Chennai.

B Secured Loans / Borrowings

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 pledge of 20 Lac Shares of the company in the name of Chairman and personal guarantee of the Chairman.

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

The company defaulted in payment of its interest and principal portion of its various credit facilities availed from the State Bank of India during the year and the unpaid interest provided for in the books amounts to Rs.12.39 Crores.

C Segment reporting

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

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

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

		(Rs. in Lacs)
Business Segment (Primary)		
Segmental Revenues		
	BFSI	1,945.61
	QASS	1,022.28
	Other Emerging Verticals	770.58
		3,738.47
Segmental Profit before Interest, Depreciation & Tax		
	BFSI	164.93
	QASS	133.40
	Other Emerging Verticals	(55.79)
		242.54
Less:	Finance Charges	1,188.92
	Depreciation	215.27
Profit / (Loss) from Operations		(1,161.65)
Add:	Other Income	0.58
Less :	Exceptional Items	416.80
Profit / (Loss) before Tax		(1,577.87)
Less:	Income Tax including Deferred tax	0.52
Profit / (Loss) after Taxation		(1,578.39)
Geographical Segment (Secondary)		
Segmental Revenues		
	India	1,324.79
	USA	2,413.68
		3,738.47

D 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 transactions with the following related parties:

Subsidiary companies: Quintegra Solutions Limited U.K, Quintegra Solutions (M) Sdn Bhd, Quintegra Solutions Gmbh, Quintegra Solutions Ireland Limited and PAC Inc.,

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

Mr V Shankarraman and Mr V Sriraman

Trusted Aerospace Engineering Private Limited

(ii) Transactions with related parties

(in Rs)

Particulars	2009-10	2008-09
Subsidiary Companies		
Investment in Subsidiary Companies	765,964,971	765,964,971
Advances (from) / to Subsidiary Companies / Branch	(117,659,245)	72,818,875
Advances or loan received from other than Subsidiary Companies / Branch	106,496,462	123,861,506
Directors & Key Management Personnel and Remuneration paid to them		
Salary to Mr Shankarraman Vaidyanathan	2,100,000	6,158,064
Salary to Mr V Sriraman	600,000	950,000

E. 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		2009-10	2008-09
Net Profit Available for Equity Shareholders		(157,839,304)	(234,230,310)
Weighted Average No. of Equity Shares for Basic EPS		26,813,830	26,813,830
Weighted Average No. of Equity Shares for Diluted EPS		27,076,075	27,076,075
No. of Options Granted	968,020		
No. of Options Forfeited / Surrendered	692,045		
No. of Options Exercised	13,730		
No. of Options in Force		**262,245**	**262,245**
A. Basic EPS		**(5.89)**	**(8.74)**
B. Diluted EPS		**(5.83)**	**(8.65)**

F. Break-up of audit fees

(in Rs)

Particulars	2009-10	2008-09
For Statutory & Tax Audit	165,450	165,450
For Branch Audit Fees	644,440	584,223
For Certification & Consultation in Tax & Other Matters	66,180	66,180
	876,070	**815,853**

G. Expenditure in foreign currency

(in Rs)

Particulars	2009-10	2008-09
Travel Foreign	1,331,044	13,477,949
Expenses met by Branch Offices	243,874,783	454,179,584
	245,205,827	**467,657,533**

H. Earnings in foreign currency

(in Rs)

Particulars	2009-10	2008-09
Revenue from Software Exports	337,571,422	292,690,548

I 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.

J Taxes on income

The company accumulates huge losses as on 31st March 2010. Even though there is virtual certainty in making profit in the future years in the view of management, as a matter of prudence the deferred tax assets are not recognized in the books of account and liability provided for in the earlier years have not been reversed.

Provisions for interest on taxes due is not provided for since the excess provisions created in earlier years are sufficient to cover the same.

K Quantitative details

The company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in generic unit. Hence it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

CASH FLOW STATEMENT

(in Rs.)

				For the year ended 31.03.2010		For the year ended 31.03.2009
A	**Cash Flow from Operating Activities**					
	Net profit before tax, as per profit and loss account			(157,787,185)		(213,009,846)
	P & L adjustments:					
	Depreciation & Amortisation		21,526,672		78,847,168	
	Other Non cash expenses		867,085		6,420,271	
	Interest & Finance charges		118,892,001		154,360,356	
	Other income		(57,538)		(3,094,668)	
				141,228,219		236,533,127
				(16,558,966)		**23,523,281**
	Operating profit before changes in working capital					
	Changes in current assets & current liabilities					
	Trade and other Advances		134,918,948		(61,499,984)	
	Trade payables & other liabilities		11,860,148		30,058,574	
				146,779,095		(31,441,411)
				52,119		1,227,695
	Cash generated from operations			**130,168,010**		**(9,145,825)**
B	**Cash Flow from Investing Activities**					
	Purchase of fixed assets			(2,133,748)		(4,601,921)
	Sale of fixed assets			382,905		39,840
	Other income			(57,538)		3,094,668
	Net cash from investing activities			**(1,693,304)**		**(1,467,413)**
C	**Cash Flow from Financing Activities**					
	Increase in equity			–		–
	Borrowings			(6,677,576)		167,331,829
	Interest paid			(118,892,001)		(154,360,356)
	Net cash from financing activities			**(125,569,577)**		**12,971,473**
D	**Net Increase in Cash and Cash Equivalents**			**2,905,129**		**2,358,235**
	Cash and cash equivalents at the beginning of the year			2,845,922		487,688
	Cash and cash equivalents at the end of the year			**5,751,051**		**2,845,922**

As per our Report of even date

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

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

Registration Number	L52599TN1994PLC26867	State Code	18
Balance Sheet Date	31-03-2010	Rights Issue	NIL

CAPITAL RAISED DURING THE YEAR (Rs. in Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus issue	NIL		

POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Rs. in Thousands)

Total Liabilities	2113006	Total Assets	2113006

Source of Funds

Paid Up Capital	268138	Reserves & Surplus	317635
Secured Loan	1191296	Unsecured Loan	122658
Deferred Tax Liability	39371		

Application of Funds

Net Fixed Assets	839818	Investments	765965
Net Current Assets	333315	Misc. Exp.	NIL

Performance of the Company (Rs. in Thousands)

Turnover	373905	Dividend	NIL
Total Expenditure	531692	Profit/(Loss) After Tax	(157839)
Earnings per Share	(5.89)	Dividend per Share	NIL

GENERIC NAMES OF THE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (PER MONETARY TERMS)

Item Code	NOT APPLICABLE
Product Description	SOFTWARE SOLUTIONS

As per our Report of even date

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

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

STATEMENT OF INTEREST IN SUBSIDIARY COMPANIES

Statement pursuant to Section 212 (e) and (f) of the Companies Act, 1956

Sl. No.	Name of the Company	Quintegra Solutions Ltd., U.K.	Quintegra Solutions (M) SDN. BHD. Malaysia	Quintegra Solutions GmbH Germany	Quintegra Solutions Ireland Ltd.	P A Corporation
1.	Financial year of the subsidiary	31.03.2010	31.03.2010	31.12.2009	31.03.2010	31.12.2009
2.	i. No. of Ordinary shares held by holding Company in the subsidiary Company on the above date	1	621,725	50,000	1	198
	ii. Face value and paid value per share	£ 1.00	RM 1.00	Euro 1.00	Euro 1.00	$ 1.00
	iii. Interest of the holding Company	100%	100%	100%	100%	100%
3.	The net aggregate profit/(loss) of subsidiary company so far as it concerns members of the holding company					
	i. Not dealt with in the accounts of holding Company.	–	–	–	–	–
	a. For the financial period ended	(£ 20,857)	RM 3,76,206	(Euro 7,029)	(Euro 8,167)	($ 1,390,980)
	b. For the previous financial years of subsidiary since it became a subsidiary of holding Company	(£ 96,756)	RM 3,53,378	(Euro 20,896)	(Euro 7,199)	$ 2,847,641
	ii. Dealt with in the accounts of holding Company					
	a. For the financial period ended	–	–	–	–	–
	b. For the previous financial years of the subsidiary since it became a subsidiary of holding company	–	–	–	–	–
4.	Change in the holding Company's interest in the subsidiary between the end of the financial year of the holding and the subsidiary company	–	–	–	–	–
5.	Material changes which have occurred between the end of the financial year the holding company and the subsidiary.	–	–	–	–	–

For and on behalf of the Board

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

AUDITOR'S REPORT

On Consolidated Financial Statements of Quintegra Solutions Limited and its subsidiaries

1. We have audited the attached Consolidated Balance Sheet of Quintegra Solutions Limited and its subsidiaries as on 31st March, 2010 and the related Consolidated Profit and Loss Account for the 12 Months period ended 31st March, 2010 and also the Consolidated Cash Flow Statement for the period annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have considered the audited financial statements of the following subsidiaries:

Subsidiary	Auditors	Year ended
Quintegra Solutions Limited, U.K.	Ashley King Ltd, Middlesex	31-Mar-10
Quintegra Solutions (M) Sdn Bhd,	Sankar & Co, Malaysia	31-Mar-10
Quintegra Solutions GmbH	Gotz Staudt & Nuenke, Germany	31-Dec-09
Quintegra Solutions Ireland Limited	BDO Simpson Xavier	31-Mar-10

4. However unaudited financial statements as on March 31, 2010 have been considered for the following subisidiaries:
   - Quintegra Solutions GmbH
   - PAC Inc (Review report by RAM Associates as on 31st Dec 2009 is considered for our audit)
5. We report that the consolidated financial statements have been prepared by Quintegra Solutions Limited taking into considerations the requirements of Accounting Standards 21 - Consolidated Financial Statements, notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.
6. Based on our audit and consideration of the reports/certificates of the other auditors on separate financial statements and on the other information of the Companies, in our opinion and to the best of our information and according to the explanations given to us, the said Consolidated Financial Statements together with the notes thereon and attached thereto given in the prescribed manner the information required by the Act, give a true and fair view in conformity with the accounting principles generally accepted in India
   a. In the case of Consolidated Balance Sheet, of the Consolidated State of affairs as at 31st March, 2010
   b. In the case of Consolidated Profit & Loss Account, of the Loss for the twelve months period ended on that date, and
   c. In the case of Consolidated Cash Flow Statement, of the Cash Flows for the period ended on that date.

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

S Gopinath
Partner
Membership No: 023854

Place : Chennai
Date : 02.09.2010

CONSOLIDATED BALANCE SHEET AS AT

(in Rs.)

	Schedule No.	**31.03.2010**		31.03.2009	
I. Source of Funds					
1 Shareholders' Funds :					
a. Share Capital	1	268,138,300		268,138,300	
b. Reserves and Surplus	2	263,830,580		450,502,033	
			531,968,880		718,640,333
2 Loan Funds :	3				
a. Secured Loans		1,191,296,375		1,151,755,379	
b. Unsecured Loans		122,657,878		165,576,449	
			1,313,954,253		1,317,331,829
3 Deferred Tax Liability	4		39,371,205		39,371,205
			1,885,294,338		**2,075,343,367**
II. Application of Funds					
Fixed Assets :	5				
Gross Block		2,014,392,057		2,019,355,667	
Less : Depreciation		479,324,122		446,462,809	
Net Block			**1,535,067,935**		**1,572,892,858**
Current Assets, Loans & Advances					
a. Sundry Debtors	6	585,952,502		591,596,375	
b. Cash & Bank Balances	7	7,063,259		3,503,251	
c. Loans & Advances	8	111,322,202		312,339,520	
		704,337,962		**907,439,146**	
Less : Current Liabilities and Provisions					
a. Current Liabilities	9	344,414,378		387,237,089	
b. Provisions	10	9,697,180		17,751,548	
		354,111,558		**404,988,637**	
Net Current Assets			**350,226,404**		**502,450,509**
			1,885,294,338		**2,075,343,367**
Significant Accounting Policies and Notes to Accounts	18				

The schedules referred to above are an integral part of these Financial Statements
As per our Report of even date

For Gopikumar Associates
Chartered Accountants
FRN : 000981S

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in Rs.)

		Schedule No.	For the Year ended 31.03.2010	For the Year ended 31.03.2009
I.	**Income**			
	a. Software Services	11	378,927,062	1,733,865,054
	b. Other Income	12	57,538	37,431,686
			378,984,600	**1,771,296,740**
II.	**Expenditure**			
	a. Compensation & Benefits	13	287,576,680	1,531,250,451
	b. Administration Expenses	14	80,047,274	185,216,092
	c. Selling & Distribution Expenses	15	10,102,625	21,004,385
	d. Interest & Finance Charges	16	119,307,402	163,391,671
	e. Depreciation, Amortisation & Exceptional Item	17	80,378,194	115,459,661
			577,412,175	**2,016,322,260**
III.	**Profit /(Loss) Before Tax**		**(198,427,575)**	**(245,025,520)**
IV.	**Tax Expenses**			
	a. Current Tax		–	–
	b. Fringe Benefit Tax		52,119	1,227,695
	c. Deferred Tax		–	19,940,769
			52,119	**21,168,464**
V.	**Profit / (Loss) After Tax**		**(198,479,694)**	**(266,193,984)**
VI.	**Provision for Dividend & Dividend Tax**			
	a. Dividend		–	–
	b. Dividend Tax		–	–
VII.	**Balance Brought forward from last year**		**230,523,457**	**496,717,441**
VIII.	**Amount transferred to general Reserve / other reserves**		**–**	**–**
	Profit / (Loss) Carried forward to Balance Sheet		**32,043,763**	**230,523,457**
	Earnings Per Share - Basic		(7.40)	(9.93)
	- Diluted		(7.33)	(9.83)
	Significant Accounting Policies and Notes to Accounts	18		

The schedules referred to above are an integral part of these Financial Statements
As per our Report of even date

For Gopikumar Associates
Chartered Accountants
FRN : 000981S

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

(in Rs.)

Schedule 1	**31.03.2010**	31.03.2009
Share Capital		
a. Authorised Share Capital 45,000,000 (Previous year 45,000,000) Equity Shares of Rs. 10/- each	450,000,000	450,000,000
b. Issued, Subscribed & Paid Up Capital 26,813,830 (Previous year 26,813,830) Equity Shares of Rs. 10/- each	268,138,300	268,138,300
	268,138,300	**268,138,300**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT (Contd.)

(in Rs.)

Schedule 2		**31.03.2010**		31.03.2009
Reserves & Surplus				
a. General Reserve				
Opening Balance	49,462,799		42,752,799	
Add: Transferred during the year	–		–	
		49,462,799		49,462,799
b. Securities Premium				
Opening Balance	431,433,100		431,433,100	
Add: Received during the year	–		–	
		431,433,100		431,433,100
c. Profit & Loss Account				
Opening Balance	230,523,457		496,717,441	
Add: Received during the year	(198,479,694)		(266,193,984)	
		32,043,763		230,523,457
d. Exchange Re-instatement Reserve		(249,109,081)		(260,917,322)
		263,830,580		**450,502,033**

Schedule 3				
Loan Funds				
a. *Secured Loans				
(a) Bank Overdraft / Term Loan for Working Capital				
Term Loan	980,965,844		950,611,831	
Working Capital	210,330,531		201,143,548	
		1,191,296,375		1,151,755,379
b. Unsecured Loans - From Banks	5,661,416		7,987,307	
- From Others	116,996,462		157,589,142	
		122,657,878		165,576,449
		1,313,954,253		**1,317,331,829**

* secured against all the movable and immovable assets of the company.

Schedule 4		
Deferred Tax Liability		
a. Deferred Tax Liability	39,371,205	39,371,205
	39,371,205	**39,371,205**

Schedule 5

Fixed Assets

Asset Group	Cost				Depreciation				Net Cost	
	As at 31.03.09	Additions	Deletions	As on 31.03.10	As on 31.03.09	During the year	Deletions	As on 31.03.10	As on 31.03.09	As on 31.03.10
Furniture & Fixtures	35,657,010	–	2,215,704	33,441,306	17,771,635	2,831,042	1,538,684	19,063,993	17,885,375	14,377,313
Land & Buildings	57,733,679	–	–	57,733,679	6,247,182	583,273	–	6,830,455	51,486,497	50,903,224
Plant & Machinery										
Air Conditioners	5,909,376	–	–	5,909,376	2,095,706	500,741	–	2,596,447	3,813,670	3,312,929
Computers & Accessories	141,155,494	132,505	1,356,718	139,931,281	122,318,988	6,523,314	745,257	128,097,045	18,836,506	11,834,236
Office Equipments	18,357,022	–	3,520,705	14,836,317	10,231,960	755,382	3,432,487	7,554,855	8,125,062	7,281,462
Softwares	324,231,523	2,001,243	4,230	326,228,536	282,362,207	22,069,369	120,510	304,311,066	41,869,316	21,917,470
Goodwill	716,303,754	–	–	716,303,754	–	–	–	–	716,303,754	716,303,754
Copyrights	27,175,655	–	–	27,175,655	5,435,131	5,435,131	–	10,870,262	21,740,524	16,305,393
Goodwill on Consolidation*	692,832,154	–	–	692,832,154	–	–	–	–	692,832,154	692,832,154
Total	**2,019,355,667**	**2,133,748**	**7,097,358**	**2,014,392,057**	**446,462,809**	**38,698,252**	**5,836,938**	**479,324,122**	**1,572,892,857**	**1,535,067,934**
Previous Year - 31.03.2009	2,014,727,638	4,772,775	144,746	2,019,355,667	186,851,692	59,620,044	8,926	446,462,809	1,627,875,945	1,572,892,857

** The values in Fixed Assets Schedule includes Reinstatement of Assets in Foreign Currency.*

Schedule 6				
Sundry Debtors				
a. Debts considered Good, but Unsecured				
i. Debts outstanding for a period exceeding 2 years	381,504,152		1,804,755	
ii. Debts outstanding more than 6 Months but less than 2 years	160,463,075		390,686,975	
ii. Other Debts	43,985,275		199, 104,645	
		585,952,502		591,596,375
		585,952,502		**591,596,375**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT (Contd.)

(in Rs.)

Schedule 7		31.03.2010		31.03.2009
Cash & Bank Balances				
a. Cash on Hand		36,029		11,074
b. Bank Balance with Scheduled Banks				
i. in EEFC Accounts	37,599		45,062	
ii. in Other Accounts	4,906,821		2,051,946	
iii. in Margin Money & Gratuity Account	796,200		796,300	
iv. in Dividend Account	1,286,610		598,869	
		7,027,230		3,492,177
		7,063,259		**3,503,251**

(in Rs.)

	31.03.2010	31.03.2009
Schedule 8		
Loans & Advances		
a. Loan to employees	6,632,395	7,124,122
b. Advances others	71,489,555	289,326,313
c. Deposits	5,885,350	10,008,460
d. Due from Revenue authorities	24,550,805	5,880,625
e. Unbilled revenue	2,700,000	–
f. Other Assets	64,097	–
	111,322,202	**312,339,520**
Schedule 9		
Current Liabilities		
a. Sundry Creditors		
- For Expenses	271,176,608	269,119,285
b. Other Liabilities*	53,963,221	98,826,540
c. Dividend Payable		
- 6% - FY 2006-07	1,105,345	1,106,077
- 3% - FY 2007-08	181,306	509,711
d. Duties & Taxes Payable	17,987,899	17,675,476
	344,414,378	**387,237,089**
Schedule 10		
Provisions		
a. Provision for Expenses	4,531,767	12,588,257
b. Provision for Dividend & Dividend Tax	1,367,103	1,367,103
c. Provision for Taxes	3,798,310	3,796,188
	9,697,180	**17,751,548**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 11		
Software Services		
a. Overseas Revenue	342,651,186	1,695,764,842
b. Domestic Revenue	36,275,876	38,100,212
	378,927,062	**1,733,865,054**
Schedule 12		
Other Income		
a. Interest Income	–	86,186
b. Other Income	57,538	37,345,500
	57,538	**37,431,686**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 13		
Compensation & Benefits		
a. Salaries & Allowances	270,724,152	1,514,565,692
b. PF, ESI, PT & LWF Contributions	14,121,328	7,756,174
c. Directors' Remuneration	2,700,000	7,108,064
d. Bonus & Ex-gratia	31,200	1,820,521
	287,576,680	**1,531,250,451**
Schedule 14		
Administrative Expenses		
a. Communication Expenses, Postage & Courier	6,171,475	14,757,619
b. Rent & Amenities	9,163,684	55,735,834
c. Repairs & Maintenance	3,380,341	7,901,800
d. Legal & Professional Fees	15,266,261	21,039,307
e. Rates & Taxes	2,108,351	8,183,385
f. Power & Fuel	2,403,429	5,810,943
g. Insurance Charges	16,595,410	24,483,277
h. Printing & Stationery	583,017	1,228,400
i. Staff Welfare Expenses	467,390	2,386,538
j. Local Conveyance, Transportation & Freight	819,345	19,395,344
k. Audit Fees	1,335,599	1,066,769
l. Bank Charges	899,041	3,193,726
m. Secretarial Expenses	88,608	53,200
n. Training, Retainer Fees & Recruitment Exp.	5,395	2,596,022
o. Other Expenses	2,342,034	438,610
p. Loss / (Gain) on Exchange Realisation	2,636,924	11,752,118
q. Bad Debts Written Off	15,780,970	107,820
r. Loss on Sale of Assets / Investments	–	5,085,380
	80,047,274	**185,216,092**
Schedule 15		
Selling & Distribution Expenses		
a. Travel Foreign & Inland	8,163,281	16,539,832
b. Business Development Expenses	1,939,344	4,464,553
	10,102,625	**21,004,385**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT (Contd.) (in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 16		
Interest & Finance Charges		
a. Interest on Unsecured Loan	(8,115,618)	8,612,828
b. Interest - Others	127,423,020	154,778,843
	119,307,402	**163,391,671**

* Refers to the reversal of interest provided last year on the interest free unsecured loan.

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule 17		
Depreciation, Amortisation & Exceptional Items		
a. Depreciation on Assets & Amortization expense	38,698,251	59,620,045
b. Preliminary Expenses (to the extent Written off)	–	2,169,658
c. Write off of account balances of subsidiary - Singapore	41,679,943	53,669,958
	80,378,194	**115,459,661**

Schedule 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE CONSOLIDATED FINANCIALS

I. SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the accounting principles generally accepted in India and comply with mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

2 Principles of consolidation and use of estimates

2.1 The consolidated financial statements include the financial statements of Quintegra and all its wholly owned subsidiaries. The financial statements of the parent company and its majority owned / controlled subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances /transactions and resulting unrealized gain / loss.

2.2 The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

2.3 The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt within the period in which results are known/materialize.

Significant Accounting Policies and Notes on Accounts (Contd.)

3. Fixed Assets and depreciation / amortization

3.1 Fixed assets are stated at historical cost. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition, installation and up gradation of assets and borrowing cost incurred up to date in which assets are ready for its installed use, but excludes duties and taxes that are recoverable subsequently from taxing authorities.

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

3.3 Depreciation on Buildings, Plant & Machinery, Vehicles, Computers, Furniture and Office Equipments is calculated on straight line method - single shift basis based on rates prescribed in Schedule XIV to the Companies Act, 1956

3.4 Depreciation / amortization on additions during the year are provided on a pro rata basis from the date, the assets are put to use. In respect of assets sold or disposed off during the year, depreciation / amortization is provided till the date of sale or disposal of the assets.

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

4 Impairment of assets

The management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

5 Goodwill

The excess cost of acquisition over the carrying value of the net assets on the date of merger is recognized in the financial statements as goodwill. The Company evaluates carrying value of its goodwill whenever events or change in circumstance indicate that its carrying value may be impaired for diminution other than temporary. The value of the Goodwill in the books as at 31 March 2010 is Rs 140.91 crores. (PY - Rs. 140.91 crores)

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

6 Investments

Investments are either classified as either current or long-term based on management intention at the time of purchase. Current investments are carried at the lower of cost or market value. Long-term investments are stated at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Cost of overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

The wholly owned subsidiary 'Pingho Associates Corporation (the Company) incorporated in USA ceased its business operation during the year and filed a voluntary chapter 11 bankruptcy protection petition to reorganize its business with US bankruptcy court, Eastern District of Virginia, USA.

7 Revenue Recognition

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

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

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

7.4 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.

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

7.6 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.

7.7 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.

8 Foreign Currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of accounts at the average rate for the month.

Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the profit and loss account.

Translation:

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the profit and loss account.

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, 2011, whichever is earlier, subsequent to the amendment to AS-11 by the Ministry of Corporate affairs.

Non integral Operations

The Consolidated Financial Statements are prepared in Indian Rupees, which is the functional currency for us. The translation of the functional currencies into the reporting currency is performed for assets and liabilities of the foreign subsidiaries currency using the current exchange rates in effect at the balance sheet date, for revenues, costs and expenses using average exchange rates prevailing during the reporting periods and for share capital, using exchange rate at the date of transaction. The resultant translation exchange gain/loss has been disclosed as "Profit/ (Loss) on Foreign Exchange Re-instatement Reserve" under Reserves and Surplus.

All Income and expenditure transactions of the foreign branch during the year are included in these accounts at the average rate of exchange. Monetary assets and liabilities are stated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction.

9 Employee Benefits

a. Short term employee benefit obligations are estimated and provided for.

b. Post employment benefits and other long term employee benefits

(i) Defined Contribution plans

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to revenue.

(ii) Defined benefit plans and compensated absences

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.

The company records an obligation for compensated absences in the period in which the employee renders services that increase this entitlement. The company measures the expected cost of compensated absence as the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

10 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

11 Cash Flow Statement

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.

12 Earnings per share

Basic

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period excluding equity shares held by controlled trust.

Diluted:

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.

13 Accounting for Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the Company.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

14 Research and development cost

Research costs are expenses as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

15 Financial Instruments

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.

II Notes on Accounts

A Contingent Liability & Commitments

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

Rs. In Lakhs

Statute	*Assessed/Reassessed Demand (Rs. Lakhs)	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	16.24	2002-03	ITAT
	6.53	2004-05	Not Appealed
	49.31	2007-08	CIT (Appeals)

** The above figures are net of taxes paid on self assessment. Against the above assessed / Reassessed demand Rs.1,51,65,000 has been paid towards various assessment years.*

- The company has given a Bank guarantee to the tune of Rs.7.75 Lacs favouring "The Commissioner of Customs, Chennai" towards purchase of duty exempted Capital goods.
- The company has been convicted by the trail court, Chennai to pay fine of Rs.2.5 Lacs (against which Rs. 2 lacs paid) for each of the offences u/s 269UC and 269UL(2) read with 276 AB of Income Tax, 1961. The company went on appeal against the same with Principal Sessions Judge, City Civil Court, Chennai.

B Secured Loans / Borrowings

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 pledge of 20 Lac Shares of the company in the name of Chairman and personal guarantee of the Chairman.

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

The company defaulted in payment of its interest and principal portion of its various credit facilities availed from the State Bank of India during the year and the unpaid interest provided for in the books amounts to Rs.12.39 Crores.

C Segment reporting

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

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

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

Significant Accounting Policies and Notes on Accounts (Contd.)

Business Segment (Primary) (Rs. in Lacs)

Segmental Revenues		
	BFSI	1,980.80
	QASS	1,025.20
	Other Emerging Verticals	783.27
		3,789.27
Segmental Profit before Interest, Depreciation & Tax		
	BFSI	5.02
	QASS	2.98
	Other Emerging Verticals	4.01
		12.01
Less:	Finance Charges	1,193.07
	Depreciation	386.99
Profit from Operations		(1,568.05)
Add:	Other Income	0.58
Less :	Exceptional Items	416.80
Profit before Tax		(1,984.27)
Less:	Income Tax including Deferred tax	0.52
Profit after Taxation		(1,984.79)

Geographical Segment (Secondary)

Segmental Revenues		
	India	1,324.79
	USA	2,429.47
	Malaysia	35.01
		3,789.27

D 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 transactions with the following related parties:

Subsidiary companies: Quintegra Solutions Limited U.K, Quintegra Solutions (M) Sdn Bhd, Quintegra Solutions Gmbh, Quintegra Solutions Ireland Limited and PAC Inc., All these financials of these subsidiaries have been consolidated.

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

Mr V Shankarraman and Mr V Sriraman

Trusted Aerospace Engineering Private Limited

(ii) Transactions with related parties

(in Rs)

Particulars	2009-10	2008-09
Subsidiary Companies		
Investment in Subsidiary Companies	765,964,971	765,964,971
Advances (from) / to Subsidiary Companies / Branch	(117,659,245)	72,818,875
Advances or loan received from other than Subsidiary Companies / Branch	10,64,96,462	12,38,61,506
Directors & Key Management Personnel and Remuneration paid to them		
Salary to Mr. Shankarraman Vaidyanathan	21,00,000	61,58,064
Salary to Mr. V Sriraman	6,00,000	9,50,000

E. 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		2009-10	2008-09
Net Profit Available for Equity Shareholders		(198,479,694)	(266,193,984)
Weighted Average No. of Equity Shares for Basic EPS		26,813,830	26,813,830
Weighted Average No. of Equity Shares for Diluted EPS		27,076,075	27,076,075
No. of Options Granted	968,020		
No. of Options Forfeited / Surrendered	692,045		
No. of Options Exercised	13,730		
No. of Options in Force		**262,245**	**262,245**
A. Basic EPS		**(7.40)**	**(9.93)**
B. Diluted EPS		**(7.33)**	**(9.83)**

F. Break-up of audit fees (in Rs)

Particulars	2009-10	2008-09
For Statutory & Tax Audit	624,929	416,366
For Branch Audit Fees	644,490	584,223
For Certification & Consultation in Tax & Other Matters	66,180	66,180
	13,35,599	**1,066,769**

G. Expenditure in foreign currency (in Rs)

Particulars	2009-10	2008-09
Travel Foreign	13,31,044	13,477,949
Expenses met by Overseas Offices	289,594,936	1451,166,988
	290,925,980	**1464,644,937**

H. Earnings in foreign currency (in Rs)

Particulars	2009-10	2008-09
Revenue from Software Exports	378,927,062	1,733,865,054

I 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.

J Taxes on income

The company accumulates huge losses as on 31st March 2010. Even though there is virtual certainty in making profit in the future years in the view of management, as a matter of prudence the deferred tax assets are not recognized in the books of account and liability provided for in the earlier years have not been reversed.

Provisions for interest on taxes due is not provided for since the excess provisions created in earlier years are sufficient to cover the same.

K Quantitative details

The company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in generic unit. Hence it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

CONSOLIDATED CASH FLOW STATEMENT

(in Rs.)

			For the year ended 31.03.2010		For the year ended 31.03.2009
A	**Cash Flow from Operating Activities**				
	Net profit/(Loss) before tax, as per profit and loss account		(198,427,575)		(245,025,520)
	P & L adjustments:				
	Depreciation & Amortisation	38,698,251		115,459,661	
	Other Non Cash Expenses (Net)	11,808,242		6,420,895	
	Interest & Finance charges	119,307,402		163,391,670	
	Other income	(57,538)		(37,431,686)	
			169,756,356		247,840,541
	Operating profit before changes in working capital		(28,671,219)		2,815,020
	Changes in current assets & current liabilities				
	Changes in inventory	–		–	
	Trade and other Advances	206,661,192		37,421,919	
	Trade payables & other liabilities	(50,877,079)		2,320,764	
			155,784,113		39,742,682
	Less : Taxes paid		52,119		1,227,695
	Cash generated from operations		**127,060,775**		**41,330,008**
B	**Cash Flow from Investing Activities**				
	Purchase of fixed assets		(2,133,748)		(4,667,869)
	Sale of fixed assets		1,260,420		39,840
	Other income		57,538		37,431,686
	Capital Work in Progress		–		–
	Miscellaneous expenditure / Investments		–		–
	Net cash from investing activities		**(815,790)**		**(32,803,657)**
C	**Cash Flow from Financing Activities**				
	Increase in equity		–		–
	Borrowings		(3,377,575)		90,662,190
	Interest paid		(119,307,402)		(163,391,670)
	Net cash from financing activities		**(122,684,977)**		**(72,729,481)**
D	**Net Increase in Cash and Cash Equivalents**		**3,560,008**		**1,404,183**
	Cash and cash equivalents at the beginning of the year		3,503,251		2,099,067
	Cash and cash equivalents at the end of the year		**7,063,259**		**3,503,251**

Per our report of even date

For Gopikumar Associates
Chartered Accountants
FRN : 000981S

For and on behalf of the Board

S Gopinath
Partner
M. No. 023854

Shankarraman Vaidyanathan
Chairman and Managing Director

V Sriraman
Whole time Director

Place : Chennai
Date : 02.09.2010

QUINTEGRA SOLUTIONS LIMITED, UK

CORPORATE INFORMATION

Directors	Shankarraman Vaidyanathan Rengharajan Ramachandran Sriraman Vaidyanathan
Secretary	Sriraman Vaidyanathan
Company Number	4351063
Registered Office and Business Address	68 St Margarets Road, Edgware Middlesex HA8 9UU
Auditors	Ashley King Ltd 68 St Margarets Road, Edgware Middlesex HA8 9UU
Bankers	HSBC Bank Plc 39 Tottenham Court Road London W1T 2AR

DIRECTORS' REPORT

(For the year ended 31 March 2010)

The directors present their report and financial statements for the year ended 31 March, 2010.

Principal Activities

The company commenced to trade on 1st September, 2003 and its principal activity during the period under review was that of the provision of computer software development and support services, computer software products and other information technology related services.

Directors

The following directors have held office since 1 April, 2009:

Shankarraman Vaidyanathan
Rengharajan Ramachandran
Sriraman Vaidyanathan

Auditors

In accordance with the company's articles, a resolution proposing that Ashley King Ltd be reappointed as auditors of the company will be put at a General Meeting.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the comapny and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board

Place : Middlesex
Date : 12.05.2010

Shankarraman Vaidyanathan
Director

INDEPENDENT AUDITORS' REPORT

To the Members of Quintegra Solutions Limited

We have audited the financial statements of Quintegra Solutions Limited for the year ended 31 March, 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards

INDEPENDENT AUDITORS' REPORT (Contd.)

for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 11 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Ashley King Ltd
Chartered Accountants
Statutory Auditor
17.05.2010

68 St Margarets Road
Edgware
Middlesex
HA8 9UU

BALANCE SHEET AS AT

	Notes		31.03.2010 £		31.03.2009 £
Fixed assets					
Intangible assets	5		15,885		33,212
Current assets					
Debtors	6	–		1,695	
Cash at bank and in hand		1,380		26	
		1,380		**1,721**	
Creditors: amounts falling due within one year	7	(1,140)		(1,309)	
Net current assets			240		412
Total assets less current liabilities			**16,125**		**33,624**
Creditors: amounts falling due after more than one year	8		(133,736)		(130,379)
			(117,611)		**(96,755)**
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		(117,612)		(96,756)
Shareholders' funds			**(117,611)**		**(96,755)**

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For and on behalf of the Board

Shankarraman Vaidyanathan
Director

Sriraman Vaidyanathan
Director

Date : 12.05.2010

PROFIT & LOSS ACCOUNT

	Notes	For the year ended 31.03.2010 £	For the year ended 31.03.2009 £
Administrative expenses		(20,857)	(18,693)
Operating Loss	**2**	**(20,857)**	**(18,693)**
Other interest receivable and similar income	**3**	**–**	**8**
Loss on ordinary activities before taxation		**(20,857)**	**(18,685)**
Tax on loss on ordinary activities	**4**	–	–
Loss for the year	**10**	**(20,857)**	**(18,685)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2010

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

These financial statements have been prepared on a going concern basis, on the assumption that it will continue to receive the support of its parent company. If the parent company withdraws its support, then the going concern basis will not be appropriate and consequential adjustments may become necessary to these financial statements.

1.12 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2010 (Contd.)

1.13 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

	For the year ended 31.03.2010 £	For the year ended 31.03.2009 £
2. Operating Loss		
Operating loss is stated after charging:		
Amortisation of intangible assets	17,327	17,327
Auditors' remuneration	1,150	1,323
3. Investment Income		
Bank interest	–	8
	–	8

4. Taxation

No provision for corporation tax has been made as no liability is expected to arise on the results for the period.

5. Intangible Fixed Assets	Goodwill £
Cost	
At 1 April 2009 & at 31 March 2010	127,265
Amortisation	
At 1 April 2009	94,053
Charge for the year	17,327
At 31 March 2010	111,380
Net book value	
At 31 March 2010	15,885
At 31 March 2009	33,212

	For the year ended 31.03.2010 £	For the year ended 31.03.2009 £
6. Debtors		
Other debtors	–	1,695
7. Creditors: amounts falling due within one year		
Other creditors	1,140	1,309
8. Creditors: amounts falling due after more than one year		
Other creditors	133,736	130,379
Analysis of loans		
Wholly repayable within five years	133,736	130,379

Other loans include long term loans of £ 133,736 (2009 - £ 130,379) from the company's parent, Quintegra Solutions Limited, of Chennai, India.

	For the year ended 31.03.2010 £	For the year ended 31.03.2009 £
9. Share capital		
Authorised		
50,000 Ordinary of £ 1 each	50,000	50,000
Allotted, called up and fully paid		
1 Ordinary of £ 1 each	1	1

10. Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 April 2009	(96,755)
Loss for the year	(20,857)
Balance at 31 March 2010	(117,612)

11. Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

12. Related party transactions

Details of these are given in note 8.

QUINTEGRA SOLUTIONS (M) SDN. BHD.

CORPORATE INFORMATION

Company Number	711835 - K
Directors	Audrena Binti Sany Albert Moverie Rajakumari A/P K. Karupiah Rengarajan Ramachandran *(till 31.03.2010)* Sriraman Vaidyanathan Shankarraman Vaidyanathan Ramaiyer Venkataramani *(till 31.03.2010)*
Secretary	Loh Lik Khan
Registered Office	Suite 1603, 16th Floor, Wisma Lim Foo Yong 86, Jalan Raja Chulan 50200 Kuala Lumpur
Auditors	Sankar & Co, Chartered Accountants, Malaysia

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the year ended 31 March 2010.

1. PRINCIPAL ACTIVITY

The principal activity of the Company is that of Software Development. There has been no change in this activity in the year.

2. RESULTS FOR THE YEAR

	RM
Loss for the year after taxation	376,206

3. ISSUE OF SHARES OR DEBENTURES

No shares or debentures were issued during the financial year.

4. DIVIDEND

No dividend is recommended or has been paid during the financial year.

5. DIRECTORATE

The directors who held office since the date of the last report are:

	Appointed	Resigned
Audrena Binti Sany Albert	–	–
Moverie Rajakumari A/P K. Karupiah	–	–
Rengarajan Ramachandran	–	31.03.2010
Sriraman Vaidyanathan	–	–
Shankarraman Vaidyanathan	–	–
Ramaiyer Venkatramani	–	31.03.2010

In accordance with the Company's Articles of Association, Sriraman Vaidyanathan and Shankarraman Vaidyanathan retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Since the date the last report, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed by Section 169(8) of the Companies Act, 1965.

During and at the end of the financial year, the Company was not a party to any arrangements whose object is to enable the directors to acquire benefits through the acquisition of shares or debentures in the Company or any other body corporate.

6. OTHER STATUTORY INFORMATION

Before the financial statements were made out the directors took reasonable steps:

a. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no bad debts to be written off and that a provision for doubtful debts is not required, and

b. to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable value.

At the date of this report, the directors are not aware of any circumstances which would render:

i. the values attributed to current assets misleading or inappropriate,

ii. adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate,

iii. any amount stated in the financial statements misleading.

At the date of this report there does not exist any:

i. charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person,

ii. contingent liability which has arisen since the end of the financial year.

In the opinion of the directors no item, transaction or event of a material or unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the company's operations for the financial year in which this report is made.

No contingent or other liability of the company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

7. HOLDING COMPANY

Quintegra Solutions Limited, a Company incorporated in the Republic of India, is the Holding Company.

8. AUDITORS

Sankar & Co., Chartered Accountants, have expressed their willingness to accept re-appointment.

For and behalf of the Board

Place : Kuala Lumpur
Date : 29.06.2010

Shankarraman Vaidyanathan
Director

Sriraman Vaidyanathan
Director

STATEMENT BY DIRECTORS

Pursuant to section 169(15) of the Companies Act, 1965

We, **Shankarraman Vaidyanahan** and **Sriraman Vaidyanathan,** being two of the directors of **QUINTEGRA SOLUTIONS (M) SDN. BHD.,** do hereby state that in our opinion, the financial statements set out herein are drawn up in accordance with applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:

i. the state of affairs of the Company as at 31 March 2010; and

ii. the results of the operations of the Company and the cash flows for the year then ended.

For and behalf of the Board

	Shankarraman	**Sriraman**
Place : Kuala Lumpur	**Vaidyanathan**	**Vaidyanathan**
Date : 29.06.2010	*Director*	*Director*

STATUTORY DECLARATION

Pursuant to section 169(16) of the Companies Act, 1965

I, **Sriraman Vaidyanathan,** being the director responsible for the financial management of **QUINTEGRA SOLUTIONS (M) SDN. BHD.,** do solemnly and sincerely declare that the financial statements of the Company are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true by virtue of the provisions of the Statutory Declarations Act, 1960

Subscribed and solemnly declared by the above named **Sriraman Vaidyanathan** in the Federal Territory of Kuala Lumpur

Date : 29.06.2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUINTEGRA SOLUTIONS (M) SDN. BHD.

Report on the Financial Statements

We have audited the accompanying financial statements of **QUINTEGRA SOLUTIONS (M) SDN. BHD.,** which comprise the balance sheet as at 31 March 2010 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out therein.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards applicable to Private Entities (PERS) and the Companies Act, 1965 in Malaysia. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on Auditing in Malaysia. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting polices and the reasonableness of accounting estimates made by the 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 opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of Quintegra Solutions (M) Sdn. Bhd., as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SANKAR & CO (AF. 0142)
Chartered Accountants

Venkiteswaran Sankar
BIL 527/07/10(J/PH)
Proprietor

Place : Kuala Lumpur
Date : 29.06.2010

BALANCE SHEET AS AT

	Note	31.03.2010 RM	31.03.2009 RM
SHAREHOLDERS' FUNDS			
Share Capital	4	621,725	621,725
Profit & Loss Account		(22,829)	353,377
		598,896	**975,102**
Represented By:			
FIXED ASSETS	5	1,456	109,956
CURRENT ASSETS			
Trade Debtor		16,913	16,913
Sundry Debtors, Deposits and Prepayments		61,411	59,468
Amount due from Holding Company	6	1,564,773	1,367,964
Cash at Bank and in Hand		770	12,133
		1,643,867	**1,456,478**
CURRENT LIABILITIES			
Other Creditors and Accruals		(11,023)	(52,125)
Amount due to a Related Company	6	(1,030,190)	(539,207)
Bank Overdraft		(5,214)	–
		(1,046,427)	**(591,332)**
NET CURRENT ASSETS		**597,440**	**865,146**
		598,896	**975,102**

INCOME STATEMENT FOR THE YEAR ENDED

	Note	31.03.2010 RM	31.03.2009 RM
TURNOVER		**253,146**	**1,669,372**
Less: Administrative and General Expenses		(629,352)	(1,646,972)
PROFIT Before Taxation	7	**(376,206)**	**22,400**
TAXATION	8	–	–
PROFIT After Taxation for the year		**(376,206)**	**22,400**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2010

(RM)

	Share Capital	Unappropriated Profit	Total
Balance at 31 March 2008	621,725	330,977	952,702
Profit for the year	–	22,400	22,400
Balance at 31 March 2009	621,725	353,377	952,102
Loss for the year	–	(376,206)	(376,206)
Balance at 31 March 2010	**621,725**	**(22,829)**	**598,896**

CASH FLOW STATEMENT FOR THE YEAR ENDED

	31.03.2010 RM	31.03.2009 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Less before taxation	(376,206)	22,400
Adjustment for:		
Depreciation	45,050	114,170
Loss on Disposal of Property, Plant and Property	63,450	–
Operating profit before working capital changes	**(267,706)**	**136,570**
Increase in Debtors	(1,943)	(7,613)
(Decrease)/Increase in Creditors	(41,102)	14,478
Increase in Amount due from Holding Company	(196,809)	(351,944)
Increase in Amount due to a Related Company	490,983	148,333
Net cash (used in) / generated from Operating Activities	**(16,577)**	**(60,176)**
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	–	(1,824)
Net cash used in Investing activity	**–**	**(1,824)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(16,577)**	**(62,000)**
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	**12,133**	**74,133**
CASH AND CASH EQUIVALENT AT END OF YEAR	**(4,444)**	**12,133**
represented by:–		
Cash and Bank Balances	770	12,133
Bank Overdraft - Unsecured	(5,214)	–
	(4,444)	**12,133**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

These notes form an integral part of and should be read in conjunction with the foregoing financial statements.

1. GENERAL INFORMATION

1.1 Principal Activities

The principal activity of the Company is that of software development.

1.2 Legal Form and Domicile

The Company is a private limited liability Company, incorporated and domiciled in Malaysia.

1.3 Principal Place of Business and Registered Office of the Company

Principal Place of Business	Registered Office
2B-7-3, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur	Suite 1603, 16th Floor, Wisma Lim Foo Yong, 86, Jalan Raja Chulan, 50200 Kuala Lumpur

1.4 Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 29.06.2010.

2. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting Convention and Standards

The financial statements are stated in Ringgit Malaysia and are prepared under the historical cost convention and have been prepared in accordance with the provisions of the Companies Act, 1965 and Approved Accounting Standards in Malaysia.

3.2 Depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment loss. Depreciation is calculated on the straight line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are as follows:

	%
Office Equipment	33.33
Computer & Accessories	33.33
Furniture & Fixtures	33.33
Renovation	33.33

Where indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

3.3 Foreign Currency Risk

The objective of the Company's foreign exchange policies is to allow the Company to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Company to unnecessary foreign exchange risks. The Company covers substantially all foreign exchange exposures arising from its foreign currency payables and on cash flows and operates within a specified maximum exposure limit.

3.4 Cash Flow Statements

The Company reports cash flows from operating activities using the indirect method.

Cash and cash equivalents consist of bank and cash balances.

3.5 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or Income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. SHARE CAPITAL

	2010	(RM) 2009
Authorised:		
Ordinary shares of RM 1/- each	1,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of RM 1/- each	621,725	621,725

5. FIXED ASSETS

2010 (RM)

Depreciation	Cost				Accumulated Depreciation				Net Book Value
	At 01.04.2009	Addition in the year	(Disp.) (transfered)	At 31.03.2010	At 01.04.2009	Charge for the year	(Disp.) (transferred)	At 31.03.2010	
Computers & Accessories	135,163	–	–	135,163	88,657	45,050	–	133,707	1,456
Furniture & Fittings	80,230	–	(80,230)	–	55,715	–	(55,715)	–	–
Office Equipment	47,440	–	(47,440)	–	32,943	–	(32,943)	–	–
Renovation	79,980	–	(79,980)	–	55,542	–	(55,542)	–	–
	342,813	**–**	**(207,650)**	**135,163**	**232,857**	**45,050**	**(144,200)**	**133,707**	**1,456**

2009 (RM)

Depreciation	Cost				Accumulated Depreciation				Net Book Value
	At 01.04.2008	Addition in the year	(Disp.) (transfered)	At 31.03.2009	At 01.04.2008	Charge for the year	(Disp.) (transferred)	At 31.03.2009	
Computers & Accessories	133,339	1,824	–	135,163	43,703	44,954	–	88,657	46.506
Furniture & Fittings	80,230	–	–	80,230	28,972	26,743	–	55,715	24,515
Office Equipment	47,440	–	–	47,440	17,130	15,813	–	32,943	14,497
Renovation	79,980	–	–	79,980	28,882	26,660	–	55,542	24,438
	340,989	**1,824**	**–**	**342,813**	**118,687**	**114,170**	**–**	**232,857**	**109,956**

6. AMOUNT DUE FROM/(TO) HOLDING/RELATED COMPANY

These amounts are unsecured, interest free and have no fixed terms of repayment.

	2010 RM	2009 RM
Service provided to Holding Company	216,947	1,095,946

7. (LOSS)/PROFIT BEFORE TAXATION

	2010 RM	2009 RM
(Loss)/Profit before taxation is arrived after charging:		
Audit Fees - Current year provision	3,000	3,000
- Prior year over provision	–	(530)
Depreciation	45,050	114,170
Director Fees	3,600	3,600
Rental Expenses	173,620	153,465

8. TAXATION

The Company has been granted pioneer status under The Promotion of Investments Act 1986 for a period of 5 years from 24 July 2006. Under the provisions of this Act the Company is exempt from taxation on its profits earned during that period. At 31 March 2010, the Company had an amount of about RM 463,000 (2009 : RM 463,000) in its tax exempt account. This entire amount is available for distribution subject to the availability of funds.

QUINTEGRA SOLUTIONS GmbH

CORPORATE INFORMATION

General Manager	Shankarraman Vaidyanathan
Domicile	Stromberger Strasse 2 55545, Bad Kreuznach, Germany
Auditors	Götz, Staudt & Nünke Wirtschaftsprüfer Steurerberater Bad Kreuznach

A. ASSIGNMENT AND SCOPE OF THE ASSIGNMENT

The management of

QUINTEGRA SOLUTIONS GmbH

(referred to below as "the Company")

has requested us to prepare the financial statements as of December 31, 2009 (Exhibit 1), the income statement for the period January 01, 2009 to December 31, 2009 (Exhibit 2) and the notes to financial statements as of December 31, 2009 (Exhibit 3) according to legal provisions.

In accordance with the assignment we have prepared the financial statements as of December 31, 2009, based on the bookkeeping prepared by us and records kept by the Company considering the regulations of the German Commercial Code (HGB) and the German Limited Liability Company Law (GmbHG). Our work was limited to receiving explanatory information from the Company and reviewing selected documents. We have not performed any plausibility or review procedures. An examination of the financial statements according to generally accepted auditing principles has not been performed by us. For the execution of the assignment we have observed the "Grundsätze für die Erstellung von Jahresabschlussprüfungen durch Wirtschaftsprüfer (HFA 4/1996)", recommendations for the preparation of financial statements issued by the Institut der Wirtschaftsprüfer (IDW).

Our work did not comprise a review for compliance with non-accounting and -reporting related legal provisions and potential irregularities. We also did not review the adequacy of the insurance coverage of the Company.

We have conducted our work on January 2010 in our office.

Execution of the assignment and the extent of our liability, also in relation to third parties is governed by the "General Terms of Engagement for Wirtschaftsprüfer und Wirtschaftsprüfungs gesellschaften" dated January 1, 2002 (Exhibit 7).

B. LEGAL BACKGROUND OF THE COMPANY

I. Trade register and Company's Statutes

The Company was established on March 07, 2006.

The Company had its domicile in Bad Kreuznach and is registered there in the trade register, division B, No. 20149.

II. Management / Right to represent the Company

The general manager of the Company during the fiscal year was:

- Mr. Shankarraman Vaidyanathan, Ashok Nagar, Chennai 600 083, India.

The general manager has the sole right to represent the Company.

III. Share Capital

The share capital amounts to £ 50,000 and is fully paid in.

At the balance sheet date all shares were held by Quintegra Solutions Limited, 168 Eldams Road, Teynampet, Chennai 600 018, India.

IV. Shareholder's Meeting

In the fiscal year the following important shareholder's meeting was held with the following major resolutions:

V. Meetings as of January 22, 2009

- acceptance and approval of the Company's financial statements as of December 31, 2008
- carry-forward of the accumulated deficit in the amount of EUR 20,896.00
- exoneration of the management for the fiscal year 2008.

VI. Affiliation

All shares of the Company are held by Quintegra Solutions Limited, 168 Eldams Road, Teynampet, Chennai 600 018, India.

Thus, the Company is affiliated Company to Quintegra Solutions Limited, 168 Eldams Road, Teynampet, Chennai 600 018, India and its direct and indirect subsidiaries; we refer to the information disclosed in the Notes to the Financial Statements according to Sect. 285 No. 14 of the Commercial Code.

C. THE COMPANY'S BUSINESS AND ECONOMIC BACKGROUND

I. Objectives of the Company

The Company is engaged in the proving of Computer, Hardware, Software and Business Solutions.

II. Tax Situation

The Company has not yet been subject to a tax field audit.

D. SIGNIFICANT ACCOUNTING POLICIES

The Company is a small company in the sense of Sect. 267 para. 1 of the Commercial Code.

The accounting and valuation policies are in compliance with the provisions of the Commercial Code.

The Company applies the facilitation provisions for the preparation of the Notes to the Financial Statements set forth in Sect. 288 of the Commercial Code.

Accounting and valuation policies applied are described in more detail in the Notes to Financial Statements.

The Company uses the facilitation granted in Sect. 264 para. 1 of the Commercial Code to prepare no Management Report.

E. RESULTS OF THE ASSIGNMENT

I. The Books of Account

The books were prepared with respect to legal regulations.

II. The Financial Statements

An examination of the financial statements according to generally accepted auditing standards has not been performed by us. Within the scope of our work, however, there are no material indications that the legal requirements relating thereto were not complied with.

III. Management Representation

The management has provided us with all requested information and evidential matters.

According to the general representation letter by the management, the balance sheet reflects all assets and liabilities of the Company. Also, according to this representation letter there are no guarantees and other contingencies other than those disclosed on the face of the balance sheet or in the Notes to Financial Statements.

F. STATEMENT

Based on the result of our work we render the following statement on the financial statements of Quintegra Solutions GmbH (Exhibits 4 through 6, English translation: Exhibit 1 through 3) as of December 31, 2009:

"The attached financial statements have been prepared by us based on the bookkeeping prepared by us and documents provided by the Company and the information given to us. A judgement on the regularity of these documents and the information of the Company was within the scope of the assignment."

GÖTZ, STAUDT & NÜNKE
Wirtschaftsprüfer - Steuerberater

Nils Nünke
- Wirtschaftsprüfer -
- Steuerberater -

Bad Kreuznach
April 23, 2010

Our prior approval is required for all publications or distributions of the financial statements in a version different from the one certified by us, if reference is made in such publication or distribution to our statement.

BALANCE SHEET AS AT

Exhibit - 1

	31.12.2009 Euro	31.12.2008 Euro
ASSETS		
CURRENT ASSETS		
Other current receivables	25,427,39	33,376,06
Cash and bank deposits	1,611,89	170.00
Total current assets	**27,039,28**	**33,546,06**
Total assets	**27,039,28**	**33,546,06**
SHARE HOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	50,000,00	50,000,00
Other reserves		
Profit reserves	-27,924,51	-20,896,00
Total shareholders' equity	**22,075,49**	**29,104,00**
Current liabilities		
Other current provisions	3,800,00	3,800,00
Other current payables	1,163,79	642,06
Total current liabilities	**4,963,79**	**4,442,06**
Total shareholders' equity and liabilities	**27,039,28**	**33,546,06**

ACCOUNTS MAKING UP BALANCE SHEET AS AT

ASSETS

Other current receivables		
Due from shareholders - up to 1 year	25,132,29	32,639,72
VAT receivables	128,24	0,00
Input VAT deductible in following year	60,46	0.00
Input VAT current year	106,40	736,34
	25,427,39	**33,376,06**
Cash and Bank deposits		
Deutsche Bank 96511100	1,611,89	170,00
Total	**27,039,28**	**33,546,06**

ACCOUNTS MAKING UP BALANCE SHEET AS AT (Contd.)

SHAREHOLDERS' EQUITY AND LIABILITIES	**31.12.2009 Euro**	**31.12.2008 Euro**
Share capital		
Subscribed capital	50,000,00	50,000,00
Profit reserves		
Net loss for the year	-7,028,51	-5,689,75
Account deficit after appropriation	-20,896,00	-15,206,25
	-27,924,51	-20,896,00
Other current provisions		
Other accrued expenses	600,00	800,00
Accrual for year end & audit fees	3,200,00	3,000,00
	3,800,00	3,800,00
Other current payables		
Other liabilities	1,163,79	642,06
Total	**27,039,28**	**33,546,06**

INCOME STATEMENT

Exhibit - 2

	For the year ended 31.12.2009 Euro	For the year ended 31.12.2008 Euro
Other operating expenditure	-7,028,51	-5,689,75
Operating results	-7,028,51	-5,689,75
Pre-tax loss	-7,028,51	-5,689,75
After-tax loss from ordinary activities	-7,028,51	-5,689,75
Net loss for the year	-7,028,51	-5,689,75
Statement of comprehensive income	-7,028,51	-5,689,75

ACCOUNTS MAKING UP STATEMENT OF COMPREHENISVE INCOME

Other operating expenditure		
Prior period expense (if not extraordinary)	-217,33	0.00
Contributions	-280,00	-280,00
Legal & consulting costs	-1,882,71	-1,133,85
Accounting expenses	-600,00	-600,00
Closing & audit fees	-3,240,00	-3,000,00
Bank charges	-808,47	-675,90
Net loss for the year	**-7,028,51**	**-5,689,75**
Statement of comprehensive Income		
Statement of comprehensive income	-7,028,51	-5,689,75

Notes to the Financial Statements for the Fiscal Year as of December 31, 2009

I. Significant Accounting and Valuation Policies

At the Balance Sheet date, the Company is a small company in the sense of Sect. 267 of the Commercial Code (HGB).

The applied accounting and valuation policies are consistent with the regulations of the German Commercial Code.

For the presentation of the statement of income the cost summary method is applied.

In particular following principles were applied:

Receivables and other assets are stated at face value less necessary specific bad debt reserves.

Other accrued liabilities are set up for any uncertain liabilities in the amount necessary according to reasonable business judgement.

Accounts payable are stated at their repayment value.

Receivables in foreign currencies are translated at the lower of the historical rate or the exchange rate at the balance sheet date. Liabilities in foreign currencies are translated at the higher of the historical rate or the exchange rate at the balance sheet date, whereas secured amounts have been considered.

II. Notes to the Balance sheet and Income and Loss Statement

The development of the accumulated deficit is as follows:

	2009 EURO	2008 EURO
Accumulated deficit at the beginning of the year	-20,896,00	-15,206,25
Net Loss for the Year	-7,028,51	-5,689,75
Accumulated deficit at the end of the year	-27,924,51	-20,896,00

Other accrued liabilities contain mainly expenses for the preparation of financial statements.

III. Other Notes

1. Number of Employees

The average number of employees in the year reported on is as follows:

General Manager	1
Sales	0

2. Members of the Company's management

The following person was General Manager in the fiscal year:

Mr. Shankarraman Vaidyanathan, Ashok Nagar,
Chennai 600 083, India.

Applying section 286 para, 4 of the Commercial Code the statement with respect to the remuneration to the members of the management in the reporting period is waived.

3. Parent Company

Quintegra Solutions GmbH is a 100% Subsidiary of Quintegra Solutions Limited, 168 Eldams Road, Teynampet, Chennai 600 018, India.

The Parent company which prepares consolidated financial statements for the largest group of affiliated companies is Quintegra Solutions Limited, 168 Eldams Road, Teynampet, Chennai 600 018, India. These consolidated financial statements are available at the premises of parent company.

IV. Management Suggestion for appropriation of the Result

The management suggests to the shareholders meeting to carry forward the accumulated deficit as of December 31, 2009, in the amount of EURO 27,924.51 to the next fiscal year.

QUINTEGRA SOLUTIONS IRELAND LIMITED

CORPORATE INFORMATION

Directors	Timothy Sheehy Sriraman Vaidyanathan Kamalkar Balaji Sharma
Secretary	Beacon Company Secretaries Limited 5 Ballygoran Court Cellbridge Co. Dublin
Company Number	442854
Registered Office	Riverside Two Sir John Rogerson's Quay Dublin 2 Co. Dublin
Auditors	BDO Registered Auditors Beaux Lane House Mercer Street Lower Dublin 2 Co. Dublin.
Solicitors	Beauchamps Solicitors Riverside Two Sir John Rogerson's Quay Dublin 2 Co. Dublin.

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2010

The directors submit their report together with the audited financial statements from the date of incorporation to 31 March 2010.

Principal activities and review of the business

The company was incorporated on 7 July 2007. The company offers information technology, consultancy and advisory services to the public and commercial users. The company has not traded since incorporation.

Dividends

The directors do not recommend payment of a dividend in respect of the year ended 31 March 2010.

Results

The profit and loss account and balance sheet for the year ended 31 March 2010 are attached. The loss before taxation for the year was Euro 8,167 (2009: Euro 1,750). After tax losses carried forward to reserves was Euro 8,167 (2009: Euro 1,750).

Important events since the year end

There have been no events affecting the company since the year end.

Directors, secretary and their interests

The names of the persons who were directors at any time during the year ended 31 March 2010 are set out in Corporate Information sheet above. Except where indicated they served as directors for the entire year. In accordance with the Articles of Association, the directors are not required to retire by rotation.

The beneficial interest of the directors, their families and nominees in the share capital of the parent company, Quintegra Solutions Limited, as they appear in the register of shareholders at 31 March 2010 and 31 March 2009 is as follows:

	31 March 2010 Ordinary Shares		31 March 2009 Ordinary Shares	
	No.	%	No.	%
Sriraman Vaidyanathan	52,000	0.19	52,000	0.19

Statement of Director' responsibilities

The directors are responsible for preparing the Financial Statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Books and Records

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedure for recording transactions, the employment of competent personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account are maintained at Riverside Two, Sir John Rogerson's Quay, Dublin 2, Co, Dublin.

Auditors

The auditors, BDO, Chartered Accountants & Registered Auditors, have expressed their willingness to continue in office in accordance with Section 160 (2) of the Companies Act, 1963.

Section 40(1) of Companies Act, 1983

The Balance Sheet discloses that the net assets of the company are less than half of the issued share capital. Accordingly the directors have decided to convene an Extraordinary General Meeting of the company immediately after the close of the Annual General Meeting to review its financial situation.

For and behalf of the Board

Place : Dublin	**Sriraman Vaidyanathan**	**Kamalkar Balaji Sharma**
Date : 29.06.2010	*Director*	*Director*

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QUINTEGRA SOLUTIONS IRELAND LIMITED

We have audited the financial statements which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and the Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practise in Ireland), are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet and its profit and loss account are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion we have considered the disclosures made in note 2 of the financial statements concerning the going concern basis of preparation of the financial statements. The validity of the going concern basis on which the financial statements are prepared is primarily dependent upon the continued financial support from its parent company. In view of this we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at the 31 March 2010, and of the results of the Company for the year ended and have been properly prepared in accordance with the Companies Act 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the director's report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet, are less than half of the amount of its called up share capital and, in our opinion, there did exist at 31 March 2010, a financial situation which, under Section 40(1) of the Companies (Amendment) Act 1983 would require the convening of an extraordinary meeting of the company.

BDO
Registered Auditors
Dublin

29.06.2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

	Notes	31.03.2010 Euro	31.03.2009 Euro
Gross Profit		–	–
Administrative expenses		(8,167)	(1,750)
Operating loss on ordinary activities before taxation	3	(8,167)	(1,750)
Taxation	4	–	–
Loss for the year		(8,167)	(1,750)

There are no recognised gains or losses than loss for the above period.

The notes given below form part of these financial statements.

On behalf of the Board

	Sriraman Vaidyanathan	**Kamalkar Balaji Sharma**
Date : 29.06.2010	*Director*	*Director*

BALANCE SHEET AS AT 31.03.2010

	Notes	31.03.2010 Euro	31.03.2009 Euro
Current assets			
Cash		1	1
Creditors: amounts falling due within one year	5	(15,366)	(7,199)
Net liabilities		(15,365)	(7,198)
Financed by:			
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		(15,366)	(7,199)
Shareholders' deficit		**(15,365)**	**(7,198)**

The notes given below form part of these financial statements.

The financial statements were approved for issue by the directors on 29 June 2010.

On behalf of the Board

	Sriraman Vaidyanathan	**Kamalkar Baljai Sharma**
Date : 29.06.2010	*Director*	*Director*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. Accounting Policies and estimation techniques

The company has acknowledged the guidance set out in FRS 18 ("Accounting Policies") for its accounting policies.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and comply with the requirements of Irish Statute comprising the Companies Acts, 1963 to 2009, and with accounting standards generally accepted in Ireland.

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cash flow statement because it is a small company.

1.2 Provisions and contingencies

No General provisions or contingencies are included in the financial statements in accordance with FRS 12 "Provisions, Contingent Liabilities and Contingent Assets".

2. Going concern

The financial statements have been prepared on a going concern basis. This assumes that the company will continue in operational existence for a foreseeable future having adequate resources (including financial resources) to meet its obligations when they fall due. The validity of the going concern basis of the company is primarily dependent upon the continued support (financial and otherwise) from its parent company.

The directors of parent company have provided, since the year end, a letter of comfort confirming their continued support and that sufficient cash will be made available to ensure all third party creditors are paid as they fall due. In light of this the directors of the company believe that it is appropriate for the financial statements to be prepared on a going concern basis.

3. Operating loss

	31.03.2010 Euro	Period ended 31.03.2009 Euro
Operating loss is stated after charging:		
Auditors remuneration	1,000	1,000

4. Taxation

Corporation tax for the year	–	–

4.1 Tax reconciliation

Loss on ordinary activities before tax	(8,167)	(1,750)
Loss on ordinary activities at corporation tax rate in Ireland of 12.5% (2009 : 12.5%)	(1,021)	(219)
Effects of:		
Expenses not allowable for tax purposes	1,021	219
Losses carried forward	–	–
	–	–

5. Creditors: amounts falling due within one year

Amounts due to parent company (note 8)	13,616	5,449
Accruals	1,750	1,750
	15,366	7,199

6. Called up share capital

Authorised		
100,000 Authorised shares of Euro 1	100,000	100,000
Allotted, called up and fully paid		
1 Ordinary Shares of Euro 1 each	1	1

7. Reconciliation of movement in shareholders funds

Opening shareholders funds	(7,198)	(5,448)
(Loss) for the year	(8,167)	(1,750)
	(15,365)	(7,198)

8. Parent Company

Quintegra Solutions Ireland Limited is a wholly owned subsidiary of Quintegra Solutions Limited, a Company registered in India.

9. Approval of the financial statements

The financial statements were approved for issue by the Directors on 29 June 2010.

P A CORPORATION

CORPORATE INFORMATION

President	Shankarraman Vaidyanathan
Secretary	Sriraman Vaidyanathan
Registered Office	836 Park Avenue, 2nd Floor, Baltimone Maryland 21201
Auditors	RAM ASSOCIATES Certified Public Accountants 3240 East State Street Ext. Hamilton NJ. 08619

RAM ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder of
Pingho Associates Corporation.
McLean, VA 22102.

We have reviewed the accompanying balance sheet of Pingho Associates Corporation as of December 31, 2009 and the related statements of income, changes in stockholders' deficit, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Pingho Associates Corporation.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying, financial statements in order for them to be in conformity with generally accepted accounting principles.

Ram Associates
Hamilton, NJ
August 17, 2010

BALANCE SHEET AS AT DECEMBER 31, 2009

ASSETS	US $
CURRENT ASSETS	
Cash	39,530
Accounts receivable, (net of allowances for doubtful debts $ 133,246)	1,417,361
Other current assets	10,611
TOTAL CURRENT ASSETS	**1,467,502**
Intercompany	2,626,537
Security deposit	11,245
TOTAL ASSETS	**4,105,284**
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	3,117,409
Payroll liabilities	235,240
Provision for income tax	14,140
TOTAL CURRENT LIABILITIES	3,366,789
LONG-TERM LIABILITIES:	
Warrant liability	602,000
TOTAL CURRENT AND LONG-TERM LIABILITIES	3,968,789
STOCKHOLDER'S EQUITY:	
Common stock - $ 1 par value, 500 shares authorized, shares issued and outstanding	198
Retained earnings	136,297
TOTAL STOCKHOLDER'S EQUITY	**136,495**
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**4,105,284**

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2009

	US $
REVENUE	
Net Revenue	1,246,998
Cost Revenue	1,309,063
Gross Profit / (Loss)	(62,065)
OPERATING EXPENSES:	
Selling, general and administrative expenses	531,254
LOSS FROM OPERATIONS	(593,319)
OTHER INCOME AND (EXPENSES)	
Amortization	(727,084)
Depreciation	(4,700)
Interest expenses	(65,877)
TOTAL OTHER INCOME AND (EXPENSES)	(797,661)
NET LOSS	**(1,390,980)**

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2009

US $

	Number of shares	Common stock	Retained earnings	Total stockholder's equity
Balance at December 31, 2008	198	198	1,527,277	1,527,475
Net loss			(1,390,980)	(1,390,980)
Balance at December 31, 2009	198	198	136,297	136,495

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009

	US $
Cash Flow from operating activities	
Net loss	(1,390,980)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	4,700
Amortization	727,084
Changes in assets and liabilities:	
(Increase) / Decrease in accounts receivable	240,535
(Increase) / Decrease in other current assets	25,766
Increase / (Decrease) in accounts payable and accrued expenses	267,929
Increase / (Decrease) in payroll liabilities	(112,160)
Total Adjustments	422,070
Net cash used by operating activities	(237,126)
Cash flows from investing activities:	
Decrease in inter-company	57,339
Net cash provideed by investing activities	57,339
Net decrease in cash	(179,787)
Cash at the beginning of the year	**219,317**
Cash at the end of the year	**39,530**
Supplementary disclosure of cash flows information	
Cash paid during the nine months period for:	
Interest	65,877
Income taxes	–

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009

1. NATURE OF BUSINESS:

Organization

Pingho Associates Corporation (the Company) was incorporated under the laws of the State of Maryland on March 18, 2002 for the purpose of providing business process consulting, technology project consulting, project management, and business development services. The Company operates principally in the Washington, D.C. metropolitan area. The Company performs its work in accordance with contract specifications developed and agreed to by its clients.

On November 29, 2007, the Company sold all of its shares to Quintegra Solutions Limited, a public limited Company organized under the laws of India. It continues to operate the business in the name of Pingho Associates Corporation.

The Company has ceased its business operation since April 2009. On June 25, 2009, the Company has filed a voluntary Chapter 11 bankruptcy protection petition to re-organize its business with US Bankruptcy Court, Eastern District of Virginia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Contract revenue

A substantial portion of the Company's revenue results from time-and-material contracts with its customers. Revenue is recognized based upon time incurred (at established rates) and other direct reimbursable expenses incurred. Revenues on fixed-price contracts are recognized using the percentage of completion method. Percentage of completion

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009 (Contd.)

is determined by relating the actual cost of work performed to date to the estimated total cost for each contract. If the estimate indicates a loss on a particular contract, a provision is made for the entire estimated loss without reference to the percentage of completion.

Under certain contracts, the Company acts as an agent and pursuant to EITF 99-19, recognizes a fee based on a fixed percentage of pass-through managed costs. The costs managed under this agency relationship in the year ended December 31, 2009 was $0 and the fee earned and included in contract revenue in for the same period was $0.

Use of accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

Allowance for doubtful accounts

The Company evaluates the collectibility of accounts receivable based on a combination of factors. In cases where management is aware of circumstances that may impair a specific customer's ability to meet its financial obligations, a specific allowance against amounts due is recorded, and thereby reduces the net recognized receivable to the amount management reasonably believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on the length of time the receivables are outstanding, industry and geographic concentrations, the current business environment and historical experience. All receivables are deemed by management to be fully collectible. The allowance for doubtful debts as of December 31, 2009 was $133,246.

Customer contract right

Customer contract rights totalling $2,904,359 were acquired on November 19, 2004 (see Note 4) and are amortized over the expected life.

Pursuant to Chapter 11 bankruptcy petitions to re-organize its business with US Bankruptcy Court, Eastern District of Virginia and the Company ceased all of its business operation; management had decided to write of remaining balance of customer contract right in year 2009.

Amortization expense for the year ended December 31, 2009 was $727,084.

Property and equipment

Property and equipment are recorded at the original cost and are depreciated on the straight-line method over their estimated lives.

The Company charges repairs and maintenance costs that don't extend the lives of the assets to expenses as incurred.

Property and equipment as of December 31, 2009, consists of the following:

Computer and equipments	US$	92,544
Less: Accumulated depreciation		92,544
Property and equipment, net		Nil

Depreciation expense for the year ended December 31, 2009 was $ 4,700.

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009 (Contd.)

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the undiscounted cash flow is less than the carrying amount of the assets, an impairment loss is recognized based on the fair value of the asset. Subsequent to bankruptcy petition filed in June 2009, management had decided to write off remaining balance of customer contract right in year 2009.

Cash and cash equivalents

The Company considers all highly-liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents.

The Company maintains cash balances, which may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

Income taxes

The Company uses the asset and liability approach to account for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year when the change is enacted.

On November 29, 2007, the Company adopted an accounting standard which clarifies the accounting for uncertainty in income taxes recognized in financial statements. This standard provides guidance on recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that a company has taken or expects to take on a tax return.

The Company's effective tax rate was 15% in 2009. The future effective income tax rate depends on various factors, such as the Company's income (loss) before taxes, tax legislation and the geographic composition of pre-tax income.

3. CREDITS AND BUSINESS CONCENTRATION:

The Company's financial instruments that are exposed to concentration of credit risks consist primarily of cash and accounts receivable. The Company maintains its cash in bank accounts, which, at times, exceed federally insured limits. The Company has into experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk on cash. Concentration of credit risks with respect to accounts receivable are limited because of the credit worthiness of the Company's major customers.

The Company provides a substantial portion of its contract services to three customers. During the year ended December 31, 2009, sales to these three customers represented approximately 69% of the Company's net sales. As of December 31, 2009, approximately 68% of accounts receivable were due from these three customers.

4. ASSET ACQUISITION:

On November 16, 2004, the Company entered into an asset purchase agreement with iQuest Solutions, Inc. acquiring primarily customer contract rights. The Company issued a non-interest bearing note payable and a non-transferable common stock warrant. The warrant is exercisable 30 days prior to November 19, 2007 and ending 30 days thereafter for a quantity of shares equal to 5% of the Company's common stock as of the date of exercise of the warrant. The warrang has a put feature, which permits the holder to sell the warrant to the Company for a cash payment on, or after the third anniversary of the transaction for a price equal to 5% multiplied by the trailing 12 month total revenue of the Company, less 10%. Statement of Financial Accounting Standards No. 150 requires that such a warrant be recorded as a liability when this feature exists.

As per the sale purchase agreement, dated November 29, 2007, warrant holders have agreed to forgo $710,896, and accepted $811,300 in cash and agreed to receive balance of the payment of $301,000 in 2009 and $301,000 in 2010, if certain objectives are met. No payment was made to warrant holders in 2009.

5. COMMITMENTS AND CONTINGENCIES:

The Company's contracts with certain customers provide the customers the right to review or audit with Company's records upon the customer's request. Revenue from contracts with customers may be subject to adjustment based on the outcome of a review and/or audit. The Company has not received such a request from its customers and in the opinion of management, adequate provisions have been made in the accompanying financial statements for adjustments, if any, which may result from a customer review and/or audit of the Company's records.

The Company has facility lease on a month to month basis with a sixty day termination notice. Minimum commitment expenses for the two months would be $3,000.

Rent expenses for year ended December 31, 2009 was $42,141.

The Company has not paid rent for few months and unpaid rent including late payment fees and interest as of December 31, 2009 was $27,457.

6. FACTORING:

In December 10, 2008, the Company has entered into a factoring agreement with Platinum Funding Services, LLC, ("Platinum"). Under the agreement, subject to certain condition, Platinum will advance 70% of the face amount of such accounts receivable purchased. The fee to be earned by Platinum will be based on a commitment by the Company to deliver not less than $4,500,000 per calendar quarter. Fees are based upon standard selling terms on net 30 days and 2.5% and additional .84% for each additional 10 days.

7. PENSION PLAN:

The Plan covers eligible employees of Pingho Associates Corporation. All employees are eligible to participate in the plan provided they have completed six months of service and are eighteen years of age or older. The Plan, which is a defined contribution plan under the Employee Retirement Income Security Act of 1974 (ERISA), is administered by Penco Inc., the third party administrator. Employee entry date will be the first date of the month that is or next follows the date the employee satisfy the applicable eligibility requirements.

Transamerica Retirement Services held all the assets of the plan.

The Plan allows employees to make contribution up to the maximum allowed in the plan. The employer will provide a matching contribution equal to 40% of deferrals, subject to an annual maximum of $2,000. All contributions are made through payroll deductions.

Participants are 100% vested in the value of their cumulative regular and additional contributions and earnings thereon. Participants are vested 20% annually beginning after one year of participation. At the end of five years of service and participation in the Plan the employee is 100% vested for all firm matching and non-matching contributions.

The Company currently intends to continue the Plan indefinitely; however, it may terminate the Plan at any time. Upon termination of the Plan, all participants have non-forfeitable right to the entire value of the Company contributions.

quintegra

Quintegra Solutions Limited

Regd. Office No. 168, Eldams Road, Teynampet, Chennai - 600 018.

ADMISSION SLIP

(Please hand over this admission slip at the entrance of meeting hall)

Name and Address of the Shareholder

Client ID / Folio No.

No. of Shares

I/We hereby record our presence at the 16th Annual General Meeting of the Company held at Russian Cultural Centre, 74, Kasthuri Ranga Road, Chennai 600 018 on Thursday, the 30th September 2010 at 10.00 A.M.

....

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

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Quintegra Solutions Limited

Regd. Office No. 168, Eldams Road, Teynampet, Chennai - 600 018.

PROXY FORM

No. of Shares

Client ID / Folio No.

I/We ....being a

Member/Members of **QUINTEGRA SOLUTIONS LIMITED** hereby appoint ....

.... of .... or failing him

.... of

.... my / our Proxy to attend and vote for me/us on my/ our behalf at the 16th Annual General Meeting of the Company held on Thursday, the 30th September 2010 at 10.00 A.M. and at any adjournment thereof.

Dated this .... day of .... 2010.

Affix Re. 1 Revenue Stamp

Signed by the said ....

Note : The Proxy form filled must be deposited at the Registered Office of the Company not less than 48 hours before te time for holding the meeting.

BOOK POST

If undelivered please return to:

Quintegra Solutions Limited
Quintegra Towers
168, Eldams Road, Teynampet
Chennai - 600 018.