

THE POWER OF
FOCUS

Intec Capital Limited | Annual Report 2011-12

Forward Looking Statements

In our report we have disclosed forward-looking information so that investors can comprehend the Company's prospects and make informed investment decisions. This annual report and other written and oral statements that we make periodically contain such forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to qualify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion of future operating or financial performance.

We do not guarantee that any forward-looking statement will be realised, although we believe we have been diligent and prudent in our plans and assumptions. The achievement of future results is subject to risks, uncertainties and validity of inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS

02	>	Corporate Identity	09	>	Strengths	10	>	Managing Director's Review	15	>	Industry Overview	19	>	Business Drivers
22	>	Risk Management	24	>	Board of Directors	26	>	Directors' Report	30	>	Management Discussion and Analysis			
34	>	Corporate Governance Report	45	>	Financial Section	84	>	Notice						

THE POWER OF **FOCUS**

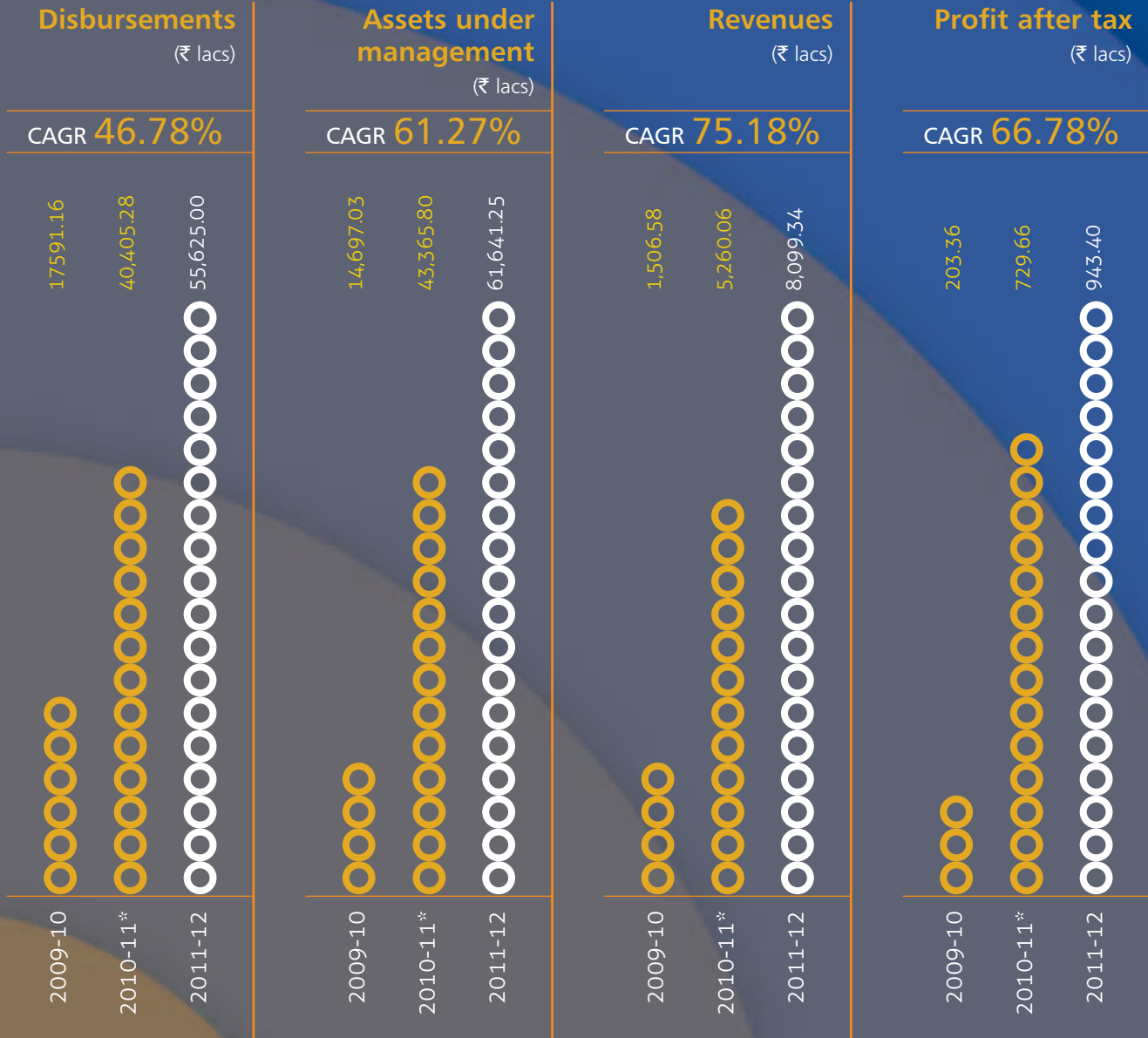
THE INDIAN GROWTH STORY IS BUILT AROUND THE SUCCESS OF MILLIONS OF SMALL AND MEDIUM-SIZED BUSINESSES.

INTERESTINGLY, THESE BUSINESSES ARE THE LEAST PROVIDED FOR WHEN IT COMES TO THE FINANCING OF THEIR MACHINERY & EQUIPMENT REQUIRED TO GET THEM INTO BUSINESS AND SUBSEQUENT EXPANSION.

INTEC CREATED AN ENTIRE BUSINESS MODEL AROUND THIS OPPORTUNITY. THE COMPANY EMERGED AS A FOCUSED MACHINERY & EQUIPMENT FINANCE PLAYER IN INDIA, CARVING OUT A NICHE IN THE COUNTRY'S GROWING SME SECTOR.

DERIVED FROM INTEC'S POWER OF FOCUS.

PERFORMANCE



*Of the 2010-11 merged figures, UCPL accounted for ₹ 13,569.63 lacs and ICL for ₹ 26,835.65 lacs

*Of the 2010-11 merged figures, UCPL accounted for ₹ 15,302.54 lacs and ICL for ₹ 28,063.26 lacs

*Of the 2010-11 merged figures, UCPL accounted for ₹ 1,552.82 lacs and ICL for ₹ 3,707.24 lacs

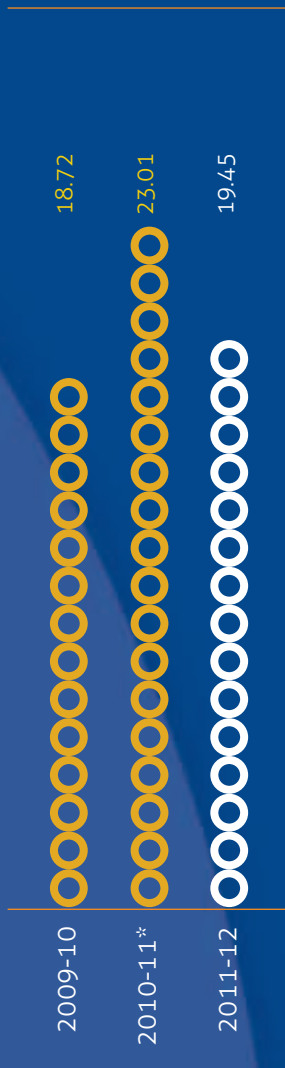
*Of the 2010-11 merged figures, UCPL accounted for ₹ 253.84 lacs and ICL for ₹ 475.82 lacs

EARNING PER SHARE
₹ 7.37
 MARCH 31, 2012

REVENUE
₹ 81 Crore
 MARCH 31, 2012

ASSET UNDER MANAGEMENT
₹ 616 Crore
 MARCH 31, 2012

Capital adequacy ratio (%)



*Of the 2010-11 merged figures, UCPL stood at 22.40% and ICL for 23.01%

PARENTAGE

- Incorporated in 1994 to provide machinery & equipment finance loans to small and medium enterprises
- Spearheaded by Mr Sanjeev Goel, the Company is run by a highly professional and experienced management team
- Established primarily as a Delhi-based Company at the time of inception, the Company services 125 SME clusters across the country today
- Unitel Credit Private Ltd (UCPL), a company under the same management, was merged with Intec Capital Limited in 2010-11

VISION

'To be the most preferred financial service provider to every Indian entrepreneur'

MISSION

'To provide simple and fast asset acquisition solutions for machines & equipments to small & medium enterprises by proactive collaboration with manufacturers'

PRESENCE

- Headquartered in New Delhi
- Spread across 12 locations in North, West and South India
- 12 branches covering 125 SME industrial locations

FOCUS INDUSTRIES

- Auto & Engineering
- Printing & Packaging
- Plastic & Injection Molding
- Medical, Healthcare & Pharmaceuticals
- Food Processing

EMPLOYEE STRENGTH

202

MARCH 31, 2012

BUSINESS PARTNERS

74

MARCH 31, 2012

NET NPA

0.30%

MARCH 31, 2012

What makes Intec different?

FOCUS

ON FINANCING SMEs

SMALL AND MEDIUM ENTERPRISES REPRESENT THE BACKBONE OF INDIA'S GDP, THEIR PROSPERITY IMMEDIATELY TRANSLATES INTO NATIONAL ECONOMIC GROWTH.

How this segment keeps the national economy up and running is validated by the following facts:

- The number of micro, small & medium enterprises units increased from an estimated 6.79 million units in 1990-91 to over 26 million in 2011-12
- The SME segment account for 17% of the country's GDP, 40% of its exports and 45% of the country's industrial output
- 90% of India's industrial units belong to the SME sector
- The SME sector is the second largest employer in India after agriculture.

It is in the light of these realities that financing is gaining importance in helping these entrepreneurs set up and expand operations, develop new products and commission new production facilities. Many such businesses begin

humbly as an idea floated by one or two people, who invest their own equity and probably turn to family and friends for financial help in return for a share in the business. Success is not guaranteed and when it does arrive, it does so with a lot of toil and challenges. To maintain this run all developing SMEs need fresh investments to expand or innovate. The law gets laid down: perform or perish. That is where the SMEs run into problems, because they find it harder than larger businesses to obtain financing from banks, financial institutions and capital markets.

A number of financial bottlenecks prevent the country's SME sector from mobilising adequate investments to achieve their potential. These comprise the following:

- Poor access to credit for new start-ups and young enterprises.
- Inaccurate accounting systems, undermining information accessibility and reliability related to profitability and repayment capacity.
- Requirement of heavy collateral by most banks and

MS

financial institutions.

This 'financing gap' is even more critical in a knowledge-based economy. Innovative SMEs, many in high-technology sectors, have played a pivotal role in raising productivity. However their innovative products and services need investments to flourish. If SMEs cannot mobilise necessary financing, even the most brilliant ideas can fall by the wayside.

At Intec Capital, what sets us apart from most financing companies is our long successful record in providing loans to the growing needs of India's small and medium enterprises.

Over the years, we have strengthened our capability and industry standing, reflected in the following:

- Possessing the infrastructure to finance SMEs across major industrial clusters of India
- Experience and insight to appraise competencies that do not appear on the Balance Sheet
- Providing loans of ₹ 5 lacs and above

- Offering loans for business expansion even to first generation entrepreneurs
- Designing specific SME-based policies
- Collateralising only the machinery financed
- Granting loans with speed to meet the needs of SMEs in a timely manner
- Amongst few financial institutions to finance second-hand machinery
- Focusing on the financing of machinery for select industries leading to rapid growth
- Focusing on financing machines manufactured by leading companies, reinforcing asset quality
- Sourcing the business directly from customers (not channel partners), leading to a lower cost of capital for the customers.

On account of this focused approach, the Company's disbursement for 2011-12 increased from ₹ 404 crore in 2010-11 to 556 crore in 2011-12.

What makes Intec different?

FOCU

ON BUILDING RELATIONSHIPS

US

IN INDIA, MOST FINANCING COMPANIES FOCUS ON TRANSACTIONS.

At Intec Capital, we are different. We believe that this business is based on strong goodwill the world over. The relationships we enter into are dependable, enduring and competitively distinctive, surviving market vagaries.

At Intec, we differentiate ourselves from SME financial service players, by delving deeper in our interaction with customers. We establish ourselves as facilitators and partners to customers and believe in 'giving more'. Our operations extend beyond making sales, with a strong focus on making an impact on customers, essentially not only for immediate dividends, but for long-term success. With this idea, we appoint a dedicated Relationship Manager for each customer to enhance operational seamlessness and grow the account. Intec operates in niche segments; our Relationship Managers possess an in-depth knowledge of respective sectors; they add significant value to a manufacturer or end-user customer.

Creating personal relationships

- We engage ourselves not only at the professional level but also at the personal level with our stakeholders (equipment manufacturers, customers and employees), thereby making them part of unique cohesive unit, clearly differentiating ourselves from others
- Our relationship management team is available almost round-the-clock, extending beyond office hours, facilitating an easy access.
- At Intec, our SME customers are encouraged to extend the relationship beyond just financing and to areas of management where Intec departmental heads add value. The Relationship Managers, in turn, provide timely assistance and quality feedback to help offer proactive solutions to queries.

Enhancing knowledge

- At Intec, customer satisfaction is of utmost priority; we connect with the customers on multiple interlooping – from providing industry updates and sectoral reports to quality assurance calls to facilitate feedback from customers on the quality of service rendered. The essence of establishing long-term, profitable business alliances is through follow-up and information sharing.
- The Company, while meeting compliances of timely disbursement and immaculate documentation, provides customers with insight, knowledge and advice that helps them take their businesses forward.

In short, Intec Relationship managers listen, share, teach, give, promote, network, go the extra mile and are 24x7 accessible. The result of this proactive approach is reflected in an increasing quantum of repeat business that we generate from existing customers and vendors and also incremental business from existing and new machinery and equipment manufacturers.

What makes Intec different?

FOCUS

ON SUSTAINABLE GROWTH

IN INDIA, MOST NBFCs AND FINANCIAL INSTITUTIONS WERE ENGAGED IN SURVIVING THE TWO SHARP DOWNTURNS IN LAST FOUR YEARS.

At Intec Capital, we opted for a radically different strategy. We considered these downturns as opportunities to grow our businesses without compromising the integrity of our balance sheet.

The Company strengthened its business, presence and processes through the following proactive measures:

- Covered 125 strategic SME industrial clusters of the country
- Grew the number of its branches from 7 to 12 with five branches opening in 2011-12 (and intending to grow to 23 by 2012-13 covering 158 SME clusters of the country)
- Associated with 32 new machinery manufactures in 2011-12 (total associations 74)
- Focused on adding new domestic and international machinery manufacturers year-on-year from the growing sectors
- Strengthening our relationships with manufacturers by

facilitating higher sales.

- Reduced our turn-around time
- Reduced our cost of funds by using short-term instruments
- Segregated the Retail and Strategic business verticals to focus on volume-driven smaller ticket size customers, accelerating customer acquisition and portfolio diversification
- Focused on speedy approvals through 'In-principle sanctions' within 72 hours (involving proposals with specified manufacturers)
- Improved asset quality through regular engagements with top manufacturers
- Regular participation in industrial exhibitions in India and overseas to address Indian SME needs and enhance our visibility along with evolving business relationship with other manufacturers.
- Emphasised training and knowledge building.

Going forward, the Company intends to offer a bouquet of new financial products (including leasing) in 2012-13 and double the number of global manufacturing relationships.



LEVERAGING OUR STRENGTHS

EXPERIENCE:

Intec possesses a rich experience of nearly two decades in financing the needs of India's small and medium enterprises. Intec being the only NBFC focused on the SME segment and working closely with machinery manufacturers, we penetrated deeper in all the SME clusters and emerged as focused machinery & equipment finance player in India.

CUSTOMER AND BUSINESS PARTNER BASE:

Intec is expanding its existing customer base continuously to service the SME clients across our focused industries. We are currently associated with 74 leading machinery manufacturers in Auto & Engineering, Printing & Packaging & Plastic & Injection Molding industry and are continuously striving focus to be associated with leading manufactures in the other industries of its presence.

PROXIMITY:

Intec has 12 pan-India branches covering 125 SME clusters with the objective to be close to clusters of high SME activity like Delhi-NCR, Mumbai, Pune, Ahmedabad, Indore, Ludhiana, Chandigarh, Jalandhar, Coimbatore and Chennai, with plans to expand to other SMEs clusters of India.

SECTORAL PREFERENCE:

Intec, focused on financing small and medium enterprises, enjoys a diversified presence across India's fast-growing industries. Being deeply involved in these industries, we understand the industry and its sub-segments and have successfully managed to identify standard machines required in each of the industries, associating with leading manufacturers and connecting with customers of that industry within the SME cluster.

FIRST-GENERATION ENTREPRENEUR:

Intec finances the needs of first-generation maverick entrepreneurs and helps them give their dreams a realistic basis by financing as low as ₹ 5 lacs so that we are able to cater even to the small enterprise or customer.

CREDIT APPRAISAL:

Intec delivers the fastest credit appraisal process in the industry (in-principle approval within 72 hours after meeting the customer). We developed strong relations with leading manufacturers and standardised certain fast moving capital goods equipment and machines leading to faster credit appraisal and approval. At Intec, the only collateral we take is the machine, making the appraisal simpler and faster.

FUNDING:

Intec focuses on the procurement of low-cost funds through short-term and long-term financial instruments so that we are able to offer our customers a reduced rate of interest. The Company enjoys credit delivery arrangements with SIDBI, facilitating loans under the subsidy scheme.

INTELLECTUAL CAPITAL:

Intec employs a dedicated team of 202 qualified professionals (as on 31st March 2012). This unique cohesive force is backed by an experienced and professional management Board to meet growing business needs while meeting regulatory requirements. This team is immensely knowledgeable and richly experienced in the SME sector, and well versed of the challenges faced by the SME segment.

RELATIONSHIP MANAGEMENT:

Intec builds customer relationships from the grass root levels. A dedicated Relationship Manager is appointed for each customer to enhance operational seamlessness and grow the account and on the other side the same Relationship Managers possess an in-depth knowledge of the industries, thereby adding significant value to the manufacturer and the end-user customer.



“INTEC CAPITAL IS THE ONLY FOCUSED NBFC WORKING EXCLUSIVELY IN INDIA’S SME SPACE, RESULTING IN A DISTINCTIVE CORE COMPETENCE.”

Managing Director’s review

Dear Shareholders,

At this juncture, in the short run, the global economy is being buffeted by multiple shocks emanating from various sources– economic, social, and geopolitical. Volatility in capital flows resulting from the spillover effects of monetary policy choices and other uncertainties in the advanced financial markets impacted exchange rates and made the task of macroeconomic management difficult in many economies like Brazil, India, South Africa, Turkey and to a lesser extent Russia.

India, being no different, faced a challenging 2011-12, marked by an industrial slowdown, lower capital expenditure, tightened monetary policy, depreciating rupee, persistent inflation and increased debt cost.

Normally this should have affected the viability of our financing business, translating into lower collections and weaker asset book. Interestingly, the industry downturn notwithstanding, the reverse happened.

Intec Capital reported a confidence-enhancing performance in 2011-12:

- Disbursements increased 46.78% from ₹ 404 crore in 2010-11 to ₹ 556 crore
- Revenue increased 54% from ₹ 52 crore in 2010-11 to ₹ 81 crore
- EBIDTA increased 64.75% from ₹ 38 crore in 2010-11 to ₹ 63 crore
- PAT increased 29% from ₹ 7.29 crore in 2010-11 to ₹ 9.43 crore
- Relationships with the number of machinery manufacturers increased from 42 in 2010-11 to 74.
- EPS (diluted) increased from ₹ 4.16 in 2010-11 to ₹ 7.37

Countering challenges

This improvement in the Company’s working was achieved in the face of a number of challenges. Profits were constrained owing to interest rate hikes that could not be passed to customers in view of the offer of fixed rate loans (we plan to offer floating rate loans from 2012-13). The Company also faced challenges on account of operational and financial issues following the merger of Unitel Credit

India faced a challenging 2011-12. Normally this should have affected the viability of any financing business, translating into lower collections and weaker asset book. Interestingly, the industry downturn notwithstanding, the reverse happened.

Private Ltd with Intec Capital Ltd in 2010-11, as both had different strategies and set-ups in the previous year.

At a time when a number of macro-economic developments conspired to create an inhospitable environment for growth and were generally outside the Company's control, we reorganised with speed and precision, the full benefits of which will be only be reaped from 2012-13 onwards.

● **Vertical segregation:** Being the only NBFC focused on the SME segment and working closely with machinery manufacturers, we penetrated deeper in the marketplace by segregating our retail and strategic customer verticals. This helped us enhance our focus on volume-driven smaller ticket customers, accelerated customer acquisition and portfolio diversification. An enhanced presence in the retail vertical – loans less than ₹ 50 lacs – strengthened our business since few players cater exclusively to small ticket sizes. We focused on asset quality, doing business only with the approved and standardised equipment and machinery manufacturers.

● **Processes and monitoring:** At Intec, we focused on being process-driven across all departments. We streamlined various initiatives to upgrade technology to cutting-edge levels. This helped us assess the major hindrances and minimising them, which in turn helps reduce the total turnaround time of the loan application cycle. This holistic approach buoyed by regular

audits, ensuring adherence to all processes along with daily, fortnightly and monthly MIS, which are being shared with all the respective departments, helping the senior level management take strategic decisions. This also helped on aligning all aspects of our organisation with the needs of clients. This promotes business effectiveness and efficiency while striving for innovation, flexibility, and integration with new technology.

● **Focus on expansion:** At Intec, we focused on moving from strength to strength, graduating from our current setup in Northern and Western parts of the country to Southern and other parts of Western India, making it a pan-India organisation. During the year, we inaugurated five branches and set to add another 11 new branches in 2012-13 (total 23) at strategic locations with a clear idea to reach over 158 SME clusters of the country.

● **Focus on industry:** Intec, focused on high-growth industrial segments like Printing & Packaging and Plastic & Injection Molding and entered machinery financing of these industries in 2011-12. We are also working on the policies to enter into financing of equipments and machinery in Medical, Health Care & Pharmaceutical and Food Processing industry in the coming year i.e. 2012-13.

● **Association with SIDBI:** Intec established a credit delivery arrangement with SIDBI. This channel partnership with SIDBI provides economical financial assistance and subsidy to MSME customers of Intec



WHAT MAKES INTEC SPECIAL

- Our ability to understand customers' quantitative and small qualitative factors
- Our ability to handle all ticket sizes from a small customer segment to a medium-sized strategic customer
- Our ability to provide faster turnaround time
- Our ability to fund where machines are the only collateral
- Our ability to not only fund machines but build relations with customers
- Our ability to be associated with top manufacturers in our focus industries

Capital Limited. Under CDA scheme, the Company sources the proposal in compliance with all the due diligence and SIDBI disburses the loan directly to the client. With this association, the MSME customers are entitled for a subsidy of 15% of the machine purchase cost under a Credit Linked Capital Subsidy Scheme (CLCSS).

● **Stronger customer relationships:**

The Company strengthened its customer relationship by engaging with them in a more meaningful way by wishing them on their birthdays / anniversaries via personalised greeting cards, feedback and customer satisfaction processes, and keeping a hand on the pulse of the customer needs through dedicated Relationship Managers. These Relationship Managers ensure regular visits to customers to address their queries, if any, and provide them insights on industrial and sectoral updates. These Relationship Managers act as single points of contact for service-related issues as well.

● **Increased vendor focus:** The relationship-based business model at Intec was laid by close to two decades of working exclusively with SMEs and machine manufacturers. This has resulted in enduring and mutually beneficial relationships with the Indian and international manufacturers. We have a dedicated vendor development team, which works in close coordination with our 74 manufacturers and helps address the financial needs of SMEs, thereby increasing the sales of equipment and machinery manufacturers. We also conduct joint training sessions with manufacturers to train their sales teams in the various financing products we

offer, leading to close collaboration among the teams. In this association with manufacturers, we develop new financial products to cater to the changing demands of customers. During 2011-12, Intec associated with 32 machinery manufacturers, significantly increasing top line and bottom line through joint participation in various exhibitions and sharing our existing customer's capex plans.

● **IT development:** The Company consolidated its infrastructure set-up, people and processes with the objective to capture and protect information with speed and accuracy. The Company utilised state-of-the-art software to handle transactions ranging from enquiry, credit appraisal memo preparation, sales login, credit login to online disbursement, leading to timely and informed decision-making. The Company is engaged in the process of initiating a software for the business partners (machinery manufacturers), where they can get updated on a real time basis on the development of their proposals. The Company implemented customised software, leading to better MIS control. It tracked everything across the relationship lifecycle resulting in on-time information, faster decision-making and superior resource productivity.

● **Enhanced visibility:** We participated in all major domestic and international exhibitions related to our focus industries. Participating in all these exhibitions lends us much-needed visibility across our target audience and helps us stay in sync with a greater pool of customers along with national and international machinery manufacturers. We participated in DRUPA in Germany, the biggest

exposition in the printing and packaging industry. A steady presence in trade magazines is vital to our line of business; we started this exercise last year and intend to maintain our presence by being present in a majority of industrial magazines to reach a large number of SMEs and manufacturers. We are also in process of launching our new website.

● **Focus on training:** Training is the keystone for organisational development and success and we classify training under the category of an investment. There were regular on-the-job and off-the-job training sessions organised every month across departments, helping inculcating a sense of team work, team spirit and inter-team collaborations.

Business outlook

At Intec, we aim to reinforce our profitability by expediting this fleet-footed acceleration of industries, selecting correct margin and high-growth products and refinancing used machines, among others. The Company plans to introduce new products like leasing in 2012-13.

The Company is widening its banking consortium, reducing the cost of funds, climbing the experiential curve, growing our businesses at a lower cost and listing on the National Stock Exchange.

Looking ahead

Our goal is to make Intec, one of the biggest focused companies in India which is looking in to the financial needs of SME and serving them. Going ahead, we plan the following towards building value for all our stakeholders.

● Reach more and more SME customers

by increasing our reach to every SME cluster

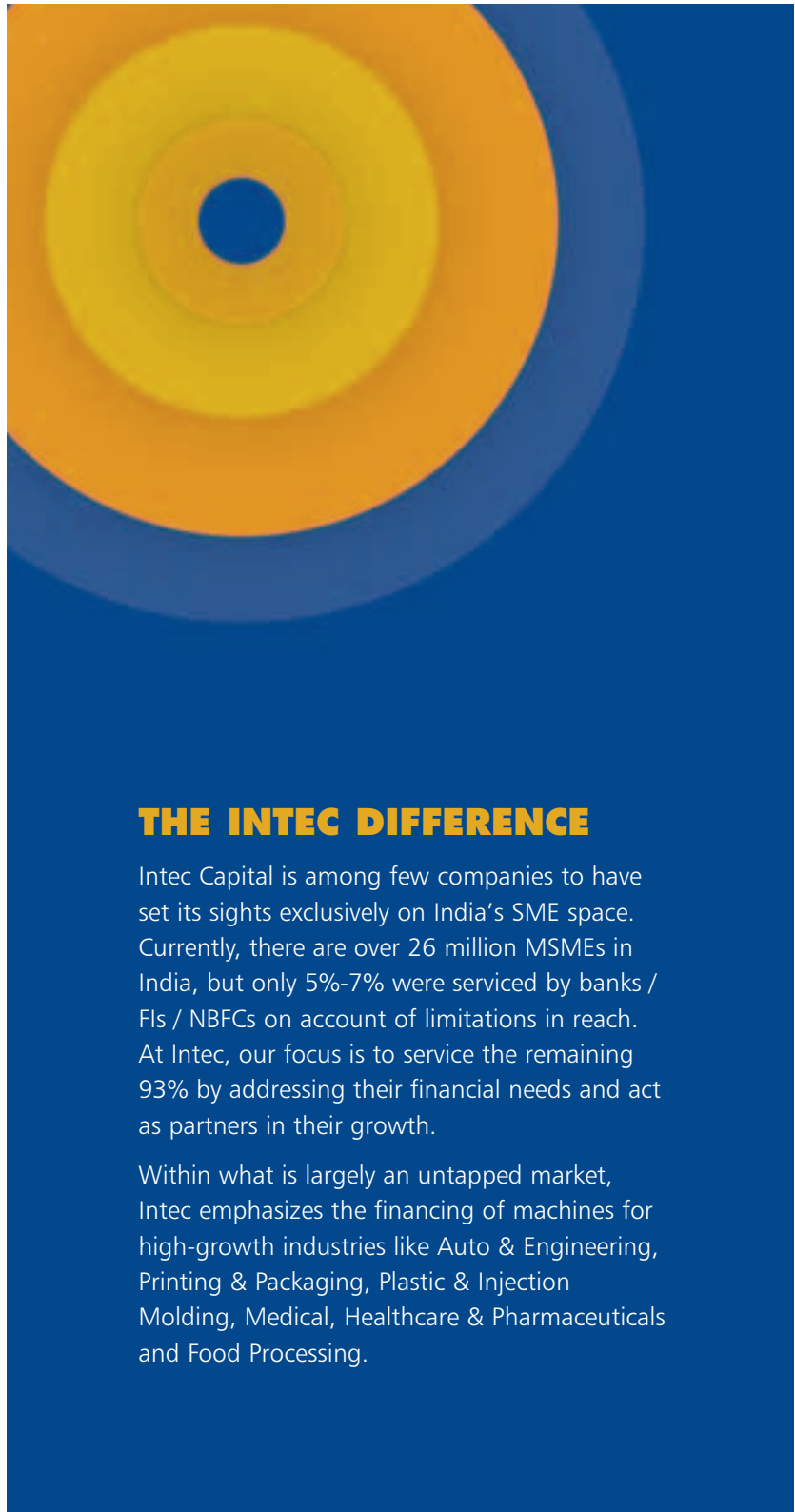
- Partner with all the major machinery & equipment manufacturers selling to these SME customers
- Finance customer of each industrial segment
- Reduce our cost of the funds to our customers
- Improve our collection efficiency

We believe that to achieve this we need to further strengthen our strategic planning, meticulous detailing and flawless execution. We will continue to pursue our successful strategy and actively shape our future. We will focus on improving our portfolio, increasing efficiency, product innovation and expanding our business in order to get closer to our customers. With this strategy, we can offer our customers financial solutions and secure our position as a leading SME Asset Finance Company.

We believe that we are building an organisation that will emerge stronger even after going through the economic downturns. As we have demonstrated in the past, we would continue to manage risk and uncertainty and these uncertain times will emerge as periods of opportunity.

I owe thanks to all our Board members for their involved engagement & guidance, the management team for their initiatives and commitment, the employees for their dedication in adverse conditions, our customers and manufacturers for their faith in us and all shareholders for the trust reposed and extending their continuous support to us.

Sanjeev Goel
Managing Director



THE INTEC DIFFERENCE

Intec Capital is among few companies to have set its sights exclusively on India's SME space. Currently, there are over 26 million MSMEs in India, but only 5%-7% were serviced by banks / FIs / NBFCs on account of limitations in reach. At Intec, our focus is to service the remaining 93% by addressing their financial needs and act as partners in their growth.

Within what is largely an untapped market, Intec emphasizes the financing of machines for high-growth industries like Auto & Engineering, Printing & Packaging, Plastic & Injection Molding, Medical, Healthcare & Pharmaceuticals and Food Processing.

INTEC MOVES CLOSER TO CUSTOMERS AND MANUFACTURERS



● EXISTING
● PROPOSED

BRANCHES
12
AS ON MARCH 31, 2012

TARGET BRANCHES
23
AT THE END OF 2012-13

SME SEGMENT

SMALL AND MEDIUM-SIZED ENTERPRISES PLAY THE SHEET-ANCHOR ROLE TO CONSOLIDATE THE GROWTH OF ANY ECONOMY. THEY ARE A HOTBED OF ENTREPRENEURIAL SKILLS, INNOVATION AND EMPLOYMENT. SMALL BUSINESSES REPRESENT THE DOMINANT MEANS TO EKE OUT A LIVELIHOOD, CREATE WEALTH AND ARE THE SECOND LARGEST EMPLOYERS AFTER AGRICULTURE.

The SME business opportunity in India is visible in possibly every sector and expanding exponentially – financial services, telecom, education, automobiles, media, food and real estate, among others. When the performance of this sector is viewed against the growth in the manufacturing and the industry sector as a whole, it instills confidence in the

resilience of the SME sector. This makes India a hub for the best small business opportunities across various segments with increased purchasing power and consumerism driving Indian business. SMEs are the fountainhead of several innovations in the manufacturing and service sectors, the major link in the supply chain to corporates and PSUs. SMEs are also exposed to greater

opportunities than ever on account of the expansion and diversification across sectors. The Indian market is growing rapidly and Indian entrepreneurs are making remarkable progress in various industries like Manufacturing, Precision Engineering Design, Food Processing, Pharmaceutical, Retail, IT and ITES, Agro and Services.

Definition of MSMEs in India

Manufacturing enterprises – Investment in plant and machinery

Description	INR	USD(\$)
Micro Enterprises	upto ₹ 25 Lakhs	upto \$ 62,500
Small Enterprises	above ₹ 25 Lakhs & upto ₹ 5 Crores	above \$ 62,500 & upto \$ 1.25 million
Medium Enterprises	above ₹ 5 Crores & upto ₹ 10 Crores	above \$ 1.25 million & upto \$ 2.5 million

Service Enterprises – Investment in Equipments

Description	INR	USD(\$)
Micro Enterprises	upto ₹ 10Lakhs	upto \$ 25,000
Small Enterprises	above ₹ 10 Lakhs & upto ₹ 2 Crores	Above \$ 25,000 & upto \$ 0.5 million
Medium Enterprises	above ₹ 2 Crores & upto ₹ 5 Crores	above \$ 0.5 million & upto \$ 1.5 million

Despite its commendable contribution to the nation's economy, the SME sector does not get the required support from concerned government departments, banks, financial institutions and Corporates, which is a handicap in becoming more competitive in the National and International Markets.

SMEs face a number of problems - absence of adequate and timely banking finance, limited capital and knowledge, non-availability of suitable technology, low production capacity, ineffective marketing strategy,

identification of new markets, constraints in modernisation and expansion, non-availability of skilled labour at affordable costs, follow-ups with various government agencies to resolve problems, among others.

Reasons behind SME growth

There are various reasons due to which the small-scale business in India has grown rapidly:

- High contribution to domestic production
- Low investment requirements
- Significant export earnings

- Capacities to develop appropriate indigenous technology
- Operational flexibility
- Technology-oriented industries
- Import substitution
- Location-wise mobility
- Low intensive imports
- Competitiveness in the domestic market
- Competitiveness in the export markets

Financing issues

SMEs are vital for economic growth and development in both industrialised and developing countries, playing a key

role in job creation. The SME sector is facing continuous demands on productivity and efficiency gains from their large counterparts. These demands require business investments on a regular basis. Rewards for making such investments are not proportionate to the capital and efforts put in. This, in turn, is affecting investments by SMEs. Upcoming entrepreneurs are constrained by the high cost of setting up business, availability of finance and increasing business complexity. The availability of finance has become a major thorn in the flesh for SMEs. The sector faces challenges in taking business to the next level in terms of investment, manpower and professionalising the organisation, among others. Despite being the backbone of the Indian economy, there are a number of financial bottlenecks that prevent SMEs from obtaining adequate investment.

Informational asymmetries: There is a predominance of informational asymmetry between small businesses and lenders, or outside investors. Informational asymmetries are always present in enterprise financing transactions. Entrepreneurs typically possess privileged information regarding their businesses that cannot be easily accessed by prospective lenders or outside investors, making it difficult for the lender to assess the quality of business. Even after the lending, assessing whether the funds are being utilised in an appropriate manner becomes problematic.

Risk profile: There is an intrinsic risk associated with small-scale industries and this gets translated into a higher risk profile. Suppliers of external funds regard SMEs as riskier enterprises for a number of reasons:

- SMEs face a more uncertain competitive environment than larger companies; they experience more variable rates of return and higher rates of failure.
- SMEs are comparatively less equipped in terms of both human and capital resources to withstand economic adversity.
- There is a problem of inaccurate accounting systems, undermining the accessibility and reliability of information concerning profitability and repayment capacity.

Transaction costs: There is an existence of sizeable transactions costs in handling SME financing. Irrespective of risk profile considerations, the handling of SME financing is usually expensive. There are certain costs in the business of financing like administrative, legal fees and those related to the acquisition of information, (purchase of a credit profile from specialised agencies). In case of smaller loans or investments, it is relatively difficult to recoup these costs.

Lack of collateral: SMEs are typically characterised by a lack of collateral. In the case of debt financing, lenders typically request collateral to mitigate the associated risks. The lack of collateral is probably the most widely cited obstacle encountered by SMEs in accessing finance.

Sectoral opportunities

Intec is focused on financing small and medium enterprises within India's Auto & Engineering, Printing & Packaging, Plastic & Injection Molding, Medical, Healthcare & Pharmaceuticals and Food Processing industries.

At Intec, we are deeply involved in these industries, which is reflected by

the following:

- Identification of standard machines required in each of the industries
- Categorising the machines into categories and fix the Loan-To-Value (LTV) requirement accordingly in each of the industries
- Understanding the sub segment in each of these industries and looking at the growth levels to provide adequate credit.
- Identifying each SME cluster within each of the industries
- Connecting with each customer of that industry in the SME cluster where we are present
- Understanding the margins and profitability in each segment and sub segment of these industries
- Associating with leading manufacturers in these industries to address the financial requirement of the SMEs

Auto and Engineering: The Indian automobile industry constitutes two types of sub industries - those involved in building automobiles and others involved in building automobile components. The latter is the one where SMEs come into picture. The automobile industry in India has huge potential thanks to the growth of the middle-class along with their overall economic growth. This is the reason of attraction for international brands who are trying hard to find new market for their products due to stagnated growth of the auto sector in Europe, US and Japan. The potential of Indian automobile industry can be best understood by the following features: India is the second largest two-wheeler market, fourth largest commercial vehicle market, eleventh largest passenger-car market, and fifth largest

bus and truck market. India is the world's second-fastest growing automobile market and the world's sixth-largest automobile industry. A three-fold increase in investments by automobile makers is expected to boost vehicle production capacity from 4.8 million units in 2010 to 12 million units in 2018. The Indian auto components turnover of US\$ 4.87 billion) is expected to grow to US\$ 113 billion by 2020-21 according to ACMA (Source: IBEF). The Indian automotive industry is largely classified in four clusters – Chennai, Pune, Pithampur and Delhi NCR. Auto giants like BMW, Mercedes-Benz, Volkswagen, GM, Nissan, Renault, Hyundai, Maruti among others, are investing heavily in India. With these facts in mind, the auto-component sector gains a whole new level of priority. This segment is divided into five sub segments – engine parts, drive transmission and steering parts, suspension and brake parts, electric parts as well as body and chassis. According to the Automotive Manufacturers Association of India (AMAI), this sector is projected to grow at a CAGR of 10% till 2015-16; India is projected to be among top five automotive economies by 2025.

Intec capitalised on the growing opportunity through its association with 32 manufacturers within the industry space; it offers customised financial solutions to SMEs by financing Metal Cutting Machines, Metal Forming Machines and Special Purpose Machines. We are present in all major auto and engineering clusters and intend to grow with manufacturers to reach a large number of SMEs attached to this industry.

Printing and packaging: The Indian

packaging industry is expected to emerge as the fourth-largest packaging market in the world, with revenues of US\$ 43.7 billion by 2016. The packaging industry is expected to benefit from strong growth in the Indian retail market. Other packaging end-user markets like pharmaceuticals and processed foods have been growing rapidly over the review period, both domestically and internationally. The Indian printing industry is well established and growing at 12% per annum. According to an NPES / PRIMIR report, India is the world's fastest growing market with a 73% growth rate during the period 2006-2011. Not only is India growing fast but doing so from a large base. There are more than 8000 daily newspapers published in India, besides a large number of weekly and fortnightly periodicals published in all Indian languages. The Indian printing industry comprises more than 250,000 big, small and medium printers with a total turnover of more than US \$ 12 billion. Almost 75% printing presses are family-owned and hence, closely-held. This demand from end-user markets is expected to remain high during the forecast period.

Intec capitalised on this growing opportunity through its association with 36 printers, offering customised financial solutions to the SMEs by financing Pre-Press Machines, Press Machines and Post-Press Machines. The Company is present in majority of the printing and packaging clusters and working closely with manufacturers to reach and address the financial requirements of a large number of SMEs attached to this industry.

Plastic and Injection Molding: India is set to double its plastics consumption

in eight years. Indians currently consume somewhere in the region of eight kg of plastic per head of the population per year against the global average of 28 kg, making the scope of growth immediately apparent. It is expected that India's consumption figure will double during the next five years. There are around five million people in India working directly or indirectly in plastics – a workforce that is predicted to add a further four million in the next eight years. There are currently 47,000 injection molding machines in operation in India, expected to expand to 72,000 by 2020. The growth in blow molding machines over the same period could see the current user base of 7,000 grow to 11,000 (Source: AIPMA).

Intec is closely associated with six manufacturers within this industry space, offering customised financial solutions to SMEs by financing Plastic Injection Molding Machines, Plastic Blow Molding Machines, Extrusion Machines and Stretch Blow Molding Machines. We are present in most of the plastic and injection molding clusters and working closely with manufacturers to address the financial requirements of a large number of SMEs attached to this industry.

Medical, Healthcare and Pharmaceutical: The global pharmaceutical market is expected to grow at seven to eight per cent over the next five years, reaching an anticipated US\$ 1.7 trillion in 2020. India is expected to emerge among the five major global pharmaceutical markets by 2020. Indian pharmaceutical exports were estimated to have grown 30-35 per cent in 2011-12 and projected to touch US\$ 15.8



billion in 2013-14 (Source: IDMA). The Indian healthcare sector is expected to reach US\$ 100 billion by 2015 from the current US\$ 65 billion, growing at around 20 per cent a year, according to rating agency Fitch. Some of the major factors driving the growth in the sector include increasing population, growing lifestyle related health issues, cheaper costs for treatment, thrust in medical tourism, improving health insurance penetration, increasing disposable income, government initiatives and focus on Public Private Partnership (PPP) models. Meanwhile, the Government of India has decided to increase health expenditure to 2.5 per cent of gross domestic product (GDP) by the end of the Twelfth Five Year Plan (2012-17), from the existing 1.4 per cent.

Intec plans to capitalise on the growing opportunity through its association with manufacturers within the industry and offering customised financial solutions to SMEs by financing all the machinery's & equipments in this Industry. We are working towards increasing our presence in majority of the clusters of this industry during 2012-13 and are working closely with manufacturers to address the financial requirements of a large number of SMEs attached to this industry.

Food processing: In India, the agricultural and dairy sectors achieved remarkable successes over the last three-and-a-half decades. Besides being one of the world's largest producers of food-grains, India ranks second in the world in the production of fruits and vegetables, and first in milk production, providing a much-needed food security to the nation. Increased urbanisation, improved standards of living, and the convenience needs of dual income families led to major market opportunities in food processing. This is also evident from the presence of several global foods giants and leading Indian industrial enterprises in the country's food processing sector: Nestle India Ltd, Cadbury's India Ltd, Kelloggs India,

Hindustan Lever Ltd, Conagra, Godrej Foods and MTR Foods Ltd. Besides, in the current globalised milieu, our surplus food production, as well as the increasing preference for Indian foods (in several regions of the world) need to be leveraged to achieve economic and strategic objectives through exports. India's food production is expected to double in ten years with corresponding opportunities in food and food processing technologies, skills and equipment.

The size of India's food processing industry was US\$ 135 billion and projected to grow at a CAGR of 10 per cent to US\$ 200 billion by 2015. The sector is poised for enormous growth and contributes about 12.7 per cent of the country's GDP and provides nearly 60 per cent of all job opportunities by directly employing around 1.6 million workers. The industry is the fifth largest sector in the country in terms of production, consumption, export and growth. The availability of raw materials, changing lifestyles and relaxation in regulatory policies is fuelling the growth of this industry. India is the highest producer of milk in the world at 90 million tonnes per annum. With an arable landmass of 184 million hectares, it is the second largest producer of fruit and vegetables (150 million tonnes per annum) and the third largest producer of food-grain and fish. It has the largest livestock population as well. Besides, India has a huge consumer base of over 1.20 billion people.

Intec plans to capitalise on the growing opportunity through its association with manufacturers within the industry and offering customised financial solutions to SMEs by financing all the standard machinery & equipments in this Industry. We are also working towards increasing our presence and reach in majority of the clusters and intend to grow with the manufacturers to reach a large number of SMEs attached to this industry in 2012-13.

RECEIVABLES MANAGEMENT

COLLECTION EFFICIENCY

97.72%

2011-12

WRITE-OFF (AS A PROPORTION OF ASSETS UNDER MANAGEMENT)

0.01%

MARCH 31, 2012

THE FUEL FOR ANY LENDING BUSINESS LIES IN RECEIVABLES MANAGEMENT AND MORE SO, IN THE BUSINESS OF SMALL AND MEDIUM ENTERPRISES.

In 2011-12, the Indian economy lost its momentum. Large corporate were affected by volatility in major foreign currencies (US dollar and yen). The small and medium sized enterprises were affected on account of delayed payments and the scaling down of operations by large corporates. With the slowing of the economy, Intec shifted gears and focused on receivables management. The Company took steps to improve profitability through effective collection and guarding its capital, unlike other companies that continued to offer loans at high rates.

The Company grew its exposure in certain sectors and took policy decisions to limit exposure to others. Relationship managers became more closely involved with clients representing a soft collection approach but keeping a strict vigil on the movement of receivables to higher buckets, ensuring collection efficiency. All departments were interlinked; on the basis of the feedback of the collection department, the business and credit departments took steps to protect business quality.

With stringent policies, processes and

checks, the organisation effectively proved its efficiency. The superior receivables management was a result of prudent conservatism, secured lending and organisation zeal to make Intec one of the finest financial institutions.

At Intec, we developed a strong collections vertical supported by a combination of superior processes and information technology. The collection team is supported by efficient legal team, strengthening collection effectiveness.

The team engaged with customers across loan tenures through multiple channels – direct, tele-calling and reminder letters. The Company contacted customers prior to the installment due date as a reminder of their impending liability. The Company created an interplay between sales and collection, enhancing sales responsibility.

Highlights, 2011-12

- Credit losses amounted to only 0.01%, way below the prevailing sectoral average; only 0.6% of the Company's overdue loans were in excess of 90 days, reflecting Intec's collection efficiency

- Write-offs as a proportion of average assets under management declined from 0.06% in 2010-11 to 0.01%
- Delayed payment charges were collected at the time of payment in majority of the cases
- Over 95% of collections were through RTGS, reducing the average inward cash float.

Outlook

The Company intends to strengthen its collection management through the following initiatives:

- Maintain high collection efficiency and low net credit loss
- Move to fast track courts for resolution of Section 138 cases
- Have separate field executives for specified number of SME clusters thereby reducing the travelling time
- Provide training for field executives and managers to improve their competence and capabilities.
- Reducing overdues and movement of customers from the current bucket to higher buckets, reducing the net credit loss.

CREDIT MANAGEMENT

APPLICATIONS PER
MONTH (AVERAGE)

122

2011-12

DELINQUENCY (90+)

0.70 %

MARCH 31, 2012

IN THE BUSINESS OF FINANCING SMALL AND MEDIUM ENTERPRISES WHERE BUSINESS CREDIBILITY IS NOT ENTIRELY ESTABLISHED, A PRECISE APPRAISAL OF LOAN QUALITY IS CRITICAL TO SUCCESS. THIS FUNCTION REQUIRES AN INSIGHT INTO BUSINESS MODELS, ASSET EFFICIENCY, ENTREPRENEURS AND THEIR CULTURAL CHARACTERISTICS THAT PROTECT LOAN INTEGRITY.

Intec instituted stringent credit parameters: from understanding the customer's relevant experience to estimating future cash flows. The Company stayed in regular touch with promoters and industrial associations for an ongoing insight into business realities.

Intec also enjoys longstanding relationships with credible manufacturers marketing robust and standardised products, which makes it possible to re-deploy any of the assets repossessed in rare cases. The Company makes a techno-commercial appraisal of asset quality prior to loan sanction on a regular basis.

Highlights, 2011-12

- Devised and standardised processes and policies with respect to credit appraisal.
- Standardised credit formats

- Launched Risk Containment Unit (RCU) to verify documents and invoices at various stages
- Initiated the financial analysis tool to enable complete financial analysis and understanding of historical and prospective financial position.
- Launched additional internal credit processes and systems for affective control on operational efficiency.
- Focus on collection of post disbursal documents including Invoices carrying Intec charge & thereby creating valid interest in security.
- Maintained delinquency at less than 1% of the book size.
- Evolved different sets of credit appraisal parameters for the retail and strategic verticals.

Outlook

The Company intends to strengthen its credit management through the

following initiatives:

- Decentralise the credit process across branch, regional and corporate levels for faster processing and appraisal.
- Standardising of induction programme catering to the focused sectors the organisation is in.
- Finalisation of a credit manual covering all appraisal aspects
- Scope of risk audit to be defined and conduct of risk audit for all branches leading to better governance.
- Sharing of regular updates and feedback on industry prospects and products being financed
- Credit team is working towards getting ISO certification for the department in, 2012-13
- Establish a payment policy to overseas suppliers for imported machinery through back-to-back arrangements with banks

TREASURY MANAGEMENT

FINANCIAL PARTNERS

15

2011-12

CAPITAL ADEQUACY

19.45%

MARCH 31, 2012

TREASURY PLAYS A PIVOTAL ROLE IN EVERY BUSINESS ORGANISATION. THE PRIME ROLE OF THE TREASURY FUNCTION LIES IN MAXIMISING ORGANISATIONAL VALUE BY ENSURING OPTIMUM FUND UTILISATION, MEETING FINANCING NEEDS AND SOURCING FINANCES AT THE LOWEST COST IN A MANNER TO MINIMISE EXPENSES AND MAXIMISE REVENUES.

In the business of financing small and medium enterprises, success is derived from an ability to mobilise funds at the lowest cost and deploy it at the most attractive rates. This function requires an ability to enhance operational and systemic credibility with large fund providers and an ability to deploy short-term surpluses with safety.

Intec focused on procuring low-cost funds through short-term and long-term financial instruments comprising cash credit, term loans, letters of credit, credit delivery arrangements and direct assignment.

Cash credit: Intec's growing fund needs were serviced through a consortium of seven banks with PNB being the lead banker. During 2011-12, Intec added two more bankers to its consortium.

Term loans: The Company mobilised term loans from bankers and financial institutions for lending, enhancing stability about its funding sources and tenures. Since the Company financed term loans, the increased sourcing of term loans as a method of financing resulted in a better asset-liability match.

Credit delivery arrangement: The Company entered into an arrangement with SIDBI, whereby sourcing and credit appraisal (in conjunction with credit parameters of SIDBI) for loans was done by Intec and SIDBI directly disbursed the loan to the customer.

Letter of credit facility: The Company was sanctioned a Letter of Credit

facility by four banks. Intec Capital facilitated the opening of a Letter of Credit for customers from its bankers for the international manufacturers.

Direct assignment: The Company sold a small portion of its loan book to a bank for some purchase consideration. Intec signed one deal for direct assignment of priority receivables during the year under review. This comprised priority sector loans created by the Company.

Asset-liability mismatch

A mismatch in the tenure of borrowed and disbursed funds could result in a liquidity crunch and impact the Company's ability to service loans. It is imperative that there exists no or minimal mismatch between the tenure of borrowings and assets. At Intec, prudence and appropriate risk taking continued to be the guiding principle for decision making in all treasury functions. In this backdrop, the Company maintained appropriate asset liability maturity with regard to its tenure and interest rates.

Highlights, 2011-12

- Maintained capital adequacy ratio at 19.45% as against the RBI benchmark of 15%
- During 2011-12, the Company went for dual rating (CARE & ICRA) for its credit facilities. Credit Analysis & Research Limited (CARE) upgraded the Company's rating on the basis of its treasury management and financial results.

- Received an enhanced rating – from BBB- to BBB – with a positive and stable outlook for its banking facilities from CARE in July 2011; following the merger in 2010-11, CARE removed the Company from its credit watch in July 2011

- Became a NBFC-ND-SI
- Following becoming an NBFC-ND-SI, Intec commissioned its Asset Liability Committee, which was convened by the treasury team. This committee constituted key managerial personnel including two Directors.

- Added two banks to its consortium and added five new term lenders including one financial institution
- Intec is the third NBFC in the country to have partnered with SIDBI for the credit delivery arrangement

Outlook

The Company expects to reinforce its treasury management through the following initiatives:

- Reducing the interest cost by adding more bankers to reinforce its cash credit and term-loan mobilisation capability
- To raise funds from international sources.
- Enhance and assign the Company's priority sector portfolio
- Introduce new products to harness the opportunities of interest rate arbitrage available within the ambit of its current financing model
- Introduce variable interest rates for lending to maintain and improve its NIM

DE-RISKING AT INTEC

A BUSINESS IS MARKED BY RISKS. THE COMPANY IDENTIFIED AND ASSESSED RISKS ASSOCIATED WITH ITS BUSINESS AND CORRESPONDINGLY COORDINATED OPTIMUM RESOURCE APPLICATION TO MINIMISE THEM AND MAXIMISE REALISATIONS.

At Intec, risk management has evolved out of benchmarking against best competitive practices, its own risk appetite, historical portfolio performance and the Company's philosophy on assumed additional risk.

In FY12, fierce competition and there was pressurised spreads (due to a series of benchmarking rate hikes by RBI) with almost all financiers. To ease this situation, the financiers were more

aggressive in targeting high yield customers.

The challenge in 2011-12 was to maintain the portfolio quality and develop policies and process which can increase our market share. During the year under review, economic growth slowed to 6.5% due to the combined impact of inflation and interest rate hikes. However, we were successful in maintaining our performance in

collection and credit quality. We continued with our traditional lending focus to the retail end of the market in our mission to make a contribution in financial inclusion. We continued the underwriting of loans with calculated and manageable risks and to build a balanced portfolio of retail and strategic customers. This resulted in an optimum risk-return profile of our assets.

MARKET RISK

Intec follows an approach of mitigating market risk at two levels:

- Identification of lead economic indicators relevant to Intec's lending business
- Establishing and regular monitoring of delinquency parameters at a portfolio level

The lead indicators were defined by GDP growth, IIP numbers, core sector performance, inflation and interest. These indicators have a direct bearing impact on cash flows and viability of operations of a number of commercial assets that Intec funds.

The Company takes the following initiatives to mitigate the risk.

- The lead indicators are tracked closely throughout the year and based on the movement of these indicators; portfolio level-corrective steps are undertaken.
- Regular portfolio review and market review process have also been formulated and implemented through Risk Management Committee (RMC).
- The Risk Management Committee (RMC) meets at regular intervals to assess evolving and changing market risks and monitors portfolio performance and decides on corrective steps to be taken to address the risk.

FOREIGN EXCHANGE RISK

The Company has a marginal exposure to foreign exchange risks as it provides Foreign Letter of Credit facility to Applicants, since its disbursements are in rupee terms and borrowings are in the nature of domestic rupee debt.

This risk is mitigated by the fact that the risk is not on the Company, as any gain or loss in the transaction is on the account of the customer, which is a part of the agreement.

OPERATIONAL RISK

At Intec, operational risk is defined as anything which is neither a credit nor a market risk. Hence, operational risk covers a range of the Company's activities.

The Company implemented an operation risk plan whereby all functions are aligned along vertical lines and key risks pertaining to these respective functions identified. Once a key risk is identified, each functional vertical does transaction testing to evaluate the compliance to lay down processes. Thus, the approach ensures acceptance of the findings and quicker implementation of corrective action plan when required.

Over the last two years, Intec has undertaken requisite steps to minimise operational risk.

- All processes are standardised and documented.
- Clearly-defined delegation of authority matrix credit and operations verticals, segregated to ensure effective maker-checker system
- Implementation of a training calendar for all functions has been created
- Easy access for all employees to various processes, rules, regulations and operating guidelines through a web-based interactive system
- Conducts internal audit process covering both on-site and off-site audit of branches and departments

LIQUIDITY RISK MANAGEMENT

The Company manages liquidity risk by planning and implementing a funding plan in a manner that the risk is mitigated efficiently. As a consequence of its impeccable portfolio quality consistently maintained over the past several years, coupled with the fact that maximum assets comply with the Priority sector lending norms, the bankers to the Company also increased limits substantially during the year. As a matter of prudence, with a view to manage liquidity risk, the Company keeps suitable levels of unutilised limits.

The mitigation measures taken by the Company are as follows:

- The Company established diversified and stable funding sources in the form of banks, financial institutions, and others.
- The Company has in place an Asset Liability Committee (ALCO) comprising of Company's senior management, which reviews periodically, the asset liability position, cost of funds and sensitivity of forecasted cash flow statements over short and long-term time horizons and recommends corrective measures, if any.
- The ALCO reviews changes in the economic environment and financial markets and suggests guiding strategic principles for effective resource management. This results in proper planning for management of various financial risks viz. asset liability risk, foreign currency risk and liquidity risk, on an on-going basis.

BOARD OF DIRECTORS

MR. SANJEEV GOEL



Mr. Sanjeev Goel is the Founder and Managing Director of Intec Capital Ltd - a market leader in SME financing and a leading player in the NBFC segment catering to the asset financing requirements of the Auto & Engineering and Printing & Packaging industries in India. He stepped into the corporate world more than 25 years ago as a Finance Controller of Jay Bharat Maruti Ltd. His aspiration to become an entrepreneur led to the genesis of Intec Securities (now Intec Capital Limited) in 1994. Inspired by his vision to place the Company as the most preferred financial service provider for every Indian entrepreneur, Intec Capital Ltd team is setting up NBFC benchmarks in India. His rich experience of the financial market and expertise in building successful management teams, coupled with his ability to gain the confidence of stakeholders and customers, has positioned the Company as one of the leading non-banking financial institutions in India. Intec's success can be attributed to his business acumen, managerial ingenuity and in-depth understanding of the industry and economy. Under his leadership, the Company has emerged as a trust-worthy brand in the SME Asset Financing segment.

MR. Y. L. MADAN



Mr. Madan completed his M.Sc in Physics from Delhi University and is an MBA (Finance) from FMS, Delhi University and also is a CAIB (Indian Institute of Bankers). He was associated with Indian Overseas Bank as an Executive Director and with Canara Bank as General Manager. Mr. Madan was also a member of IBA's Committees on Basel II Implementation & Risk Management and Legal & Banking Operations. He has extensive experience of 37 years in the banking field and expertise in corporate and retail financing. His expertise also lies in Human Resource Development, corporate and SME lending. He has a good understanding of the international and domestic economies and of factors affecting various business segments.

MR. PRAVEEN SETHIA



Mr. Praveen Sethia, Independent Non Executive Director, is a fellow member of Institute of Chartered Accountants of India. He currently heads Infrastructure Advisors Private Limited, a consulting firm engaged in business and transaction advisory. He is also associated with Bharat Udyog Limited and Valecha Engineering Limited as an advisor for their BOT projects. Mr. Sethia has a rich experience in setting up infrastructure equipment finance business on behalf of Srei Infrastructure Finance Limited in Russia in 2005 and initiated leasing of medical equipment in UK. During his stint with ICICI Bank, he took the additional responsibility of setting up the risk department for their SME business.

MR. ROBINDRA GUPTA



Mr. Robindra Gupta, a B.Sc. (Hons.), B.E. from I.I.T., Roorkee, D.I.C. (London), F.I.C.E. (London), F.I.E. (India) is the Independent Non Executive Director and is one of the senior most member on the Board of Directors of Intec. He has held prestigious positions at various Government and Private Organisations. He was CMD at Neyveli Lignite Corporation and Fertiliser Corporation of India, Director (Projects) at National Aluminum Company and Executive Director at NTPC. He has constructed a large number of mega projects from concept to commissioning within the best parameters of cost, quality and time. He commissioned the first unit of IFFCO at Kandla and operated it at 150% capacity utilisation; he also achieved a record profit at Neyveli Lignite Corporation ('A' Schedule PSU).

MR. RAKESH KUMAR JOSHI



Mr. Rakesh Kumar Joshi, a fellow member of the Institute of Chartered Accountants of India, is a Masters in Business Administration from Faculty of Management Studies (FMS) - Delhi University and holds a Diploma in Corporate Law from Indian Law Institute (Ford Foundation). He is a highly qualified professional in the field of Accounts, Finance & General Administration with a vast & varied working experience of more than 30 years. He has held various senior positions in Media, Engineering, Software, Telecommunication, Real Estate, Hospitality & Infrastructure industries. He has immensely contributed in establishing systems & processes in the field of Accounting & Finance. His dedicated and long stint with a German MNC (Carl Schenck AG) was rewarded with his nomination as Alternate Director on behalf of the German holding company, in addition to being Vice President (Finance). Besides, Mr. Joshi has also served as Group Finance Controller for a large conglomerate group at the international level in Africa. Presently, he is Chief Financial Officer of an infrastructure company, which is a subsidiary of Ahluwalia Contracts (India) Limited.

MR. S. K. GOEL



Mr. S K Goel, Independent Non Executive Director, has more than 40 years of experience in the technical field. He served in industries such as Power (Nuclear, Coal, Gas & Hydro), Petrochemical, Marine, Defense & Structural (Bridges and Buildings). Presently he is associated with Atlas Engineering & Inspection Services Private Limited as a Managing Director. He has held esteemed positions at Hindustan Engineering Inspection Services and ISGEC. He is also a respectable member of American Society for Nondestructive Testing and American Welding Society.

MR. SUBHASH JINDAL



Mr. Subhash Jindal has over 40 years of experience in the field of Paper and Distribution Trade. In the past, he has been associated with leading paper companies like BILT and JK Paper along with the leading Stationery Companies like Luxor, Kores, Camlin, Kangaroo and Hindustan Pencil for distribution of these products. Currently, he is serving Agile Consulting Private Limited, an IT consulting firm, as a director.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors take immense pleasure in presenting their 18th Directors' Report together with the Annual Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

For the financial year ended 31st March, 2012:

(₹ in lacs)

Particulars	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011
Profit/(Loss) before tax	1422.78	777.41
Less: Provision for Taxation		
Current Tax	467.55	297.68
Deferred Tax	8.44	3.92
Profit/(Loss) after tax	946.79	475.82
Add: Balance brought forward from last year	1147.82	834.10
Surplus available for appropriation	2094.61	1309.92
Less: Appropriations		
Dividend on Equity Shares paid	6.75	–
Tax on Dividend paid	0.90	–
Proposed Dividend	63.96	57.21
Tax on Proposed Dividend	10.38	9.72
Transfer to Reserve Fund u/s 45IC of RBI Act, 1934	189.36	95.16
Surplus carried to Balance Sheet	1823.26	1147.82

DIVIDEND

The Board of Director are pleased to recommend a Final Dividend of ₹ 0.50 (i.e. 5%) per Equity shares having face value of ₹ 10/- each on the fully paid up Equity Share Capital of the Company for the financial year 2011-12 subject to the approval of the shareholders at the ensuing 18th Annual General Meeting.

TRANSFER TO RESERVES

During the year under review Company has transferred ₹ 189.36 Lacs to the Reserves Fund from the profits of the Company in accordance with the provisions of Section 45IC of the Reserve Bank of India Act, 1934.

CAPITAL ADEQUACY RATIO

The Company's consolidated Capital Adequacy Ratio (CAR) as on 31st March, 2012 stood at 19.45% as compared to 23.01% for the previous year as a percent of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15.00%.

SUBSIDIARY COMPANY

To augment the growth and expansion plans, the Company has acquired M/s. Amulet Technologies Private Limited as a 100% Wholly Owned Subsidiary by way of acquiring the entire equity share capital. During the year M/s. Amulet Technologies Private Limited was converted to public limited company, as private

company which is a subsidiary of public company is deemed public company.

Ministry of Corporate Affairs vide the General Circular No. 2/2011 and 3/2011 dated 08th February, 2011 and 21st February, 2011 respectively has granted an exemption in attaching the required reports and accounts of Subsidiary Companies in the Annual Report of the Holding Company. A statement in terms of Section 212 of the Companies Act, 1956 as mentioned in the Circular is attached with the Annual Report of the Company. The Shareholders desirous of obtaining the report and accounts of the Subsidiary company may obtain the same upon request. The report and accounts of the Subsidiary Company are kept for inspection at the Registered Office of the Company and the Subsidiary.

NON ACCEPTANCE OF PUBLIC DEPOSITS

The Company has not accepted any Public Deposits or any Fixed Deposit during the year 2011-12 and hence there are no defaults in repayments of amount of principle or interest as on the date of Balance Sheet.

DISCLOSURES

During the year under review, the Company has allotted 13,50,000 Equity Shares of ₹10/- each at a Premium of ₹100/- each on Preferential Allotment basis to Promoter and Non Promoter allottees in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said shares are listed and traded at both the Stock Exchanges where the Equity Shares Capital of the Company is listed.

Presently the Equity Share Capital of the Company is listed at BSE Limited and Delhi Stock Exchange Limited. During the year the Company has filed an application for getting the Paid-up Equity Share Capital listed in the Equity Segment of National Stock Exchange of India Limited (NSE). The move was with the objective to expand the market exposure and shareholders base. NSE is the largest exchange in the country in terms of trading volumes, which would result in providing continuous liquidity to the shareholders of the Company and also help in broadening the shareholder base and market exposure for the present shareholders.

The Credit Rating assigned to the long term bank facilities by Credit Analysis & Research Limited (CARE) is CARE BBB (Triple B) for an amount of ₹ 250 Crores. ICRA Limited has also assigned rating to long-term facilities and working capital bank lines as ICRA BBB (Triple B) with a stable outlook to ₹ 220 Crores Long Term Bank facilities of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance norms set out by SEBI.

The Report on Corporate Governance along with the Certificate by Managing Director and Head- Finance & Accounts on financial statements as stipulated under Clause 49 of the Listing Agreement and Declaration by the Managing Director with regard to Code of Conduct forms part of the Annual Report.

The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the condition of Corporate Governance as provided under the aforesaid Clause 49 is attached to this Report.

MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section which forms part of the Annual Report.

LISTING OF SHARES

The Equity Shares of the Company are listed on following Stock Exchanges:

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
- Delhi Stock Exchange Limited, DSE House, 3/1, Asaf Ali Road, New Delhi 110 002

The Annual Listing Fees for the financial year 2012-13 are paid for both the Stock Exchanges where the shares of the Company are listed.

During the year an application has been filed for getting the Paid-up Equity Share Capital of the Company listed in the Equity Segment of National Stock Exchange of India Limited (NSE).

BOARD OF DIRECTORS

As per the provisions of Companies Act, 1956 and Article 86 of the Article of Association of the Company Mr. S. K. Goel and Mr. Subhash Jindal, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As stipulated in terms of Clause 49 of Listing Agreement, the brief resume of Mr. S. K. Goel and Mr. Subhash Jindal, is provided in the Notice of the 18th Annual General Meeting of the Company. The Board of Directors in their meeting held on 07th November, 2011 has appointed Mr. Y. L. Madan as an Additional Director of the Company. Mr. Y. L. Madan will retire at the ensuing Annual General Meeting and being eligible, offers himself to be reappointed as a Director of the Company subject to the approval of Shareholders.

PARTICULARS OF EMPLOYEES

As per the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, Companies (Particulars of Employees) Amendment Rules, 2011 the details and the other particulars of employees drawing remuneration aggregating to more than ₹ 60,00,000/- (Rupees Sixty Lacs Only) per annum and ₹ 5,00,000/- (Rupees Five Lacs) per month, are required to be attached to this report. There are no employees drawing such remuneration.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;

■ The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention and detecting fraud and other irregularities;

■ The Directors have prepared the accounts for the year ended 31st March, 2012 on a going concern basis.

STATUTORY AUDITORS

The Statutory Auditors, M/s. T.K. Gupta & Associates, Chartered Accountants, New Delhi retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The Board recommends their re-appointment for the approval of the shareholders.

AUDITORS' REPORT

The Auditors' Report on the financials of the Company for the year ended 31st March, 2012 does not contain any reservation, qualification or adverse remark.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has satisfactory internal control system.

The Internal Control System ensures that the assets and interests of the Company are safeguarded and accuracy in accounting records & data is maintained. The control system ensures that proper checks and reviews are conducted to ensure compliance with all laws and regulations applicable to the Company. The Company also has a robust Management Information System which is an integral part of the control mechanism.

The control system is improved and modified on continuous basis to meet the changes in business, statutory and accounting requirements.

The Audit Committee of the Board of Directors and Statutory Auditors periodically reviews the internal audit findings and corrective actions are taken.

RESERVE BANK OF INDIA (RBI) GUIDELINES

The Company was recognised as Non Deposit Accepting Systemically Important (NDSI) Non Banking Financial Company (NBFC) during the financial year 2011-12. Post acquiring the said status the Company has to comply with additional compliances. The Company continues to comply with all the regulatory compliances as prescribed by the Reserve Bank of India.

HRD INITIATIVES- TRAINING & DEVELOPMENT

The Company recognises the importance of Human Resource and the continuous need of development of the same. The Company stresses on the need to continuously upgrade the competencies of its employees and equip them with the latest developments. In order to achieve this, the Company organises various programs including in-house training and professional skills development programs across all levels of employees.

DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

In terms of section 217(1)(e) read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 of the Companies Act, 1956 your Directors furnish the information as below:

Conservation of Energy:	N.A.	
Technology Absorption:	N.A.	
Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company is not engaged in Export Activities	
Foreign Exchange Earnings And Outgo	Current Year	Previous Year
Out flow:	NIL	NIL
Inflow:	NIL	NIL

APPRECIATIONS

The Board recognises that it is accountable to shareholders for the performance of the Company, believes in transparency in its conduct and strives to disseminate the material information to the shareholders and the public.

The Board of Directors would like to convey their appreciation to the Customers, Shareholders, Vendors, Banks, Financial Institutions, various Government Authorities, RBI, SEBI and Stock Exchanges for their cooperation and support throughout the year.

Looking forward to receive continued patronage from all our business partners and associates to become better and strong organisation.

The Board of Directors would also place on record the appreciation for the contributions made by the employees at all levels.

For Intec Capital Limited

Sanjeev Goel
Managing Director

S. K. Goel
Director

Date: 30.07.2012
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL AND INDIAN ECONOMIC SCENARIO

Financial year 2011-12 has been a challenging year for global economy with major setback of Euro-zone debt crisis which started with Greece but rapidly effected Ireland, Portugal and Spain and subsequently Italy. With the stagnated growth at European and US economies countries like India and China were forced to tighten liquidity norms to tame rising concern of inflation. The growth in US economy is expected to remain sluggish despite extensive use of both fiscal and monetary policy tools. After a marked slowdown in 2011, global economic growth is likely to remain tepid in 2012. The global economy is expected to grow by 3.3% in 2012 as compared to 3.8% in 2011 as per the International Monetary Fund's (IMF) January, 2012 update of the World Economic Outlook (WEO).

The slowdown in the Euro-zone has impacted European Union and the world economies including India. The European Union is a major trade partner for India in exports and also an important source of Foreign Direct Investment (FDI). Indian economy has shown moderate growth rate with inflation being the major factor driving the economic policy with a considerable increase in the requirement of funds. As per the International Monetary Fund, India is projected to be the second fastest growing major economy after China.

INDUSTRY STRUCTURE AND INTEC

Reserve Bank of India (RBI) has constituted a Committee under the Chairmanship of Mrs. Usha Thorat to reduce the regulatory gap between Banks and NBFC and to strengthen governance, disclosure and supervision norms for NBFC. The Committee has lauded the role of NBFC's in the economic growth of the country. Over recent years the NBFC's have assumed increasing significance and have added considerable depth to the overall financial sector. NBFC plays a complementary role to the other financial institutions including banks. They fill the gaps in the availability of financial services that otherwise occur in bank dominated financial systems.

Intec is a focused NBFC and what sets us apart from most financing companies is continuing with our long and successful record in providing loans to the growing needs of India's small

and medium enterprises. Intec has a very strong understanding of SME customer and has the ability to deliver customised products at competitive rates with hassle free servicing.

INTEC IN 2011-12

Despite the challenging market conditions, continuous interest rate fluctuations and stringent RBI norms, the Company endeavored to perform best in the given scenario.

The consolidated financial performance of the Company continues to remain strong during the year ended 31st March, 2012. The performance of the Company has been exceptionally good with improvement across all major financial parameters.

As on 31st March, 2012 the Profit before Tax stood at ₹ 1419.38 Lacs as compared to ₹ 777.41 Lacs in the previous year. The Profit after Tax stood at ₹ 943.40 Lacs as compared to ₹ 729.66 Lacs in the previous year. The basic and diluted Earnings per Equity Share (EPS) rose to 7.37 from 4.16 in the previous financial year. The Disbursements for the year stood at ₹ 55625.00 Lacs as against ₹ 40405.30 Lacs for previous year.

In order to augment the growth with support of latest Information Technology Intec has migrated from the legacy software to "OmniFin" loan boarding system which provides end to end solutions. It is developed on DotNet framework and is a windows based application based on ERP model. It has been designed with 3 independent layers of architect to ensure security and effectiveness. All the processes involved in the Loan Process starting from lead generation to deal creation, credit appraisal and final disbursement is done through the software. The software has a robust security module to create and manage the processes.

In order to meet the objective of PAN India presence the Company aims to open another nine Branches in the coming fiscal year. Presently we have 14 branches which helps in capturing and increasing the penetration in the various parts of the country.

During the year Intec has emerged as a stronger organisation with the prime objective to carve a niche for ourselves. Our core strength lies in the fact that we are customer centric in our

approach. Intec has taken number of initiatives to build a stable and consistently performing financial Company, with its key strengths rooted in establishment of business processes, enabled by latest information technology.

OPPORTUNITIES & THREATS

Intec being an NBFC the operation of the Company are governed by few critical factors:

- Obtaining and managing funds from the best available sources at lowest cost
- Building an institution with a simpler lending process and strong mechanism for evaluating creditworthiness of customers
- Effectively managing risks of credit, liquidity and interest rate etc.

The challenge is to meet the critical factors affecting the business in the most efficient manner. Intec has developed stringent processes for the various organisational functions, which helps in achieving the objectives. In spite of strong competition faced from Banks and peer group, the inner strength of Intec lies with knowledge about customers, credit appraisal skills, rigorous collection mechanism, close monitoring of borrowers and personalised attention to each client and catering to the needs of small and medium enterprises in the rural and semi urban areas.

In financial service business, effective risk management has become very crucial factor. Intec is exposed to various risks which needs to be addressed in timely and effective manner as it is of prime importance for achievement of the business objectives. At Intec, risks are managed at the Board and Committee level, which oversees the risk management policies and procedures.

Our business performance is also impacted by growing presence and increased competition from local and global players. We tackle this situation by providing increasingly superior customised services.

SUBSIDIARY COMPANY

During the period 2011-12, the Company has acquired M/s. Amulet Technologies Private Limited as a Wholly Owned Subsidiary Company by way of acquiring its 100% shareholding. Further M/s. Amulet Technologies Private Limited was converted into Public Limited Company.

A statement in terms of Section 212 of the Companies Act, 1956 is attached with the Annual Report of the Company. The Shareholders desirous of obtaining the report and accounts of the Subsidiary company may obtain the same upon request. The report and accounts of the Subsidiary Company are kept for inspection at the Registered Office of the Company and the Subsidiary.

RISK MANAGEMENT

The Company is exposed to various risks viz. credit, interest rate, liquidity, operational and market risk. In today's complex business environment effective risk management is critical part of an organisation's success. Therefore operating in such business environment demands a rigorous and integrated approach to risk management. The Company has constituted Asset Liability Management Committee (ALCO) which has evolved appropriate systems and processes to continuously monitor, manage and keeps a close eye on the various factors impacting the Company. The Committee continuously overseas and analyzes the risk and reviews the performance.

ALCO undertakes the risk management activities. Risk Management is about identifying, assessing and monitoring the risk impact and consequently making the right financial decision. It also includes the implementation of a program to continuously assess the effectiveness of the measures taken.

RATING

The Credit Rating assigned to the long term bank facilities by Credit Analysis & Research Limited (CARE) is CARE BBB (Triple B) for an amount of ₹ 250 Crores. ICRA Limited has also assigned rating to long-term facilities and working capital bank lines as ICRA BBB (Triple B) with a stable outlook to ₹ 220 Crores for the Long Term Bank facilities of the Company.

INTERNAL CONTROL PROCESSES AND SYSTEMS

Intec has adequate internal audit and control mechanism to evaluate the effectiveness of Internal Control System. The audit procedures of the Company are commensurate with the size and nature of operations to provide reasonable assurance that all the assets are safeguarded, transactions are authorised, recorded and reported properly and that all applicable statutes and corporate policies are duly complied with.

The Chartered Accountants appointed by the company as Internal Auditors, continuously reviews the adequacy and efficacy of the internal control and submits the critical audit observations to the Audit Committee for an effective monitoring of control system.

HUMAN RESOURCES

Employees are central as well as critical to the Company as they are the real assets of the organisation. The Company recognises the importance of human resource and lays due emphasis on its overall training and development. The Company believes in retaining high caliber employees while engaging and nurturing them to achieve great heights in the area of operations. Going

forward, the Company not only plans to maintain this key source of competitive advantage but also build on it through well structured training initiatives and programs.

SOCIAL RESPONSIBILITY

Intec being a socially responsible corporation continues to contribute towards the economic, social and environmental well being of the society at large. The Company has integrated the Corporate Social Responsibility objectives with business objectives by way of conducting the business activities in the most ethical, transparent and accountable manner. Corporate Social Responsibility has always been an integral part of the vision of the Intec and has been the foundation of the core value of good corporate citizenship.

CAUTIONARY NOTE

This report contains certain "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the statements contained in this document due to various risks and uncertainties. The Company do not undertake to update these statements.

DECLARATION OF THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all the Board Members and Senior Management of the Company and the copy of the same are uploaded on the website of the Company- www.inteccapital.com.

Further certified that the Members of the Board of Directors and Senior Management have affirmed having complied with the Code applicable to them during the year ended 31st March, 2012.

For Intec Capital Limited

Place: New Delhi
Date: 30.07.2012

Sanjeev Goel
Managing Director

MANAGING DIRECTOR AND HEAD-FINANCE & ACCOUNTS CERTIFICATION

To
The Board of Directors,
INTEC CAPITAL LIMITED
701, Manjusha, 57 Nehru Place,
New Delhi-110 019

Sub. : Certification as per Clause 49 of the Listing Agreement

Dear Sirs,

We Sanjeev Goel, Managing Director and Sudhindra Sharma, Head- Finance & Accounts of the Company certify to the Board of Directors that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we confirm that there are no deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the auditors and the Audit Committee that there is:
 - (i) no significant changes in internal control over financial reporting during the year;
 - (ii) no significant changes in accounting polices during the year;
 - (ili) no instances of fraud in the company has come to our knowledge.

For Intec Capital Limited

Place: New Delhi
Date: 19.05.2012

Sanjeev Goel
Managing Director

Sudhindra Sharma
Head- Finance & Accounts

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, Report on Corporate Governance for the year ended 31st March, 2012 is given below:

Company's Philosophy on Corporate Governance

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. It ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. The Company, through its Board and Committee constantly, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

Corporate Governance at Intec Capital Limited is a value-based framework to manage our affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and autonomous processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information and we believe that

such practices that we are putting into place shall go beyond adherence to regulatory framework.

The stipulations mandated by Clause 49 of the Listing Agreement with the Stock Exchanges, have been fully complied with by your Company.

MANDATORY REQUIREMENTS

1. BOARD OF DIRECTORS

• Composition and Size of the Board

As on 31st March, 2012 the Company's Board of Directors comprises of seven Directors out of which six are Non-Executive Directors. The meetings of Board of Directors are normally presided over by the Managing Director who is also the Promoter of the Company. More than half of the Directors of the Company are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The Management of the Company is headed by Mr. Sanjeev Goel, Managing Director who manages the day to day affairs of the Company and operates under the supervision and control of the Board.

• Board Meetings held during the year

During the year 2011-2012, Twelve Board Meetings were held on the following dates:

1) 15.04.2011	2) 20.05.2011	3) 23.05.2011	4) 27.06.2011
5) 15.07.2011	6) 22.07.2011	7) 01.10.2011	8) 25.10.2011
9) 28.10.2011	10) 07.11.2011	11) 04.02.2012	12) 17.03.2012

Attendance recorded for each Director at the Board Meetings, last Annual General Meeting (AGM) and details of other directorships and committee positions held by them are as follows:-

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Whether last AGM attended	No. of outside Directorship held as on 31.03.2012*	No. of Committee position held in other public companies as on 31.03.2012		Director's Shareholding
					Chairman	Member	
Mr. Sanjeev Goel	Promoter & Managing Director	12	Yes	2	Nil	Nil	592739
Mr. S. K. Goel	Independent Non-Executive Director	7	Yes	Nil	Nil	Nil	Nil
Mr. Subhash Jindal	Independent Non-Executive Director	Nil	Yes	Nil	Nil	Nil	Nil
Mr. Robindra Gupta	Independent Non-Executive Director	11	Yes	Nil	Nil	Nil	Nil
Mr. Rakesh Kumar Joshi	Independent Non-Executive Director	10	Yes	Nil	Nil	Nil	Nil
Mr. Praveen Sethia	Independent Non-Executive Director	4	No	Nil	Nil	Nil	18
Mr. Y. L Madan#	Independent Non-Executive Director	2	N.A	Nil	Nil	Nil	Nil

* This does not include any Directorship of Private Company and foreign Company.

Appointed as an Additional Director of the company w.e.f. 07/11/2011

The intervening period between two meetings is within the maximum time gap of four months as prescribed under Clause 49 of the Listing Agreement. The dates of Board meetings are fixed and agenda papers are normally circulated seven working days prior to the meeting. The Board periodically reviews the compliances under various laws applicable to the Company along with steps taken by the Company to rectify instances of non-compliances, if any. To enable the Board to discharge its responsibilities effectively, the Board is appraised with a detailed presentation on the overall performance of the Company at every quarterly Board meeting.

None of the Directors on the Board are member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director.

As required under Annexure IA to Clause 49 of the Listing Agreement with the Stock Exchanges, the necessary information is placed before the Board during the meetings.

● Disclosure of change during the year

During the year Mr. Y. L. Madan has been appointed as an Additional Director of the Company w.e.f. 07th November, 2011.

2. CODE OF CONDUCT

The Board of Directors has prescribed a Code of Conduct ("Code") for all Board members and senior management and other employees of the Company. It is in alignment with Company's vision and values to achieve the objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. The Code is also posted on the website of the Company.

3. AUDIT COMMITTEE

The Audit Committee comprises of three Directors, all being Non-Executive with two-third of them being Independent. The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary to the Audit Committee.

The constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956. The terms of reference and powers of the Audit Committee are in accordance with those contained under Clause 49 of the Listing Agreement and the Companies Act, 1956. The members of the Audit Committee have accounting and financial management expertise.

The Audit Committee specifically reviews:

- Management Discussion and Analysis of financial conditions and results of operations.
- Overview of Company's Financial Results.
- Significant related party transactions.
- Internal Audit Reports.
- Recommendation for appointment, re-appointment and fixing of the remuneration of Statutory Auditors.
- Consideration and approval for Directors Report and Management Discussion and Analysis Report
- Considers and reviews all the powers as prescribed under Clause 49 II C of the Listing Agreement

● Composition

The Audit Committee comprises of the following three members as at 31st March, 2012:

Mr. Praveen Sethia – Chairman

Mr. Rakesh Kumar Joshi – Member

Mr. S.K. Goel – Member

All the members of the Audit Committee are Independent Non-Executive Directors. They possess sound knowledge of accounts, audit, and finance etc. Mr. Praveen Sethia; Non Executive Independent Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee. The Statutory Auditors, the Managing Director and the Head- Finance & Accounts of the Company attend and participate in the meetings of the Audit Committee.

● Meeting and Attendance

During the year 2011-2012, four Audit Committee Meetings were held on the following dates:-

1) 23.05.2011	2) 22.07.2011	3) 07.11.2011	4) 04.02.2012
---------------	---------------	---------------	---------------

The attendance of each Committee member is as under:

Name of Member	Designation	Category	Meetings attended
Mr. Praveen Sethia	Chairman	Non Executive Independent Director	03
Mr. Rakesh Kumar Joshi	Member	Non Executive Director	04
Mr. S.K. Goel	Member	Non Executive Independent Director	03

4. REMUNERATION COMMITTEE

The Constitution of the Remuneration Committee is a non-mandatory requirement under the provisions of Listing Agreement. The Remuneration Committee assists the Board of Directors in formation and determination of the Company's policy on remuneration and compensation to the Directors of the Company. The Committee considers and decides the remuneration structures and suitable revisions within the prescribed limits under the Companies Act, 1956 on the basis of performance, responsibilities, experience, qualification, market conditions and roles played by the Directors.

● Composition

The Remuneration Committee has been constituted pursuant to Clause 49 of the Listing Agreement.

The Remuneration Committee comprises of three members as at 31st March, 2012 as under:-

Mr. Praveen Sethia - Chairman

Mr. S. K. Goel - Member

Mr. Rakesh Kumar Joshi - Member

During the year, only one Committee meeting was held on 15th July, 2011 which was attended by Mr. S.K. Goel and Mr. Rakesh Kumar Joshi.

The members of the Remuneration Committee are all Non-Executive Independent Directors. The Company Secretary of the Company acts as the Secretary to the Committee.

● Details of remuneration paid to the Directors

a) Executive Directors

The aggregate value of remuneration paid to Managing Director for the Financial Year 2011-12 is as follows:

Name	Designation	Salary (₹)	Others (₹)	Total (₹)	Service Contract
Mr. Sanjeev Goel	Managing Director	19,44,000/-	10,56,000/-	30,00,000/-	5 Years (w.e.f. 01.04.10)

b) Non Executive Director

The Non Executive Director's have not drawn any remuneration from the company for the year ended 31st March, 2012, other than sitting fees.

c) Sitting Fees

The Sitting fee of ₹ 5,000/- per meeting is paid to Non-Executive Directors for every Board Meeting attended by them in the Financial Year 2011-12.

5. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Asset Liability Management Committee (ALCO) was constituted during the year. The objective of the Committee is to identify, quantify, integrate, monitor, manage and control the different type of risks associated with NBFC. The Committee is responsible for assisting the Board of Directors in Balance Sheet planning, putting in place a progressive risk management system, developing a risk-return perspective including the strategic management of interest and liquidity risk.

● Composition

The Asset Liability Management Committee has been constituted as per the Reserve Bank of India (RBI) regulations for NBFC.

The ALCO comprises of nine members as at 31st March, 2012 as under:-

Mr. Sanjeev Goel	- Managing Director
Mr. Y. L. Madan	- Director
Mr. Jagjit Singh	- Business Head
Mrs. Vandita Kaul	- Head - Treasury
Mr. Sudhindra Sharma	- Head - Finance & Accounts
Mrs. Pooja Sondhi	- Head - Operations
Mr. Vikas Garg	- Head - Credit
Mr. Piyush Mona	- Chief Manager - Treasury

The Committee held four meetings during the year 2011-2012 as under:-

1) 05.12.2011 2) 16.01.2012 3) 06.02.2012 4) 13.03.2012

6. TREASURY COMMITTEE

● Composition

The Treasury Committee was constituted during the year with the objective of assisting the Board in the continuous process of procurement of funds by applying to various banks and financial institutions for the purpose of further lending. The Committee meets as and when required to deal with the related matters. The Treasury Committee comprises of the following four members as on 31st March, 2012:

Mr. Sanjeev Goel	- Chairman
Mr. Praveen Sethia	- Member
Mr. Robindra Gupta	- Member
Mr. S. K. Goel	- Member

Mr. Sanjeev Goel, Managing Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee held two meetings during the year 2011-2012 on 27th February, 2012 and 29th March, 2012.

7. SHARE TRANSFER COMMITTEE

● Composition

The Share Transfer Committee is responsible for assisting the Board of Directors in managing the process of transfer/transmission, sub-division, consolidation and issue of duplicate share certificates, etc. The Committee meets at least once in a fortnight to approve share transfer and other related matters. The Share Transfer Committee comprises of the following four members as on 31st March, 2012:

Mr. S. K. Goel	- Chairman
Mr. Sanjeev Goel	- Member
Mr. Rakesh Kumar Joshi	- Member
Mr. Robindra Gupta	- Member

Mr. S. K. Goel, Non Executive Independent Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

● Compliance Officer

The Board had designated Ms. Kashvi Malhotra, Company Secretary as Compliance Officer of the Company.

Address : 701, Manjusha,
57, Nehru Place,
New Delhi- 110 019

Phone : 011-46522200/300

Fax : 011-46522333

E-mail : complianceofficer@inteccapital.com

● Meetings and Attendance

During the year, 28 meetings of the Committee were held on the following dates:

1) 15.4.2011	2) 30.04.2011	3) 10.05.2011	4) 20.05.2011	5) 31.05.2011
6) 15.06.2011	7) 30.06.2011	8) 11.07.2011	9) 15.07.2011	10) 20.07.2011
11) 30.07.2011	12) 16.08.2011	13) 31.08.2011	14) 14.09.2011	15) 30.09.2011
16) 05.10.2011	17) 15.10.2011	18) 31.10.2011	19) 21.11.2011	20) 30.11.2011
21) 15.12.2011	22) 28.12.2011	23) 16.01.2012	24) 30.01.2012	25) 15.02.2012
26) 29.02.2012	27) 19.03.2012	28) 31.03.2012		

The following table shows the details of attendance of members of the Committee in its meetings:

Name of Member	Designation	Category	Meetings attended
Mr. S. K. Goel	Chairman	Non Executive Independent Director	26
Mr. Sanjeev Goel	Member	Managing Director	28
Mr. Rakesh Kumar Joshi	Member	Non Executive Independent Director	28
Mr. Robindra Gupta	Member	Non Executive Independent Director	27

● Shareholders Queries/Complaints

There is no query pending against the Company relating to the transfer, transmission, splitting and consolidation, Dematerialization and Re-materialization of shares issued by the Company.

8. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

● Composition

The Shareholders'/ Investors' Grievance Committee assists the Board of Directors in addressing and redressing of the grievances of the shareholders and investors of the Company. The Committee deals with the issues pertaining to shareholders' complaints, investors' queries on non-receipt of annual report, non-receipt of dividends and providing investor services and related matters.

The Shareholders'/Investors' Grievance Committee comprises of the following four members as at 31st March, 2012:

Mr. Sanjeev Goel	-	Chairman
Mr. Robindra Gupta	-	Member
Mr. Rakesh Kumar Joshi	-	Member
Mr. S. K. Goel	-	Member

9. GENERAL BODY MEETINGS

The details of Annual General Meetings held during last 3 financial years are given as under:-

Financial Year	Venue	Date	Time	Special Resolution passed
2010-2011	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110 003	14 th September, 2011	10.00 a.m	Yes
2009-2010	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110 003	24 th September, 2010	4.15 p.m.	Yes
2008-2009	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110 003	17 th September, 2009	3.00 p.m.	Yes

No special resolution is proposed to be passed through postal ballot at the ensuing AGM.

Mr. Sanjeev Goel, Managing Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

● Compliance Officer

The Board has designated Ms. Kashvi Malhotra, Company Secretary as Compliance Officer of the Company.

Address : 701, Manjusha,
57, Nehru Place,
New Delhi- 110 019
Phone : 011-46522200/300
Fax : 011-46522333
E-mail : complianceofficer@inteccapital.com

● Meetings and Attendance

During the year, seven meetings of the Committee were held on the following dates:

1) 15.04.2011 2) 23.05.2011 3) 27.06.2011 4) 22.07.2011
5) 01.10.2011 6) 07.11.2011 7) 04.02.2012

● Shareholders Queries/Complaints

There are no queries pending against the Company relating to non receipt of Annual Report and Dividend warrants/cheques.

10. DISCLOSURES

● Disclosure on materially significant related party transactions

During the year under review, there are no transactions of material nature with the promoters, Directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. All disclosures related to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters. The details of related party transactions during the year 2011-2012 are duly disclosed in the Notes on Accounts to the Balance sheet as required by the Accounting Standard (AS-18) - 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India (ICAI).

● Compliance by the Company

There has not been any instance of non-compliances by the company and no penalties, strictures are imposed on the Company by the Stock Exchanges or SEBI, RBI or any statutory authority, on any matter related to the Capital Markets, during the last three years.

● Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and subsequent amendments, the Company has adopted the amended "Model Code of Conduct" for dealing in Company's securities. Under the said Code the Directors, Senior Management and employees are restricted to deal in the securities of the Company during the closure of Trading Window. In order to deal beyond a specified amount approval of the Compliance Officer needs to be obtained. The objective of the Code is to prevent sale and purchase of shares of the Company by an Insider on the basis of unpublished price sensitive information.

● Subsidiary Company

The Company does not have any material non-listed Indian subsidiary company and hence the compliances under Listing Agreement w.r.t. material non-listed Indian subsidiary company are not required to be done. During the year the Company has acquired Amulet Technologies Private Limited as its 100% Wholly Owned Subsidiary. Apart from disclosures made in the Directors' Report there were no strategic investments made by the Company in the non-listed subsidiary during the year under review.

The minutes of the subsidiary company is placed before the Board of Directors of the Company and the performance of the subsidiary is also periodically reviewed by the Board.

● Mandatory and Non Mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company at present has adopted the non-mandatory requirement with regard to constitution of Remuneration Committee, details of which are forming part of this Report.

11. MEANS OF COMMUNICATION

The Company has timely disclosed the corporate financial performance such as Quarterly/ Half Yearly/ Annual Results in the newspapers as well as uploaded the same on the website of the Company. During the year the Company had published the Financial Results in 'Business Standard' (English & Hindi), 'The Financial Express' (English), 'Rashtriya Sahara' (Hindi) and 'Jansatta' (Hindi). The Financial Results are also uploaded on Company's website i.e. www.inteccapital.com.

12. GENERAL SHAREHOLDER INFORMATION

i. 18th Annual General Meeting

Date : Thursday, 20th September, 2012
Time : 10:00 a.m.
Venue : B. C. Pal Memorial Auditorium, A-81
Chitranjan Park, New Delhi - 110 019
Financial Year : 01st April 2011 to 31st March 2012

ii. Date of Book Closure

The Register of members and the Share Transfer Books of the Company shall remain closed for one day only viz. Thursday, 20th September, 2012.

iii. Dividend Payment Date

The Company has declared Final Dividend on 30th July, 2012 subject to the approval of shareholders in the ensuing 18th Annual General Meeting of the Company and will be disbursing the same on 01st October, 2012, in case approval is obtained.

iv. Listing on Stock Exchanges

The equity shares of the Company are listed at following Stock Exchanges:-

Name of the Stock Exchanges	Address of the Stock Exchange	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	526871
Delhi Stock Exchange Limited	DSE House,3/1, Asaf Ali Road, New Delhi-110002	8022

The Annual Listing fees for the Year 2012-2013 have been paid to the Delhi Stock Exchange Limited and BSE Limited. During the year the Company had filed an application for getting the Equity Shares listed at National Stock Exchange Limited.

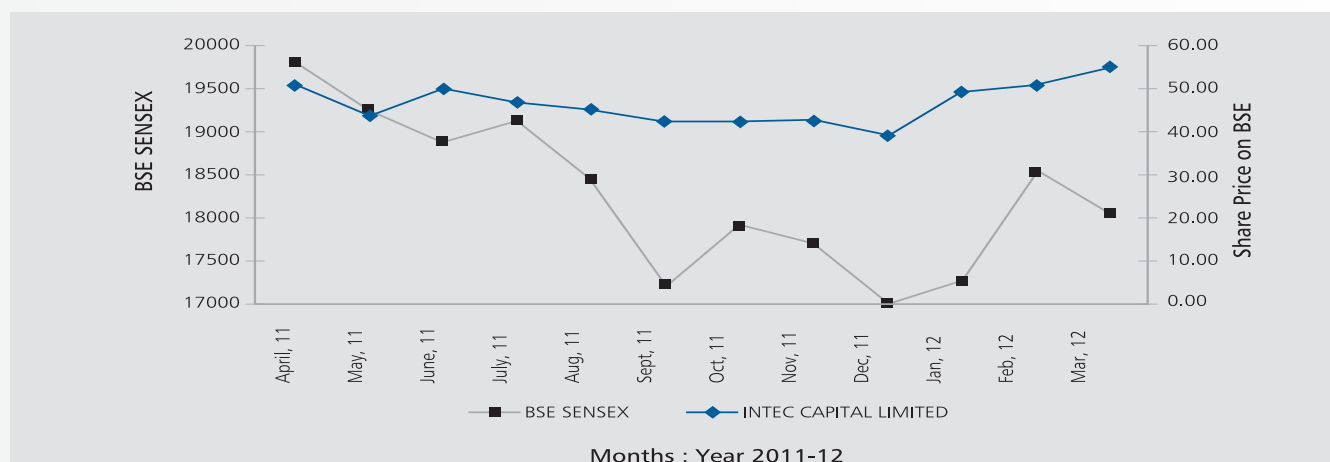
v. Market Price Data

High/Low market price of the Equity shares of face value of ₹ 10/- each of the Company traded on BSE Limited with comparative indices during the period 01st April, 2011 to 31st March, 2012 is furnished below:

Month	INTEC CAPITAL LIMITED		BSE SENSEX	
	High Price	Low Price	High Price	Low Price
April – 2011	50.80	36.95	19811.14	18976.19
May – 2011	43.75	36.90	19253.87	17786.13
June – 2011	49.90	39.00	18873.39	17314.38
July – 2011	46.80	36.05	19131.70	18131.86
August – 2011	45.00	33.05	18440.07	15765.53
September – 2011	42.50	36.10	17211.80	15801.01
October – 2011	42.45	35.00	17908.13	15745.43
November – 2011	42.50	32.00	17702.26	15478.69
December – 2011	39.00	27.35	17003.71	15135.86
January – 2012	49.35	30.50	17258.97	15358.02
February – 2012	50.80	40.95	18523.78	17061.55
March – 2012	55.00	40.45	18040.69	16920.61

vi. Performance of share price of the Company in comparison to BSE Sensex:

INTEC CAPITAL LIMITED VS BSE SENSEX



vii. Registrar and Share Transfer Agents

Beetal Financial & Computer Services (P) Limited is the Registrar and Share Transfer Agent for the Equity Shares of the Company both in the Demat and Physical forms.

Beetal Financial & Computer Services Private Limited

Beetal House, 03rd Floor, 99 Madangir,

New Delhi-110 062

Phone: 91-11-29961281(6 Lines)

Fax: 91-11-29961284

E-mail: beetalrta@gmail.com

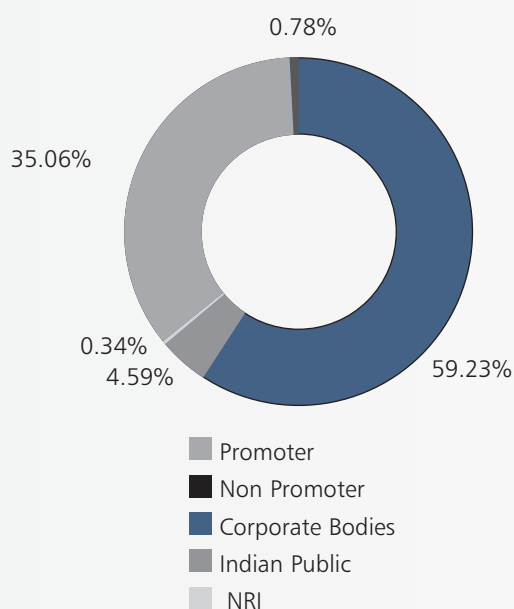
viii. Share Transfer System

In order to expedite the share transfer process a Committee of Board of Directors under nomenclature of Share Transfer Committee has been delegated powers to overview the process. The Registrar and Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services (P) Limited looks after all the matters relating to the transfer, transmission, dematerialization, etc. of the Equity Shares of the Company.

ix. Distribution of Shareholding and Shareholding pattern as on 31st March, 2012

SN	Category	No. of Shares held	Percentage of Share holding
A.	Promoters' Shareholding:		
	1. Promoters		
	a. Indian Promoters	44,84,394	35.06%
	b. Foreign Promoters	Nil	Nil
	Sub-Total	44,84,394	35.06%
B.	Non- Promoters Holding:		
	1. Institutional Investors		
	a. Mutual Funds and UTI	1,00,000	0.78%
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Government Institutions)	Nil	Nil
	c. FII's	Nil	Nil
	Sub-Total	1,00,000	0.78%
C.	2. Others:		
	a. Corporate Bodies	75,77,338	59.23%
	b. Indian Public	5,87,149	4.59%
	c. NRIs/OCBs	43,547	0.34%
	Sub-Total	82,08,034	64.16%
	Grand Total	1,27,92,428	100%

ADR / GDR: There is no ADR and GDR holding.



x. Distribution of Shareholding as on 31st March, 2012

Share holding of Nominal Value	Shareholders		Paid-up Value	
	Number	% to total	Amount In ₹	% to total
Upto – 5000	1,082	77.12	2266180.00	1.77
5001 – 10000	172	12.26	1260290.00	0.99
10001 – 20000	80	5.70	1066760.00	0.83
20001 – 30000	8	0.57	200870.00	0.16
30001 – 40000	9	0.64	313410.00	0.24
40001 – 50000	9	0.64	424050.00	0.33
50001 – 100000	11	0.78	912810.00	0.71
100001 & Above	32	2.28	121479910.00	94.96
TOTAL	1403	100.00	127924280.00	100.00

xi. Dematerialization of Shares

22,05,224 (17.24%) and 85,36,846 (66.73%) Equity Shares of the Company are held in Dematerialized form in Central Depository Services (India) Limited (CDSL) & National Securities Depository Limited (NSDL) as on 31st March, 2012 and 20,50,358 (16.03%) Equity Shares are held in Physical form, out of 1, 27,92,428 of the Total Paid-up Equity Share Capital of the Company.

The Equity Shares of the Company are available for trading in both the depositories viz. NSDL and CDSL. The ISIN of the Equity Shares of the Company is INE017E01018.

xii. Outstanding ADR/GDR/Warrants or any Convertible Instruments

The Company has not issued any GDRs/ ADRs. Further the Company has no outstanding warrants or any convertible instruments as on 31st March, 2012.

xiii. Plant Locations

The Company is not a manufacturing unit hence it has no plants.

xiv. Address for Correspondence

Ms. Kashvi Malhotra
Company Secretary cum Compliance Officer

Intec Capital Limited

701, Manjusha, 57, Nehru Place, New Delhi-110 019, India
Ph: 011-46522200/300, Fax: 011-46522333
E-mail: complianceofficer@inteccapital.com

II.) NON-MANDATORY REQUIREMENTS

The Company complies with the following Non- mandatory requirements stipulated under Clause 49 of the Listing Agreements:

● Remuneration Committee

The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in this Report.

● Audit Qualification

The Company has no audit qualification in its financial statements.

● Training of Board Members

As regards training of Board Members, the Directors on the Board are seasoned professionals having wide range of expertise in different fields. They keep themselves abreast with the latest developments in the field to management, Technology, Industry and Business Environment etc.

For Intec Capital Limited

Date: 30.07.2012
Place: New Delhi

Sanjeev Goel
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration no. of the Company:-55-057410

Nominal Capital: ₹ 15, 00, 00,000/-

To

The Members

Intec Capital Limited

701, Manjusha,

57, Nehru Place

New Delhi – 110 019

We have examined all relevant records of Intec Capital Limited (the Company) for the purpose of certifying the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2012. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Clause 49 of the Listing Agreement.

For M/s T. K. Gupta & Associates
Chartered Accountants

Date: 30.07.2012

Place: New Delhi

CA T. K. Gupta
Partner (M. No.82235)
(Firm Registration No. 011604N)

FINANCIAL

SECTION

Auditors' Report

To The Members
INTEC CAPITAL LTD.

1. We have audited the attached Balance Sheet of Intec Capital Ltd., as at 31st March, 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These 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 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 this financial statements. An audit 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. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956 and based on the information & explanations given to us, we enclose in the Annexure I, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. As required by the Non-Banking Companies Auditor's Report (Reserve Bank) Directions, 2008, we give in Annexure II, a statement on the matters specified in paragraphs 3 & 4 of the said directions.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
6. On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors of the company and information & explanation given to us, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 as on said date.
7. 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 thereon give the information required by the Companies Act, 1956, 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 2012.
 - b. In the case of the statement of Profit and Loss, of the Profit 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 and on behalf of
T. K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FR.NO. 011604N

PLACE : NEW DELHI
DATE: 19th May 2012

CA. T.K. GUPTA (PARTNER)
M. NO.: 082235

Annexure I to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

Information as required by the Companies (Auditors Report) Order 2003 u/s 227 (4A) of the Companies Act, 1956

- (i) In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information & explanations given to us, the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification.
 - c) On the basis of our examination and according to the information and explanations given to us, the Company has not made any substantial disposals during the year which would have affected its going concern.
- (ii) In respect of its Inventories:

The company is a Non-Banking Finance company and has not dealt with any goods and the company does not hold any inventory during the period under audit. Accordingly, the provisions of clause 4 (ii) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- (iii) In respect to loans:
 - a) According to information and explanations given to us, the company has not granted any Loans or Advances, secured or unsecured, to any companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) (b) (c) and (d) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
 - b) According to information and explanations given to us, the company has not taken any Loans or Advances, secured or unsecured, from any companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) (f) (g) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of audit.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding the value of Rupees five lacs in respect of each party during the year, have been made at prices which appear reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence, the question of complying with the provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, does not arise. Also, there has not been any order passed by Company Law Board or National Law Tribunal or Reserve Bank of India or any court of any other tribunal.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under the provisions of Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) a) According to the records of the company, the company is generally regular in depositing with

appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Income-tax, Sales Tax, Wealth-Tax, Custom Duty, Excise-Duty, Service Tax, Cess and other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education Protection Fund, income tax, wealth tax, sales tax, customer duty and excise duty service tax and other material dues were outstanding, as at 31st March 2012 for a period of more than six months from the date they became payable.
- c) According to the information & explanations given to us, there are no dues in respect of Provident Fund, Investor Education & Protection Fund, Income Tax, sales tax, service tax, customs, wealth-tax, excise duty and cess and other material dues that have not been deposited on account of any disputes.
- (x) The Company neither have accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions & banks.
- (xii) According to the information and explanations given to us, the company has not granted any loans and / or advance on the basis of security by way of pledge of shares and debentures and other securities.
- (xiii) According to the information and explanations given to us, the provisions of Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Company are not applicable to the Company.
- (xiv) According to the information and explanation given to us, as the Company is not dealing or trading in shares, debenture & and other securities, the requirement of clause 4(xiv) of the order relating to maintenance of the

proper record of transaction and contracts and making of timely entries therein are not applicable.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- (xvi) According to the information and explanations given to us, the term loans raised by the company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and the books and records examined by us, funds raised for short-term basis have not been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures. Accordingly clause (xix) of the order is not applicable.
- (xx) The Company has not raised any money by public issue during the year. Accordingly the provisions of clause 4 (xx) of the Companies (Auditors Report) Order 2003 is not applicable to the company.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For and on behalf of
T. K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FR.NO. 011604N

PLACE : NEW DELHI
DATE: 19th May 2012

CA. T.K. GUPTA (PARTNER)
M.NO. 082235

Annexure II to the Auditor's Report

(Referred to in paragraph 4 of our report of even date)

To The Members
INTEC CAPITAL LTD.

We have examined the books of accounts and other relevant documents/records of INTEC CAPITAL LIMITED as on 31.03.2012 for the purpose of audit and report on the basis of explanation and information given to us and in terms of Non-Banking financial Companies Auditors Report (Reserve Bank) Directions, 2008 on the following matters:

- i) The Company has been incorporated on February 15, 1994 and has applied for the registration as provided in section 45-IA of the Reserve Bank of India Act 1934.
- ii) The company is engaged in the business of non-banking financial institution and has obtained certificate of registration with RBI on 04-05-1998, Reg. Cert. No. B-14.00731.
- iii) The company is holding Certificate of Registration issued by Reserve Bank of India and the company is entitled to continue to hold such Certificate of Registration in terms of its assets / income pattern as on 31.03.2012.
- iv) The company has passed the Board Resolution for non acceptance of any public deposit on 15.03.2011.
- v) The company has not accepted any public deposits during

the financial year 2011-2012.

- vi) The Company has complied with the Prudential Norms on income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts and concentration of credit / investment as applicable to it in terms of the directions issued by the Reserve Bank of India in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 1998. (Revised on 22nd Feb 2007, vide notification no. DNBS. 192/DG (VL)-2007)
- vii) The capital adequacy ratio as disclosed in the return submitted to the Reserve Bank of India in terms of NBFC Prudential Norms (Reserve Bank) Directions, 2007 has been correctly arrived at and such ratio complies with the minimum capital to risk assets ratio prescribed by Reserve Bank of India.
- viii) The company has furnished to Reserve Bank of India the annual statement of capital funds, risk assets / exposures and risk asset ratio (NBS-7) within the stipulated time.
- ix) The company has following branches and offices during the financial year 2011-12:

1.	New Delhi	804, 57 Manjusha Building, Nehru Place, New delhi-110019
2.	Ahmedabad	Shop No.1, 2nd Floor, Radhe Mall, Khorkhara Circle, Ahmedabad, Gujarat.
3.	Faridabad	A-7, First Floor, Neelam Bata Road, NIT, Eastern Side, Faridabad, Haryana.
4.	Gurgaon	Plot 125/22 Old DLF Sec-14 ,M G Road, Gurgaon, Haryana
5.	Indore	203 DTC Tower, New Plasia Area, Indore, M.P.
6.	Ludhiana	SCO- 147, 3rd Floor, Feroze Gandhi Market, Ludhiana.
7.	Noida	D-31, 2nd Floor, Sector-7, Noida.
8.	Pitampura	804, 8th floor pearl Business Park, Netaji Subhash Place, Pitampura , Delhi-110034
9.	Pune	Office No. B 11-12, 5th Avenue, 7 Dhole Patil Road, Ground Floor Park, CTS No. 24 to 28, Pune – 411001.
10.	Mumbai	506 Wellington Business Park-1, Andheri-Kurla Road, Marol Naka, Andheri East Mumbai-400059
11.	Jalandhar	2nd floor, SCO-44, Ladowali Road, Near PUDA Complex, Jalandhar City-144001
12.	Chandigarh	SCF-79, 2nd Floor, Phase-2, S.A.S Nagar, Mohali, Punjab

For and on behalf of
T. K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FR.NO. 011604N

PLACE : NEW DELHI
DATE: 19th May 2012

CA. T.K. GUPTA (PARTNER)
M.NO. 082235

Balance Sheet

As on March 31, 2012

(In ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2	127,924,280.00	114,424,280.00
b. Reserve & Surplus	3	565,019,196.18	343,539,183.46
		692,943,476.18	457,963,463.46
2. Share Application Money Pending Allotment			
		-	148,500,000.00
3. Non-current liabilities			
a. Long-term borrowings	4	962,114,147.12	654,549,739.84
b. Deferred tax liabilities (Net)		1,708,370.05	864,758.00
c. Long-term provisions	5	22,389,665.61	29,359,113.72
		986,212,182.78	684,773,611.56
4. Current Liabilities			
a. Short-term borrowings	4	1,695,175,384.32	1,059,911,666.14
b. Other current Liabilities	7	655,106,343.70	494,454,300.00
c. Short-term provision	5	99,086,465.53	70,751,484.09
		2,449,368,193.55	1,625,117,450.24
Total		4,128,523,852.50	2,916,354,525.26
II. ASSETS			
1. Non-current assets			
a. Fixed assets	6		
i. Tangible assets		19,229,519.18	15,495,391.44
ii. Intangible assets		25,185,488.00	25,185,488.00
iii. Capital work-in-progress		2,790,000.00	900,000.00
b. Non-current Investments	8	3,413,448.00	913,448.00
c. Receivables under Finance Activity	9	1,407,108,758.75	789,171,793.37
d. Long-term loans and advances	10	18,643,363.95	18,573,086.48
e. Other non-current assets	14	-	13,113,431.00
		1,476,370,577.88	863,352,638.29
2. Current Assets			
a. Trade receivables	11	63,762,535.25	18,753,656.00
b. Cash and cash equivalents	12	431,779,696.67	285,623,451.29
c. Receivables under finance activity	9	2,063,082,825.46	1,672,601,617.60
d. Short term loans and advances	10	31,988,012.19	50,763,078.50
e. Other current assets	13	61,540,205.04	25,260,083.57
		2,652,153,274.61	2,053,001,886.96
Total		4,128,523,852.50	2,916,354,525.26

Accompanying notes are forming part of the Financial Statements

For and on behalf of Board of Directors

Sanjeev Goel
Managing Director

S. K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As per our report of even date annexed
For T.K. Gupta & Associates
Chartered Accountants
FR.NO. 011604N

CA T.K. Gupta
(Partner)
M.No. 82235

Place : New Delhi
Dated : 19th May 2012

Statement of Profit and Loss For the year ended March 31, 2012

(In ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
Revenue From operations	15	783,304,545.74	365,473,646.05
Other Income	16	26,629,446.15	5,250,618.76
Total Revenue		809,933,991.89	370,724,264.81
Employee Benefits Expenses	17	87,771,494.00	43,882,186.00
Finance costs	18	494,073,798.33	190,162,836.40
Depreciation and Amortization Expenses	6	2,210,567.26	970,060.42
Other Administrative Expenses	19	77,419,993.19	47,175,491.26
Provisions, Loan Loss & Other Charges	20	6,180,543.31	10,792,198.17
Total Expenses		667,656,396.10	292,982,772.25
Profit before Tax		142,277,595.79	77,741,492.55
Tax Expenses:			
(1) Current Tax		46,754,819.03	29,767,753.21
(2) Deferred Tax		843,612.05	392,004.46
		47,598,431.08	30,159,757.67
Profit (loss) for the period from continuing Operations		94,679,164.71	47,581,734.88
Profit (Loss) for the period		94,679,164.71	47,581,734.88
Earnings per Equity Share:			
(1) Basic		7.40	4.16
(2) Diluted		7.40	4.16

Accompanying notes are forming part of the Financial Statements

For and on behalf of Board of Directors

Sanjeev Goel
Managing Director

S. K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT

As per our report of even date annexed

For T.K. Gupta & Associates

Chartered Accountants

FR.NO. 011604N

Place : New Delhi
Dated : 19th May 2012

CA T.K. Gupta
(Partner)
M.No. 82235

Cash Flow Statement

For the year ended March 31, 2012

(In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	142,277,595.79	67,101,928.22
Adjustments for :-		
Depreciation	2,210,567.26	921,835.48
Interest Paid	487,623,628.17	167,346,911.11
Provision for Gratuity	1,675,736.00	116,732.00
Interest on fixed deposits	(25,704,372.61)	(3,774,114.57)
Provision no longer required Written Back	(48,316.00)	-
Asset Discarded	-	530,839.00
Provision on Substandard Assets	1,012,521.00	1,698,565.00
Bad Debts Recovered	(100,000.00)	-
Bad Debts Written Off	666,739.43	1,948,069.74
General Provision on Standard Assets	4,501,282.88	6,658,799.38
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	614,115,381.93	242,549,565.36
Adjustments for :-		
(Increase)/Decrease in Loans & Advances	(989,713,384.68)	(619,006,130.07)
(Increase)/Decrease in Current Assets(except cash equivalents)	(45,575,618.68)	(11,184,475.30)
Increase/(Decrease) in Current Liabilities	13,746,410.14	43,575,932.62
CASH GENERATED FROM OPERATIONS	(407,427,211.29)	(344,065,107.38)
Taxes paid	(54,522,094.47)	(12,437,861.57)
Gratuity Paid	(1,964,016.00)	(119,052.00)
Interest paid	(487,623,628.17)	(167,346,911.11)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(951,536,949.93)	(523,968,932.06)
NET CASH FROM OPERATING ACTIVITIES (A)	(951,536,949.93)	(523,968,932.06)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest on Bank Deposit	25,704,372.61	3,774,114.57
Purchase of Fixed Assets	(7,859,834.10)	(9,119,235.00)
Sale of Assets	73,452.00	-
(Increase) / Decrease in Investment	(2,500,000.00)	-
Cash & Bank Balance Pursuant to Amalgamation of Unitel Credit Private Ltd.	-	121,507,225.00
NET CASH USED IN INVESTING ACTIVITIES (B)	15,417,990.51	116,162,104.57

Cash Flow Statement

For the year ended March 31, 2012

(In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received/(Utilised)	(148,500,000.00)	148,500,000.00
Share Capital Received	13,500,000.00	-
Share Premium Received	135,000,000.00	-
Fixed Deposits Provided as Margin Money	(116,661,859.45)	(211,942,844.00)
Dividend Paid including CDT	(7,458,561.00)	(3,281,710.00)
Increase/ (Decrease) in Cash Credits	635,263,718.18	120,756,644.24
Increase/(Decrease) in other Secured Loans	650,605,952.84	287,669,462.72
Increase/(Decrease) in Unsecured Loans	(196,135,905.00)	102,559,696.00
NET CASH USED IN FINANCING ACTIVITIES (C)	965,613,345.57	444,261,248.96
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	29,494,386.15	36,454,421.47
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	73,680,607.47	37,226,186.00
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	103,174,993.62	73,680,607.47

For and on behalf of Board of Directors

Sanjeev Goel
Managing Director

S. K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head - F&A

Place : New Delhi
Dated : 19th May 2012

Auditors' Certificate

We have examined the attached Cash Flow Statement of Intec Capital Limited for the year ended 31.03.2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Delhi and Mumbai Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Note : All figures in brackets are outflow

As per our Report attached
For and on behalf of

T.K. Gupta & Associates
Chartered Accountants
FR No. : 011604N

CA T.K. Gupta
(Partner)
M.NO. 82235

New Delhi, Dated : 19th May 2012

Notes to the Financial Statements

NOTES

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for Preparation of Accounts:

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The company adopts accrual system of accounting unless otherwise stated.

(b) Use of 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 liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

(c) Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets expected to provide future enduring economic benefits are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use.

(d) Depreciation & Impairment of Assets:

Depreciation on fixed assets is provided on straight-line method, which reflects the management's estimate of the useful lives of the respective fixed assets, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognized if the carrying value exceeds the higher of net selling price of the assets and its value in use.

Goodwill arose on account of merger of Unitel Credit Private Limited is to be written off in Five years. However, nothing is written off in the current financial year. Goodwill arose on account of takeover of M/s Amulet Technologies Private Limited is written off during the current financial year.

(e) Investment:

Long-term investments are stated at cost. Provision of diminution in the value of long-term investments is made only if; such a decline is other than temporary in the opinion of the management.

(f) Employee Benefits:

(i) Defined Contribution Scheme

Employees benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are charged to the profit & Loss Account for the year when the expense is actually incurred.

Provision for provident fund is made as per 'The Employees Provident Fund and Miscellaneous Provisions Act, 1952' as applicable to the company.

(ii) Defined Benefit Scheme

Retirement benefits in the form of Gratuity and leave encashment are considered as defined obligations scheme.

Provision for gratuity has been made as per the calculation received from Life Insurance Corporation under the Gratuity Scheme taken by the company.

Leave encashment benefits are paid / provided in it's entirety in the accounts for the year.

(iii) Other employee benefits are accounted for on accrual basis.

Notes to the Financial Statements

NOTES

(g) Revenue Recognition:

(i) Loan Income

In respect of loan agreements, the income is accrued by applying the implicit rate in the transaction on declining balance on the amount financed for the period of the agreement.

(ii) Loan installments received are apportioned between interest income and principal portion. The principal amount is reduced from the loan outstanding, so as to achieve the constant rate of interest on the remaining balance of the Liability.

(iii) Dividend income on investments is accounted for as and when the right to receive the same is established.

(iv) No income is recognized in respect of Non-Performing assets, if any, as per the prudential norms for income recognition introduced for Non Banking Financial Corporation by Reserve Bank of India vide its notification o.DFC.No.119/DG/ (SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22/02/2007.

(v) Gains arising on direct assignment of assets are recognized over the tenure of agreements and loss, if any is recognized upfront.

(vi) Interest income on fixed deposits recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Expense Accounting:

All expenditures including the interest costs are accounted for on accrual basis.

(i) Loan Assets:

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable. These are shown net of assets directly assigned.

(j) Provisioning of Assets:

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate.

Loan assets which as per the management are not likely to be recovered, are considered as bad debts and written off.

Provision on standard assets is made as per the notification DNBS.PD.CC.No.207/03.02.002 /2010-11 issued by Reserve Bank of India.

(k) Provision, Contingent Liabilities and Contingent Assets:

(i) A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(ii) Contingent Liabilities are disclosed separately by way of note to financial statement after careful evaluation by the management of the facts and legal aspects of the matter involved in case of :

(a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

(iii) Contingent Assets are neither recognized, nor disclosed in the financial statements.

(l) Taxation:

(i) Provision for current tax is made in accordance with and at the rates specified under the Income-Tax Act, 1961.

(ii) In accordance with Accounting Standard 22 –'Accounting for taxes on Income', issued by the Institute of Chartered

Notes to the Financial Statements

NOTES

Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Tax Effect of the timing difference of the current period is included in the profit & loss account as a part of the tax expense and as deferred tax liability in the balance sheet.

(iii) Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

(m) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Assets under Management

Contract assigned are de-recognised from the books of accounts. Contingent liabilities, if any, thereof are disclosed separately.

(o) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amount of cash.

(p) Borrowing Cost

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

Note: 2. SHARE CAPITAL

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Authorised Share Capital (15000000 Equity Share of ₹ 10 each)	150,000,000.00	150,000,000.00
Issued & Subscribed Share Capital (12792428 Equity Share of ₹ 10 each)	127,924,280.00	114,424,280.00
Paid up Share Capital (12792428 Equity Share of ₹ 10 each) (Fully Paid up)	127,924,280.00	114,424,280.00

(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Number of shares outstanding as at the beginning of the year	11,442,428.00	5,610,000.00
Add: Issued during the year on Preferential basis	1,350,000.00	
Number of shares allotted as fully paid-up bonus shares during the year.		
Issued during the year (pursuant to Merger of UCPL with the Company)		5,832,428.00
Number of shares outstanding as at the end of the year	12,792,428.00	11,442,428.00

Notes to the Financial Statements

NOTES

(b) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 per share. All these Shares have same rights & preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of Shareholding : more than 5% Shares in the company

Sl. No.	Name of the Shareholder	As at March 31, 2012		As at March 31, 2011	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Pantec Devices Private Limited	1,428,100	11.16	1,133,100	9.90
2	Pantec Consultant Private Limited	1,340,467	10.48	1,005,467	8.79
3	Modern Credit Private Limited	1,155,000	9.03	1,155,000	10.09
4	Host Buildwell Private Limited	862,480	6.74	622,480	5.44
5	Edini Steels Private limited	855,440	6.69	615,440	5.38
6	Land Mark Buildmart Private Limited	858,400	6.71	618,400	5.40
7	Polym Agencies Private Limited	784,480	6.13	797,480	6.97
8	Starvision Services Private Limited	757,928	5.92	767,680	6.71

Note: 3. RESERVES AND SURPLUS

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
SHARE PREMIUM ACCOUNT		
Balance at the beginning of the year	195,122,800.00	195,122,800.00
Add: Premium on issue of Equity Shares	135,000,000.00	-
Closing Balance	330,122,800.00	195,122,800.00
Statutory Reserve u/s 45 IC of RBI Act		
Balance at the beginning of the year	33,634,478.30	24,118,131.30
Add. Amount transferred from surplus in the Statement of Profit & Loss	18,935,833.00	9,516,347.00
Closing Balance	52,570,311.30	33,634,478.30
Surplus in Profit And Loss Account		
Balance at the beginning of the year	114,781,905.17	83,409,766.98
Add: Profit for the year	94,679,164.71	47,581,734.18
Less: Dividend paid	675,000.00	-
Tax on Dividend paid	90,312.00	
Proposed Dividend	6,396,214.00	5,721,214.00
Tax on Proposed Dividend	1,037,626.00	972,035.00
Transfer to Reserve Fund u/s 45IC of RBI Act, 1934	18,935,833.00	9,516,347.00
Net Surplus in the Statement of Profit & Loss	182,326,084.88	114,781,905.17
Total Reserves & Surplus	565,019,196.18	343,539,183.46

Notes to the Financial Statements

NOTES

Note: 4. BORROWINGS

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
LONG TERM BORROWINGS		
Secured		
Term Loans		
Banks	589,262,889.91	271,671,040.09
Financial Institutions	265,576,298.22	197,842,414.74
Unsecured		
Corporate Bodies	107,274,959.00	185,036,285.00
Total	962,114,147.12	654,549,739.84
Short Term Borrowings		
Secured		
Working Capital Loan from Banks	1,695,175,384.32	1,059,911,666.14
Total	1,695,175,384.32	1,059,911,666.14

Security:

- (i) Working Capital facility from banks are secured by
- Primary Security- first pari passu charge on present and future Receivables of the Company,
 - Collateral Security-Fixed deposits lien marked to banks, Immovable properties & quoted securities- Belonging to promoter and promoters group,
 - Personal guarantees of directors and others.
- (ii) Term Loan from Banks and Financial Institutions are secured by
- Primary Security –First pari passu charge on specific Receivables of the Company,
 - Collateral Security- Fixed Deposit lien marked to banks.
 - Personal guarantees of directors and others.

Note: There is no default, continuing or otherwise, as at the balance sheet date, in repayment of any of the above loans.

Note: 5. PROVISIONS

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
LONG TERM PROVISIONS		
Provision for Standard Assets	14,711,462.61	10,210,179.72
Provision for Non Performing Assets	7,678,203.00	6,665,682.00
Provision for Taxation	-	12,483,252.00
	22,389,665.61	29,359,113.72
SHORT TERM PROVISIONS		
Provision for Gratuity	638,490.00	926,767.00
Provision for Taxation	91,014,135.53	63,131,468.09
Proposed Dividend	7,433,840.00	6,693,249.00
Total	99,086,465.53	70,751,484.09

Notes to the Financial Statements

NOTES

Note: 6. FIXED ASSETS

(In ₹)

Description of assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April 1, 2011	Additions during the period ended on 31.03.2012	Sale/Transfer/ Discarded during the year	Total As on March 31, 2012	Up to April 1, 2011	Provided during the period ended on March 31, 2012	Written back	Total As on March 31, 2012	As on March 31, 2012	As on March 31, 2011
Tangible Assets										
Vehicles	8,296,535.00	-	-	8,296,535.00	1,754,573.56	768,896.64	-	2,523,470.19	5,773,064.81	6,541,961.44
Office Equipment	730,319.00	574,102.00	-	1,304,421.00	84,605.13	49,462.76	-	134,067.89	1,170,353.11	645,713.87
Data Processing Equipments	3,760,691.00	3,926,070.00	73,452.00	7,613,309.00	1,173,119.87	971,293.37	48,316.00	2,096,097.23	5,517,211.77	2,587,574.13
Furniture And Fixtures	4,806,872.72	719,488.00	-	5,526,360.72	962,639.79	316,773.22	-	1,279,413.01	4,246,947.71	3,844,232.93
Electric Installations	618,063.00	203,249.00	-	821,312.00	82,470.14	34,630.68	-	117,100.82	704,211.18	535,592.86
Air Conditioners	1,146,311.00	546,925.00	-	1,693,236.00	287,794.79	69,510.60	-	357,305.39	1,335,930.61	858,516.21
Land	481,800.00	-	-	481,800.00	-	-	-	-	481,800.00	481,800.00
Total	19,840,591.72	5,969,834.00	73,452.00	25,736,973.72	4,345,203.28	2,210,567.26	48,316.00	6,507,454.54	19,229,519.18	15,495,391.44
Previous Year	13,381,351.72	8,219,235.00	1,759,995.00	19,840,591.72	4,276,909.04	1,297,448.61	1,229,157.00	4,345,200.88	15,495,390.84	9,104,442.68
Intangible Assets										
Goodwill - Refer Note 1	25,185,488.00	-	-	25,185,488.00	-	-	-	-	25,185,488.00	25,185,488.00
Total	25,185,488.00	-	-	25,185,488.00	-	-	-	-	25,185,488.00	25,185,488.00
Previous Year	-	25,185,488.00	-	25,185,488.00	-	-	-	-	25,185,488.00	-

Note 1:

Goodwill arising on account of amalgamation of Unitel Credit Private Limited with Intec Capital Limited.

Note: 7. OTHER CURRENT LIABILITIES

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Unclaimed Dividend	907,493.00	750,215.00
Current Maturities of long term debts		
Term Loans		
Banks	242,883,282.02	98,205,101.76
Financial Institutions	235,408,786.91	114,806,747.63
Corporate Bodies	126,225,240.00	165,946,435.00
Interest Accrued but not due on term loans	8,799,614.98	-
Loan from Shareholders	-	78,653,391.00
Expenses Payable	32,499,635.99	29,669,991.00
Statutory Liabilities	8,382,290.79	6,422,418.62
Total	655,106,343.70	494,454,300.00

Note: 8. NON CURRENT INVESTMENTS

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
I. EQUITY SHARES (Unquoted)		
1. Pantec Consultants (P) Ltd.	101,000.00	101,000.00
2. Pantec Devices (P) Ltd.	115,990.00	115,990.00
3. Intec Worldwide (P) Ltd.	85,728.00	85,728.00
4. Polym Agencies (P) Ltd.	111,000.00	111,000.00
5. Intec Share & Stock Brokers Ltd.	225,730.00	225,730.00
6. Fima Infotech Pvt.Ltd	230,000.00	230,000.00
7. Starvision Services Pvt.Ltd	44,000.00	44,000.00
	913,448.00	913,448.00
II. IN SUBSIDIARY COMPANY - EQUITY SHARES		
Amulet Technologies Ltd.	2,500,000.00	-
Total	3,413,448.00	913,448.00

Notes to the Financial Statements

NOTES

Note: 9. RECEIVABLES UNDER FINANCE ACTIVITY

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Non Current		
Secured Loans		
Standard	3,130,678,409.17	1,845,528,291.25
Sub Standard	20,807,627.05	3,557,215.00
Doubtful Assets	5,597,440.53	6,665,682.18
Less: Collateral Money received from Borrowers	1,962,144,861.00	1,175,952,404.06
	1,194,938,615.75	679,798,784.37
Unsecured Loan		
Non Current		
Standard	212,170,143.00	109,373,009.00
Total	1,407,108,758.75	789,171,793.37
Current		
Secured Loans		
Standard	2,541,736,491.46	1,970,994,043.66
Less: Collateral Money received from Borrowers	478,653,666.00	298,392,426.06
Total	2,063,082,825.46	1,672,601,617.60

Note: 10. LOANS AND ADVANCES

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Long Term Loans and Advances		
Unsecured		
Advance Recoverable in cash or in kind or for value to be received	18,643,363.95	18,573,086.48
Total	18,643,363.95	18,573,086.48
Short Term Loans and Advances		
Advance Recoverable in cash or in kind or for value to be received	31,988,012.19	50,763,078.50
Total	31,988,012.19	50,763,078.50

Note: 11. TRADE RECEIVABLES

(In ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Others (Overdue EMI's)	63,762,535.25	18,753,656.00
Total	63,762,535.25	18,753,656.00

Notes to the Financial Statements

NOTES

Note: 12. CASH AND CASH EQUIVALENTS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Cash & Cash Equivalents		
Cash in hand	2,150,617.56	270,062.56
Bank Balance in Current A/c	46,016,783.66	73,410,544.73
Fixed Deposits	55,007,592.00	-
Other Bank Balance		
Earmarked Balance		
In Unpaid dividend a/c	907,493.00	750,215.00
Margin Money		
Fixed Deposits	327,697,210.45	211,192,629.00
Total	431,779,696.67	285,623,451.29

F/Y -2011-12 Fixed Deposit having remaining maturity more than 12 months ₹ 266,296,101.63

F/Y -2010-11 Fixed Deposit having remaining maturity more than 12 months ₹ 104,099,823.00

Note: 13. OTHER CURRENT ASSETS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Advance Tax & TDS	61,540,205.04	25,260,083.57
Total	61,540,205.04	25,260,083.57

Note: 14. OTHER NON CURRENT ASSETS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Advance Tax & TDS	-	13,113,431.00
Total	-	13,113,431.00

Note: 15. REVENUE FROM OPERATIONS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Interest Income on Loan	707,140,291.00	323,853,166.05
Fee Based Income	76,164,254.74	41,620,480.00
Total	783,304,545.74	365,473,646.05

Note: 16. OTHER INCOME

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Interest on Fixed Deposit with Bank	25,704,372.61	4,874,382.01
Bad Debts Recovered	100,000.00	-
Misc. Income	825,073.54	376,236.75
Total	26,629,446.15	5,250,618.76

Note: 17. EMPLOYEE BENEFITS EXPENSES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Salaries & Other Allowances	80,860,250.00	37,998,107.00
Director Remuneration	3,000,000.00	3,000,000.00
Staff Welfare Expenses	3,001,282.00	1,969,307.00
Staff Recruitment & Training Expenses	909,962.00	914,772.00
Total	87,771,494.00	43,882,186.00

Notes to the Financial Statements

NOTES

Note: 18. FINANCE COSTS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Interest	487,623,628.17	183,480,060.29
Bank Charges & Processing Fee	6,450,170.16	6,682,776.11
Total	494,073,798.33	190,162,836.40

Note: 19. OTHER ADMINISTRATIVE EXPENSES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Legal and Professional Charges	14,357,292.00	3,436,123.22
Rent Expenses	9,703,431.00	3,583,876.00
Rates & Taxes Expenses	685,000.00	1,071,686.00
Communication Expenses	2,849,767.00	1,239,266.01
Printing & Stationery Expenses	1,436,027.00	2,022,685.00
Brokerage, Commission & Collection Charges	24,463,881.00	21,402,527.00
Meeting Expenses	607,507.00	307,245.00
Insurance Expenses	128,961.00	131,827.00
Travelling & Conveyance Expenses	8,221,121.00	3,245,622.76
Rebate & Discounts	19,600.00	669,813.97
Repairs and Maintenance:		
Vehicles	883,962.00	2,363,500.00
Office	3,169,229.00	1,049,124.00
Computer & Other Assets	650,194.00	613,330.00
Auditors' Remuneration:		
Audit Fees (including Tax Audit)	84,000.00	34,120.00
Internal Audit Fee	48,000.00	63,120.00
Other Services	60,000.00	22,060.00
Business Promotion Expenses	5,377,269.00	2,985,228.50
Electricity & Water Charges	1,309,414.00	404,840.00
Membership Fee & Subscription	145,696.00	93,727.00
Advertisement Expenses	338,974.00	457,562.00
Diwali Expenses	2,591,315.68	1,011,201.53
Books & Periodicals	7,475.00	257,158.00
Assets Discarded	-	530,839.00
Other Expenses	281,877.51	179,009.27
Total	77,419,993.19	47,175,491.26

Note: 20. PROVISION, LOAN LOSSES & OTHER CHARGES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Bad Debts Written off	666,739.43	2,749,400.74
General Provision on Standard Assets	4,501,282.88	6,423,503.43
Provision on Sub-Standard Assets	1,012,521.00	1,619,294.00
Total	6,180,543.31	10,792,198.17

Notes to the Financial Statements

NOTES

Note: 21. NOTES TO ACCOUNTS

- a) Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary to confirm to the current year presentation.
- b) Balance standing to debit & credit of parties are subject to confirmation.
- c) In the opinion of Board of Director, the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
- d) There is no employee drawing remuneration in excess of ₹ 60,00,000/- during the year ending 31st March 2012 or ₹ 5,00,000/- per month (Previous Year Nil).
- e) Any provisions no longer required to be written back.
- f) Statutory Reserve represents the reserve fund created u/s 45-1C of the Reserve Bank of India Act, 1934. An amount of ₹ 18,935,833/- (Previous Year ₹ 9,516,347/-) representing 20% of net profit is transferred to the fund for the year.

g) Provision for Standard and Non-Performing Assets:

Provision for non performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.25% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

Particulars	2011-12	2010-11
Substandard Assets	20,807,627.00	3,557,215.00
Doubtful Assets	5,597,441.00	6,665,682.00
Total Non-Performing Assets	26,405,068.00	10,222,897.00
Provision already available	6,665,682.00	889,957.00
Additional Provision made during the year	1,012,521.00	5,775,725.00
Total Provision at the end of the Year	7,678,203.00	6,665,682.00
Standard Assets	5,884,585,044.00	3,925,895,344.00
Provision already available	10,210,180.00	0.00
Additional provision made during the year	4,501,283.00	10,210,180.00

h) Auditors' remuneration (including for other auditors and net of service tax input credit):

Sr. No.	Particulars	2011-12	2010-11
a)	For Statutory Audit	84,000.00	34,120.00
b)	For Tax Audit	48,000.00	63,120.00
c)	For Internal Audit	60,000.00	22,060.00

i) Contingent liability not provided for:

Corporate guarantee on assignment of loans assets: ₹ 125,87,128 to HDFC Bank.

b) Segment Reporting:

The Company's business activity falls within single primary/secondary business segment viz., loan & financing in India. The disclosure requirement of Accounting Standard (AS) – 17 "Segment Reporting" issued by the Institute of Chartered Accountant of India, therefore is not applicable.

Notes to the Financial Statements

NOTES

k) Related Party Disclosures

As per Accounting standard 18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

Key Management Personnel	Relative of Key Management Personnel	Other Director	Enterprise in which Key Management Personnel and their relatives and company are able to exercise significant influence in the Enterprises.
Mr. Sanjeev Goel	Rajeev Goel	Mr. Praveen Sethia	Intec Infonet (P) Ltd.
	Ritika Goel	Mr. Robindra Gupta	Pantec Devices Pvt Ltd.
		Mr. S.K. Goel	Pantec Consultants Pvt Ltd.
		Mr. Rakesh Joshi	Intec Worldwide Pvt Ltd.
		Mr. Subhash Jindal	Bubble Infosolutions Pvt Ltd.
			Amulet Technologies Ltd.
			Infrastructure Advisors Private Limited

The nature and volume of transactions of the Company during the year with the above-mentioned related parties were as follows: (In ₹)

Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Other Directors		Enterprise in which Management Personnel and their relatives and company are able to exercise significant influence being partners in the Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Remuneration paid								
1. Mr. Sanjeev Goel	3,002,200	3,001,800	-	-	-	-	-	-
2. Ms. Ritika Goel	-	-	1,350,000	-	-	-	-	-
Professional Fees								
1. Infrastructure Advisors Private Limited	-	-	-	-	-	-	3,253,850	-
2. Mr. Y. L. Madan	-	-	-	-	160,000	-	-	-
Conveyance								
1. Mr. Y. L. Madan	-	-	-	-	20,000	-	-	-
Interest Received on Loan								
1. Amulet Technologies Ltd	-	-	-	-	-	-	63,213	-
2. Fima Consultants Ltd.	-	-	-	-	-	-	453,689	126,046
Loan Paid								
1. Amulet Technologies Ltd	-	-	-	-	-	-	95,015,865	-
2. Fima Consultants Ltd.	-	-	-	-	-	-	-	4,804,676
Purchase of Assets								
1. Intec Infonet Pvt. Ltd.	-	-	-	-	-	-	1,707,704	564,252
Collection Charges Paid								
1. Pantec Consultants Pvt. Ltd.	-	-	-	-	-	-	2,718,369	4,928,928
2. Pantec Devices Pvt. Ltd.	-	-	-	-	-	-	4,244,997	8,347,452
Maintenance Charges Paid								
1. Intec Infonet Pvt. Ltd.	-	-	-	-	-	-	80,164	56,511

Note: Related party relationship is as identified by the Company and relied upon by the auditor.

Notes to the Financial Statements

NOTES

l) Earnings per Share as per "Accounting Standard 20" issued by the Institute of Chartered Accountants of India: (In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
(a) Profit/(Loss) after taxation as per Profit and Loss Account (in Rupees)	94,679,164.71	47,581,734.18
(b) Weighted average number of Equity Shares outstanding during the year	12,792,428.00	11,442,429.00
(c) Nominal value of Equity shares (in Rupees)	10.00	10.00
(d) Basic earnings per share (in Rupees)	7.40	4.16
(e) Diluted earning per share (in Rupees)	7.40	4.16

m) Information as required by Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – I & II attached herewith.

n) The company estimates the deferred tax charged/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. Details of Deferred tax Assets/ (Liabilities) are as follows: (In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Timing Difference of Depreciation	(26,00,129.00)	(18,14,476.00)
Deferred Tax Assets/ (Liabilities)		
Opening Balance	(8,64,758.00)	(2,61,989.00)
Add: Created during the Year	(8,43,612.00)	(6,02,769.00)
Closing Balance	(17,08,370.00)	(8,64,758.00)

o) **Securitization/ Direct assignment**

The information on direct assignment activity of the Company carried as an originator during the year ended 31st Mar, 2012 is given below: (In ₹)

Particulars	No./₹	2011-12	2010-11
Total No. of Loan assets assigned	No.	95	146
Total Book value of Loan assets assigned	₹	228,221,116.00	412,784,253.48
Loan assets assigned as credit enhancement	₹	-	60,424,111.69
Sales consideration received for assigned assets	₹	228,221,116.00	352,684,082.00
Income from direct assignment*	₹	10,092,987.00	323,940.21

* Gain on direct assignment deals is amortised over the period of the loan.

Additional information with respect to Guarantees & Cash Collaterals in respect to above assignment activity of the Company as an originator as on March 31, 2012 and March 31, 2011 is given in the table below: (In ₹)

Particulars	2011-12	2010-11
Outstanding Credit enhancement in the form of corporate guarantees	1,25,87,128.00	1,55,64,548.90
Outstanding Credit enhancement in the form of fixed deposit receipts	6,78,50,000.00	4,48,50,000.00

p) **Micro and Medium Scale Business Entities:**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues which outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

As per our report attached

For and on behalf of

T.K. Gupta & Associates
Chartered Accountants
FR NO. : 011604N

For and on behalf of Board of Directors

CA. T.K. Gupta
(Partner)
M. No- 082235

Sanjeev Goel
Managing Director

S.K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head- F & A

New Delhi, Date: 19th May, 2012

Statement pursuant to Section 212

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company

Particulars	Name of Subsidiary Company
	Amulet Technologies Limited
The Financial year of the Subsidiary ended on	31st March,2012
Number of Shares in the Subsidiary Company held by Intec Capital Limited at the above date	
Equity Shares of face value Rs. 10 each (Nos.)	250,000
Extent of holding (%)	100%
The net aggregate of profits/(losses) of the Subsidiary Company for its financial period so far as they concern the member of Intec Capital Limited	
(a) Dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2012	(338,836)
(b) Not dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2012	NIL
The net aggregate of profits/(losses) of the Subsidiary Company for its previous financial periods so far as they concern the member of Intec Capital Limited	
(a) Dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2012	NIL
(b) Not dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2012	NIL

Information on Subsidiary Company under Section 212 (8) of the Companies Act, 1956

S.No.	Name of Subsidiary Company	Amulet Technologies Limited
	Financial year ending on	31st March,2012
1	Share Capital	2,500,000
2	Reserves & Surplus	(338,836)
3	Liabilities	96,453,558
4	Total Liabilities	98,614,722
5	Total Assets	98,614,722
6	Investments (excluding Investments in Subsidiary)	-
7	Gross Turnover	-
8	Profit / (Loss) before Taxation	(338,836)
9	Provision for Taxation	-
10	Profit / (Loss) after Tax	(338,836)
11	Proposed Dividend	-

Auditors' Report on Consolidated Financial Statements

To The Members
INTEC CAPITAL LTD.

We have audited the attached Consolidated Balance Sheet of Intec Capital Limited (the Company) and its subsidiary Amulet Technologies Limited (Collectively referred to as "the Group") as at 31.03.2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We 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 Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. Financial Statements/ consolidated financial statements of subsidiary, which reflect total assets of ₹ 989,53,558/- as at 31st March, 2012, total revenue of ₹ NIL and net cash flows amounting to ₹ 25,52,651/- for the year then ended, have been audited by us.

2. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, as notified by the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2012;
 - b. In the case of the consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - c. In the case of the consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For and on behalf of
T. K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FR.NO. 011604N

PLACE : NEW DELHI
DATE: 19th May, 2012

CA. T.K. GUPTA (PARTNER)
M. NO.: 082235

Consolidated Balance Sheet

As on March 31, 2012

(In ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2	127,924,280.00	114,424,280.00
b. Reserve & Surplus	3	564,680,360.18	343,539,183.46
		692,604,640.18	457,963,463.46
2. Share Application Money Pending Allotment		-	148,500,000.00
3. Non-current liabilities			
a. Long-term borrowings	4	962,114,147.12	654,549,739.84
b. Deferred tax liabilities (Net)		1,708,370.05	864,758.00
c. Long-term provisions	5	22,389,665.61	29,359,113.72
		986,212,182.78	684,773,611.56
4. Current Liabilities			
a. Short-term borrowings	4	1,695,175,384.32	1,059,911,666.14
b. Other current Liabilities	7	656,544,036.70	494,454,300.00
c. Short-term provision	5	99,086,465.53	70,751,484.09
		2,450,805,886.55	1,625,117,450.24
		4,129,622,709.50	2,916,354,525.26
II. ASSETS			
1. Non-current assets			
a. Fixed assets	6		
i. Tangible assets		19,229,519.18	15,495,391.44
ii. Intangible assets		25,185,488.00	25,185,488.00
iii. Capital work-in-progress		98,852,071.00	900,000.00
b. Non-current Investments	8	913,448.00	913,448.00
c. Receivables under Finance Activity	9	1,312,092,893.76	789,171,793.37
d. Long-Term Loans and Advances	10	18,643,363.95	18,573,086.48
e. Other Non-Current Assets	14	-	13,113,431.00
		1,474,916,783.89	863,352,638.29
2. Current Assets			
a. Trade receivables	11	63,762,535.25	18,753,656.00
b. Cash and Cash Equivalents	12	434,332,347.67	285,623,451.29
c. Receivables under finance activity	9	2,063,082,825.46	1,672,601,617.60
d. Short Term Loans and Advances	10	31,988,012.19	50,763,078.50
e. Other Current Assets	13	61,540,205.04	25,260,083.57
		2,654,705,925.61	2,053,001,886.96
Total		4,129,622,709.50	2,916,354,525.26

Accompanying notes are forming part of the Consolidated Financial Statements

For and on behalf of Board of Directors

Sanjeev Goel
Managing Director

S. K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As per our report of even date annexed
For T.K. Gupta & Associates
Chartered Accountants
FR.NO. 011604N

CA T.K. Gupta
(Partner)
M.No. 82235

Place : New Delhi
Dated : 19th May 2012

Consolidated Statement of Profit and Loss For the year ended March 31, 2012

(In ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
Revenue From Operations	15	783,304,545.74	365,473,646.05
Other Income	16	26,629,446.15	5,250,618.76
Total Revenue		809,933,991.89	370,724,264.81
Employee Benefits Expenses	17	87,771,995.00	43,882,186.00
Finance Costs	18	494,075,546.33	190,162,836.40
Depreciation And Amortization Expenses	6	2,210,567.26	970,060.42
Other Administrative Expenses	19	77,756,580.19	47,175,491.26
Provisions, Loan Loss & Other Charges	20	6,180,543.31	10,792,198.17
Total Expenses		667,995,232.10	292,982,772.25
Profit before exceptional and extraordinary items and tax		141,938,759.79	77,741,492.55
Profit Before Tax		141,938,759.79	77,741,492.55
Tax Expenses:			
(1) Current Tax		46,754,819.03	29,767,753.21
(2) Deferred Tax		843,612.05	392,004.46
		47,598,431.08	30,159,757.67
Profit (Loss) For The Period From Continuing Operations		94,340,328.71	47,581,734.88
Profit (Loss) for the period		94,340,328.71	47,581,734.88
Earnings Per Equity Share:			
(1) Basic		7.37	4.16
(2) Diluted		7.37	4.16

Accompanying notes are forming part of the Consolidated Financial Statements
For and on behalf of Board of Directors

Sanjeev Goel
Managing Director

S. K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As per our report of even date annexed
For T.K. Gupta & Associates
Chartered Accountants
FR.NO. 011604N

Place : New Delhi
Dated : 19th May 2012

CA T.K. Gupta
(Partner)
M.No. 82235

Consolidated Cash Flow Statement

For the year ended March 31, 2012

(In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	141,938,759.79	67,101,928.22
Adjustments for :-		
Depreciation	2,210,567.26	921,835.48
Interest Paid	487,623,876.17	167,346,911.11
Provision for Gratuity	1,675,736.00	116,732.00
Interest on fixed deposits	(25,704,372.61)	(3,774,114.57)
Provision no longer required Written Back	(48,316.00)	-
Asset Discarded	-	530,839.00
Provision on Substandard Assets	1,012,521.00	1,698,565.00
Bad Debts Recovered	(100,000.00)	-
Bad Debts Written Off	666,739.43	1,948,069.74
General Provision on Standard Assets	4,501,282.88	6,658,799.38
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	613,776,793.93	242,549,565.36
Adjustments for :-		
(Increase)/Decrease in Loans & Advances	(894,697,519.68)	(619,006,130.07)
(Increase)/Decrease in Current Assets(except cash equivalents)	(45,575,618.68)	(11,184,475.30)
Increase/(Decrease) in Current Liabilities	15,184,103.14	43,575,932.62
CASH GENERATED FROM OPERATIONS	(311,312,241.29)	(344,065,107.38)
Taxes paid	(54,522,094.47)	(12,437,861.57)
Gratuity Paid	(1,964,017.00)	(119,052.00)
Interest paid	(487,623,876.17)	(167,346,911.11)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(855,422,228.93)	(523,968,932.06)
NET CASH FROM OPERATING ACTIVITIES (A)	(855,422,228.93)	(523,968,932.06)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest on Bank Deposit	25,704,372.61	3,774,114.57
Purchase of Fixed Assets	(103,921,905.10)	(9,119,235.00)
Sale of Assets	73,452.00	-
Cash & Bank Balance Pursuant to Amalgamation of Unitel Credit Private Ltd.	-	121,507,225.00
NET CASH USED IN INVESTING ACTIVITIES (B)	(78,144,080.49)	116,162,104.57

Consolidated Cash Flow Statement

For the year ended March 31, 2012

(In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received/(Utilised)	(148,500,000.00)	148,500,000.00
Share Capital Received	13,500,000.00	-
Share Premium Received	135,000,000.00	-
Fixed Deposits provided as Margin Money	(116,661,859.45)	(211,942,844.00)
Dividend Paid including CDT	(7,458,561.00)	(3,281,710.00)
Increase/ (Decrease) in Cash Credits	635,263,718.18	120,756,644.24
Increase/(Decrease) in other Secured Loans	650,605,952.84	287,669,462.72
Increase/(Decrease) in Unsecured Loans	(196,135,904.00)	102,559,696.00
NET CASH USED IN FINANCING ACTIVITIES (C)	965,613,346.57	444,261,248.96
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	32,047,037.15	36,454,421.47
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	73,680,607.47	37,226,186.00
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	105,727,644.62	73,680,607.47

For and on behalf of Board of Directors

Sanjeev Goel
Managing Director

S. K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head - F&A

Place : New Delhi
Dated : 19th May 2012

Auditors' Certificate

We have examined the attached Cash Flow Statement of Intec Capital Limited for the year ended 31.03.2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Delhi and Mumbai Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Note : All figures in brackets are outflow

As per our Report attached
For and on behalf of

T.K. Gupta & Associates
Chartered Accountants
FR No. : 011604N

CA T.K. Gupta
(Partner)
M.NO. 82235

New Delhi, Dated : 19th May 2012

Notes to the Consolidated Financial Statements

NOTES

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for Preparation :

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in India to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The company adopts accrual system of accounting unless otherwise stated.

(b) Use of estimates :

The preparation of consolidated 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 liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

(c) Principles of Consolidation:

Intec Capital Limited (the Holding Company) and its subsidiaries (Amulet Technologies Limited) are collectively referred to as 'the Group'. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements", Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) "Financial Reporting of Interests in Joint Ventures" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- b) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- c) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- d) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.

(d) Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets expected to provide future enduring economic benefits are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use.

(e) Depreciation & Impairment of Assets:

Depreciation on fixed assets is provided on straight-line method, which reflects the management's estimate of the useful lives of the respective fixed assets, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognized if the carrying value exceeds the higher of net selling price of the assets and its value in use.

Goodwill arose on account of merger of Unitel Credit Private Limited is to be written off in Five years. However, nothing is written off in the current financial year.

Notes to the Consolidated Financial Statements

NOTES

(f) Investment:

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market price determined categorywise. All long term investments including investments in Subsidiary Companies are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

Long-term investments are stated at cost. Provision of diminution in the value of long-term investments is made only if; such a decline is other than temporary in the opinion of the management.

(g) Employee Benefits:

(i) Defined Contribution Scheme

Employees benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are charged to the profit & Loss Account for the year when the expense is actually incurred.

Provision for provident fund is made as per 'The Employees Provident Fund and Miscellaneous Provisions Act, 1952' as applicable to the company.

(ii) Defined Benefit Scheme

Retirement benefits in the form of Gratuity and leave encashment are considered as defined obligations scheme.

Provision for gratuity has been made as per the calculation received from Life Insurance Corporation under the Gratuity Scheme taken by the company. Leave encashment benefits are paid / provided in it's entirety in the accounts for the year.

(iii) Other employee benefits are accounted for on accrual basis.

(h) Revenue Recognition:

(i) Loan Income

In respect of loan agreements, the income is accrued by applying the implicit rate in the transaction on declining balance on the amount financed for the period of the agreement.

(ii) Loan installments received are apportioned between interest income and principal portion. The principal amount is reduced from the loan outstanding, so as to achieve the constant rate of interest on the remaining balance of the Liability.

(iii) Dividend income on investments is accounted for as and when the right to receive the same is established.

(iv) No income is recognized in respect of Non-Performing assets, if any, as per the prudential norms for income recognition introduced for Non Banking Financial Corporation by Reserve Bank of India vide its notification o.DFC.No.119/DG/(SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22/02/2007.

(v) Gains arising on direct assignment of assets are recognized over the tenure of agreements and loss, if any is recognized upfront.

Interest income on fixed deposits recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(i) Expense Accounting:

All expenditures including the interest costs are accounted for on accrual basis.

(j) Loan Assets:

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable. These are shown net of assets directly assigned.

(k) Provisioning of Assets:

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate.

Notes to the Consolidated Financial Statements

NOTES

Loan assets which as per the management are not likely to be recovered are considered as bad debts and written off.

Provision on standard assets is made as per the notification DNBS.PD.CC.No.207/03.02.002 /2010-11 issued by Reserve Bank of India.

(l) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(i) Contingent Liabilities are disclosed separately by way of note to financial statement after careful evaluation by the management of the facts and legal aspects of the matter involved in case of :

(a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

(ii) Contingent Assets are neither recognized, nor disclosed in the financial statements.

(m) Taxation:

(i) Provision for current tax is made in accordance with and at the rates specified under the Income-Tax Act, 1961.

(ii) In accordance with Accounting Standard 22 –‘Accounting for taxes on Income’, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Tax Effect of the timing difference of the current period is included in the profit & loss account as a part of the tax expense and as deferred tax liability in the balance sheet.

(iii) Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

(n) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(o) Assets under Management

Contract assigned are de-recognised from the books of accounts. Contingent liabilities, if any, thereof are disclosed separately.

(p) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amount of cash.

(q) Borrowing Cost

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

Notes to the Consolidated Financial Statements

NOTES

Note: 2. SHARE CAPITAL

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Authorised Share Capital (15000000 Equity Share of ₹ 10 each)	150,000,000.00	150,000,000.00
Issued & Subscribed Share Capital (12792428 Equity Share of ₹ 10 each)	127,924,280.00	114,424,280.00
Paid up Share Capital (12792428 Equity Share of ₹ 10 each) (Fully Paid up)	127,924,280.00	114,424,280.00

(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Number of shares outstanding as at the beginning of the year	11,442,428.00	5,610,000.00
Add: Issued during the year on Preferential basis	1,350,000.00	
Number of shares allotted as fully paid-up bonus shares during the year.		
Issued during the year (pursuant to Merger of UCPL with the Company)		5,832,428.00
Number of shares outstanding as at the end of the year	12,792,428.00	11,442,428.00

(b) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 per share. All these Shares have same rights & preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of Shareholding : more than 5% Shares in the company

Sl. No.	Name of the Shareholder	As at March 31, 2012		As at March 31, 2011	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Pantec Devices Private Limited	1,428,100.00	11.16	1,133,100.00	9.90
2	Pantec Consultant Private Limited	1,340,467.00	10.48	1,005,467.00	8.79
3	Modern Credit Private Limited	1,155,000.00	9.03	1,155,000.00	10.09
4	Host Buildwell Private Limited	862,480.00	6.74	622,480.00	5.44
5	Edini Steels Private limited	855,440.00	6.69	615,440.00	5.38
6	Land Mark Buildmart Private Limited	858,400.00	6.71	618,400.00	5.40
7	Polym Agencies Private Limited	784,480.00	6.13	797,480.00	6.97
8	Starvision Services Private Limited	757,928.00	5.92	767,680.00	6.71

Notes to the Consolidated Financial Statements

NOTES

Note: 3. RESERVES AND SURPLUS

(In ₹)

Particulars	As at	
	March 31, 2012	March 31, 2011
SHARE PREMIUM ACCOUNT		
Balance at the beginning of the year	195,122,800.00	195,122,800.00
Add: Premium on issue of Equity Shares	135,000,000.00	-
Closing Balance	330,122,800.00	195,122,800.00
Statutory Reserve u/s 45 IC of RBI Act		
Balance at the beginning of the year	33,634,478.30	24,118,131.30
Add. Amount transferred from surplus in the Statement of Profit & Loss	18,868,066.00	9,516,347.00
Closing Balance	52,502,544	33,634,478
Surplus in Profit And Loss Account		
Balance at the beginning of the year	114,781,905.17	83,409,766.98
Add: Profit for the year	94,340,328.71	47,581,734.18
Less: Dividend paid	675,000.00	-
Tax on Dividend paid	90,312.00	
Proposed Dividend	6,396,214.00	5,721,214.00
Tax on Proposed Dividend	1,037,626.00	972,035.00
Transfer to Reseve Fund u/s 45IC of Rbl Act 1934	18,868,066.00	9,516,347.00
Net Surplus in the Statement of Profit & Loss	182,055,016	114,781,905
Total Reserves & Surplus	564,680,360	343,539,183

Note: 4. BORROWINGS

(In ₹)

Particulars	As at	
	March 31, 2012	March 31, 2011
LONG TERM BORROWINGS		
Secured		
Term Loans		
Banks	589,262,889.91	271,671,040.09
Financial Institutions	265,576,298.22	197,842,414.74
Unsecured		
Corporate Bodies	107,274,959.00	185,036,285.00
Total	962,114,147	654,549,740
SHORT TERM BORROWINGS		
Secured		
Working Capital Loan from Banks	1,695,175,384.32	1,059,911,666.14
Total	1,695,175,384.32	1,059,911,666.14

Security:

- (i) Working Capital facility from banks are secured by
 - (a) Primary Security- first pari passu charge on present and future Receivables of the Company,
 - (b) Collateral Security–Fixed deposits lien marked to banks, Immovable properties & quoted securities- Belonging to promoter and promoters group,
 - (c) Personal guarantees of directors and others.
- (ii) Term Loan from Banks and Financial Institutions are secured by
 - (a) Primary Security –First pari passu charge on specific Receivables of the Company,
 - (b) Collateral Security- Fixed Deposit lien marked to banks.
 - (c) Personal guarantees of directors and others.

Note: There is no default, continuing or otherwise, as at the balance sheet date, in repayment of any of the above loans.

Notes to the Consolidated Financial Statements

NOTES

Note: 5. PROVISIONS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
LONG TERM PROVISIONS		
Provision for Standard Assets	14,711,462.61	10,210,179.72
Provision for Non Performing Assets	7,678,203.00	6,665,682.00
Provision for Taxation	-	12,483,252.00
Total	22,389,665.61	29,359,113.72
SHORT TERM PROVISIONS		
Provision for Gratuity	638,490.00	926,767.00
Provision for Taxation	91,014,135.53	63,131,468.09
Proposed Dividend	7,433,840.00	6,693,249.00
Total	99,086,465.53	70,751,484.09

Note: 6. FIXED ASSETS

(In ₹)

Description of assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April 1, 2011	Additions during the period ended on 31.03.2012	Sale/Transfer/ Discarded during the year	Total As on March 31, 2012	Up to April 1, 2011	Provided during the period ended on March 31, 2012	Written back	Total As on March 31, 2012	As on March 31, 2012	As on March 31, 2011
TANGIBLE ASSETS										
Vehicles	8,296,535.00	-	-	8,296,535.00	1,754,574.00	768,897.00	-	2,523,470.00	5,773,065.00	6,541,961.00
Office Equipment	730,319.00	574,102.00	-	1,304,421.00	84,605.00	49,463.00	-	134,068.00	1,170,353.00	645,714.00
Data Processing Equipments	3,760,691.00	3,926,070.00	73,452	7,613,309.00	1,173,120.00	971,293.00	48,316.00	2,096,097.00	5,517,212.00	2,587,574.00
Furniture And Fixtures	4,806,873.00	719,488.00	-	5,526,361.00	962,640.00	316,773.00	-	1,279,413.00	4,246,948.00	3,844,233.00
Electric Installations	618,063.00	203,249.00	-	821,312.00	82,470.00	34,631.00	-	117,101.00	704,211.00	535,593.00
Air Conditioners	1,146,311.00	546,925.00	-	1,693,236.00	287,795.00	69,511.00	-	357,305.00	1,335,931.00	858,516.00
Land	481,800.00	-	-	481,800.00	-	-	-	-	481,800.00	481,800.00
Total	19,840,592.00	5,969,834.00	73,452	25,736,974.00	4,345,203.00	2,210,567.00	48,316.00	6,507,455.00	19,229,519.00	15,495,391.00
Previous Year	13,381,352.00	8,219,235.00	1,759,995	19,840,592.00	4,276,909.00	1,297,449.00	1,229,157.00	4,345,201.00	15,495,391.00	9,104,443.00
INTANGIBLE ASSETS										
Goodwill - refer note 1	25,185,488.00	-	-	25,185,488.00	-	-	-	-	25,185,488.00	25,185,488.00
Total	25,185,488.00	-	-	25,185,488.00	-	-	-	-	25,185,488.00	25,185,488.00
Previous Year	-	25,185,488.00	-	25,185,488.00	-	-	-	-	25,185,488.00	-

Note 1:

Goodwill arising on account of amalgamation of Unitel Credit Private Limited with Intec Capital Limited.

Note: 7. OTHER CURRENT LIABILITIES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Unclaimed Dividend	907,493.00	750,215.00
Current Maturities of long term debts		
Term Loans		
Banks	242,883,282.02	98,205,101.76
Financial Institutions	235,408,786.91	114,806,747.63
Corporate Bodies	126,225,240.00	165,946,435.00
Interest Accrued but not due on term loans	8,799,614.98	-
Loan from Shareholders	-	78,653,391.00
Expenses Payable	33,475,268.99	29,669,991.00
Statutory Liabilities	8,844,350.79	6,422,418.62
Total	656,544,036.70	494,454,300.00

Notes to the Consolidated Financial Statements

NOTES

Note: 8. NON CURRENT INVESTMENTS

(In ₹)

Particulars	As at	
	March 31, 2012	March 31, 2011
EQUITY SHARES (Unquoted)		
1. Pantec Consultants (P) Ltd.	101,000.00	101,000.00
2. Pantec Devices (P) Ltd.	115,990.00	115,990.00
3. Intec Worldwide (P) Ltd.	85,728.00	85,728.00
4. Polym Agencies (P) Ltd.	111,000.00	111,000.00
5. Intec Share & Stock Brokers Ltd.	225,730.00	225,730.00
6. Fima Infotech Pvt.Ltd	230,000.00	230,000.00
7. Starvision Services Pvt.Ltd	44,000.00	44,000.00
Total	913,448.00	913,448.00

Note: 9. RECEIVABLES UNDER FINANCE ACTIVITY

(In ₹)

Particulars	As at	
	March 31, 2012	March 31, 2011
Non Current		
Secured Loans		
Standard	3,130,678,409.18	1,845,528,291.25
Sub Standard	20,807,627.05	3,557,215.00
Doubtful Assets	5,597,440.53	6,665,682.18
Less: Collateral Money received from Borrowers	1,962,144,861.00	1,175,952,404.06
	1,194,938,615.76	679,798,784.37
Unsecured Loan		
Non Current		
Standard	117,154,278.00	109,373,009.00
Total	1,312,092,893.76	789,171,793.37
Current		
Secured Loans		
Standard	2,541,736,491.46	1,970,994,043.66
Less: Collateral Money received from Borrowers	478,653,666.00	298,392,426.06
Total	2,063,082,825.46	1,672,601,617.60

Note: 10. LOANS AND ADVANCES

(In ₹)

Particulars	As at	
	March 31, 2012	March 31, 2011
Long Term Loans and Advances		
Unsecured		
Advance Recoverable in cash or in kind or for value to be received	18,643,363.95	18,573,086.48
Total	18,643,363.95	18,573,086.48
Short Term Loans and Advances		
Advance Recoverable in cash or in kind or for value to be received	31,988,012.19	50,763,078.50
Total	31,988,012.19	50,763,078.50

Notes to the Consolidated Financial Statements

NOTES

Note: 11. TRADE RECEIVABLES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Others (Overdue EMI's)	63,762,535.25	18,753,656.00
Total	63,762,535.25	18,753,656.00

Note: 12. CASH AND CASH EQUIVALENTS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Cash & Cash Equivalents		
Cash in hand	2,226,752.56	270,062.56
Bank Balance in Current A/c	48,493,299.66	73,410,544.73
Fixed Deposits	55,007,592.00	
Other Bank Balance		
Earmarked Balance		
In Unpaid dividend a/c	907,493.00	750,215.00
Margin Money		
Fixed Deposits	327,697,210.45	211,192,629.00
Total	434,332,347.67	285,623,451.29

F/Y -2011-12 Fixed Deposit having remaining maturity more than 12 months ₹ 266,296,101.63

F/Y -2010-11 Fixed Deposit having remaining maturity more than 12 months ₹ 104,099,823.00

Note: 13. OTHER CURRENT ASSETS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Advance Tax & TDS	61,540,205.04	25,260,083.57
Total	61,540,205.04	25,260,083.57

Note: 14. OTHER NON CURRENT ASSETS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Advance Tax & TDS	-	13,113,431.00
Total	-	13,113,431.00

Note: 15. REVENUE FROM OPERATIONS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Interest Income on Loan	707,140,291.00	323,853,166.05
Fee Based Income	76,164,254.74	41,620,480.00
Total	783,304,545.74	365,473,646.05

Note: 16. OTHER INCOME

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Interest on Fixed Deposit with Bank	25,704,372.61	4,874,382.01
Bad Debts Recovered	100,000.00	-
Misc. Income	825,073.54	376,236.75
Total	26,629,446.15	5,250,618.76

Notes to the Consolidated Financial Statements

NOTES

Note: 17. EMPLOYEE BENEFITS EXPENSES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Salaries & Other Allowances	80,860,250.00	37,998,107.00
Director Remuneration	3,000,000.00	3,000,000.00
Staff Welfare Expenses	3,001,783.00	1,969,307.00
Staff Recruitment & Training Expenses	909,962.00	914,772.00
Total	87,771,995.00	43,882,186.00

Note: 18. FINANCE COSTS

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Interest	487,623,876.17	183,480,060.29
Bank Charges & Processing Fee	6,451,670.16	6,682,776.11
Total	494,075,546.33	190,162,836.40

Note: 19. OTHER ADMINISTRATIVE EXPENSES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Legal and Professional Charges	14,439,792.00	3,436,123.22
Rent Expenses	9,703,431.00	3,583,876.00
Rates & Taxes Expenses	685,404.00	1,071,686.00
Communication Expenses	2,849,767.00	1,239,266.01
Printing & Stationery Expenses	1,436,987.00	2,022,685.00
Brokerage ,Commission & Collection Charges	24,463,881.00	21,402,527.00
Meeting Expenses	607,507.00	307,245.00
Insurance Expenses	128,961.00	131,827.00
Travelling & Conveyance Expenses	8,221,121.00	3,245,622.76
Rebate & Discounts	19,600.00	669,813.97
Repairs and Maintenance:		
Vehicles	883,962.00	2,363,500.00
Office	3,169,229.00	1,049,124.00
Computer & Other Assets	650,194.00	613,330.00
Auditors' Remuneration:		
Audit Fees (including Tax Audit)	84,000.00	34,120.00
Internal Audit Fee	48,000.00	63,120.00
Other Services	60,000.00	22,060.00
Business Promotion Expenses	5,377,269.00	2,985,228.50
Electricity & Water Charges	1,309,414.00	404,840.00
Membership Fee & Subscription	145,696.00	93,727.00
Advertisement Expenses	338,974.00	457,562.00
Diwali Expenses	2,591,315.68	1,011,201.53
Books & Periodicals	7,475.00	257,158.00
Assets Discarded	-	530,839.00
Other Expenses	534,600.51	179,009.27
Total	77,756,580.19	47,175,491.26

Notes to the Consolidated Financial Statements

NOTES

Note: 20. PROVISION, LOAN LOSSES & OTHER CHARGES

(In ₹)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Bad Debts Written off	666,739.43	2,749,400.74
General Provision on Standard Assets	4,501,282.88	6,423,503.43
Provision on Sub-Standard Assets	1,012,521.00	1,619,294.00
Total	6,180,543.31	10,792,198.17

Note: 21. NOTES TO ACCOUNTS

- a) The Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary to confirm to the current year presentation.
- b) Balance standing to debit & credit of parties are subject to confirmation.
- c) In the opinion of Board of Director, the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
- d) There is no employee drawing remuneration in excess of ₹ 60,00,000/- during the year ending 31st March 2012 or ₹ 5,00,000/- per month (Previous Year Nil).
- e) Any provisions no longer required to be written back.

f) Statutory Reserve represents the reserve fund created u/s 45-1C of the Reserve Bank of India Act, 1934. An amount of ₹ 18,868,066 /- (Previous Year ₹ 9,516,347/-) representing 20% of net profit is transferred to the fund for the year.

g) Provision for Standard and Non-Performing Assets:

Provision for non performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.25% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below: (In ₹)

Particulars	FY 2011-12	FY 2010-11
Substandard Assets	20,807,627.00	3,557,215.00
Doubtful Assets	5,597,441.00	6,665,682.00
Total Non-Performing Assets	26,405,068.00	10,222,897.00
Provision already available	6,665,682.00	889,957.00
Additional Provision made during the year	1,012,521.00	5,775,725.00
Total Provision at the end of the Year	7,678,203.00	6,665,682.00
Standard Assets	5,789,569,179.00	3,925,895,344.00
Provision already available	10,210,180.00	0.00
Additional provision made during the year	4,548,179.00	10,210,180.00

h) Auditors' remuneration (including for other auditors and net of service tax input credit):

(In ₹)

Sr. No.	Particulars	FY 2011-12	FY 2010-11
a)	For Statutory Audit	84,000.00	34,120.00p
b)	For Tax Audit	48,000.00	63,120.00
c)	For Internal Audit	60,000.00	22,060.00

i) Contingent liability not provided for:

Corporate guarantee on direct assignment of loans assets: ₹ 1,25,87,128 to HDFC Bank.

b) Segment Reporting:

The Company's business activity falls within single primary/secondary business segment viz., loan & financing in India. The disclosure requirement of Accounting Standard (AS) – 17 "Segment Reporting" issued by the Institute of Chartered Accountant of India, therefore is not applicable.

Notes to the Consolidated Financial Statements

NOTES

k) Related Party Disclosures

As per Accounting standard 18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

Key Management Personnel	Relative of Key Management Personnel	Other Director	Enterprise in which Key Management Personnel and their relatives and company are able to exercise significant influence in the Enterprises.
Mr. Sanjeev Goel	Rajeev Goel	Mr. Praveen Sethia	Intec Infonet (P) Ltd.
	Ritika Goel	Mr. Robindra Gupta	Pantec Devices Pvt Ltd.
		Mr. S.K. Goel	Pantec Consultants Pvt Ltd.
		Mr. Rakesh Joshi	Intec Worldwide Pvt Ltd.
		Mr. Subhash Jindal	Bubble Infosolutions Pvt Ltd.
		Mr. Y. L. Madan	Amulet Technologies Ltd.
			Infrastructure Advisors Private Limited

The nature and volume of transactions of the Company during the year with the above-mentioned related parties were as follows: (In ₹)

Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Other Directors		Enterprise in which Management Personnel and their relatives and company are able to exercise significant influence being partners in the Enterprise	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Remuneration paid								
1. Mr. Sanjeev Goel	3,002,200	3,001,800	-	-	-	-	-	-
2. Ms. Ritika Goel	-	-	1,350,000	-	-	-	-	-
Professional Fees								
1. Infrastructure Advisors Private Limited	-	-	-	-	-	-	3,253,850	-
2. Mr. Y. L. Madan	-	-	-	-	160,000	-	-	-
Conveyance								
1. Mr. Y. L. Madan	-	-	-	-	20,000	-	-	-
Interest Received on Loan								
1. Fima Consultants Ltd.	-	-	-	-	-	-	453,689	126,046
Loan Paid								
1. Fima Consultants Ltd.	-	-	-	-	-	-	-	4,804,676
Purchase of Assets								
1. Intec Infonet Pvt. Ltd.	-	-	-	-	-	-	1,707,704	564,252
Collection Charges Paid								
1. Pantec Consultants Pvt. Ltd.	-	-	-	-	-	-	2,718,369	4,928,928
2. Pantec Devices Pvt. Ltd.	-	-	-	-	-	-	4,244,997	8,347,452
Maintenance Charges Paid								
1. Intec Infonet Pvt. Ltd.	-	-	-	-	-	-	80,164	56,511

Note: Related party relationship is as identified by the Company and relied upon by the auditor.

Notes to the Consolidated Financial Statements

NOTES

l) Earnings per Share as per "Accounting Standard 20" issued by the Institute of Chartered Accountants of India: (In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
(a) Profit/(Loss) after taxation as per Profit and Loss Account (in Rupees)		
Current year fig. to be updated	94,340,328.71	47,581,734.18
(b) Weighted average number of Equity Shares outstanding during the year	12,792,428.00	11,442,429.00
(c) Nominal value of Equity shares (in Rupees)	10.00	10.00
(d) Basic earnings per share (in Rupees)	7.37	4.16
(e) Diluted earning per share (in Rupees)	7.37	4.16

m) Information as required by Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – I & II attached herewith.

n) The company estimates the deferred tax charted/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. Details of Deferred tax Assets/ (Liabilities) are as follows: (In ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Timing Difference of Depreciation	(26,00,129.00)	(1,814,476.00)
Deferred Tax Assets/ (Liabilities)		
Opening Balance	(8,64,758.00)	(2,61,989.00)
Add: Created during the Year	(8,43,612.00)	(6,02,769.00)
Closing Balance	(17,08,370.00)	(8,64,758.00)

o) **Securitization/ Direct assignment**

The information on direct assignment activity of the Company carried as an originator during the year ended 31st Mar, 2012 is given below: (In ₹)

Particulars	No./₹	2011-12	2010-11
Total No. of Loan assets assigned	No.	95	146
Total Book value of Loan assets assigned	₹	228,221,116.00	412,784,253.48
Loan assets assigned as credit enhancement	₹	-	60,424,111.69
Sales consideration received for assigned assets	₹	228,221,116.00	352,684,082.00
Income from direct assignment*	₹	10,092,987.00	323,940.21

* Gain on direct assignment deals is amortised over the period of the loan.

Additional information with respect to Guarantees & Cash Collaterals in respect to above assignment activity of the Company as an originator as on March 31, 2012 and March 31, 2011 is given in the table below: (In ₹)

Particulars	2011-12	2010-11
Outstanding Credit enhancement in the form of corporate guarantees	1,25,87,128.00	1,55,64,548.90
Outstanding Credit enhancement in the form of fixed deposit receipts	6,78,50,000.00	4,48,50,000.00

p) **Micro and Medium Scale Business Entities:**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues which outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

As per our report attached

For and on behalf of

T.K. Gupta & Associates
Chartered Accountants
FR.NO. 011604N

For and on behalf of Board of Directors

CA. T.K.Gupta
(Partner)

Sanjeev Goel
Managing Director

S.K. Goel
Director

Kashvi Malhotra
Company Secretary

Sudhindra Sharma
Head- F & A

M. NO.: 082235

New Delhi, Date: 19th May, 2012

Notice

NOTICE IS HEREBY GIVEN THAT THE 18th ANNUAL GENERAL MEETING OF THE MEMBERS OF INTEC CAPITAL LIMITED WILL BE HELD ON THURSDAY THE 20th DAY OF SEPTEMBER, 2012 AT 10:00 A.M. AT B. C. PAL MEMORIAL AUDITORIUM, A-81 CHITRANJAN PARK, NEW DELHI - 110 019 TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Notes, Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. S. K. Goel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Subhash Jindal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare Final Dividend at the rate of ₹ 0.50 per Equity Share (5% of face Value of share of ₹ 10/- each) on the paid-up Equity Share Capital for the year ended 31st March, 2012.
5. To appoint M/s. T. K. Gupta & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956 Mr. Y. L. Madan be and is hereby appointed as Non Executive Independent Director of the Company and be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and are hereby severally authorized to do all such acts, deed and things as may be deemed necessary to give effect to the foregoing resolution."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any amendment or re-enactment thereof and subject to the approval from Central Government and such other approvals as may be necessary, the Company hereby accords its consent to revise the remuneration of Mr. Sanjeev Goel, Managing Director of the Company for the remaining period of his service with effect from 01st April, 2012.

RESOLVED FURTHER THAT the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to fix and pay the remuneration to Mr. Sanjeev Goel, Managing Director within the overall limit of ₹ 70 Lacs per annum (gross) or in the event of loss or inadequacy of profits in any year during his tenure the aforesaid remuneration and perquisites shall be considered as minimum remuneration subject to the compliance of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such further acts, deeds, things and to take all such actions as may be required to give effect to the above said resolution."

For Intec Capital Limited

Place: New Delhi
Date: 30.07.2012

Kashvi Malhotra
Company Secretary

Notes

1. A Member entitled to attend and vote is allowed to appoint a Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. In order to be effective, proxy form must be received by the Company at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. THE MINISTRY OF CORPORATE AFFAIRS HAS TAKEN "GREEN INITIATIVE IN CORPORATE GOVERNANCE" TO ENCOURAGE PAPERLESS COMPLIANCES BY THE COMPANIES, WHEREIN THE ANNUAL REPORT OF THE COMPANIES CAN BE SENT THROUGH ELECTRONIC MAILS TO THE SHAREHOLDERS. IN FURTHERANCE OF WHICH MEMBERS WITH THEIR SHAREHOLDING IN DEMAT MODE ARE REQUESTED TO REGISTER THEIR EMAIL ADDRESSES WITH THE DEPOSITORIES (I.E. NSDL & CDSL) OR DEPOSITORY PARTICIPANTS AND THE SHAREHOLDERS HOLDING SHARES IN THE PHYSICAL MODE ARE REQUESTED TO PROVIDE THEIR EMAIL ADDRESSES TO EITHER M/S. BEETAL FINANCIAL & COMPUTER SERVICES (P) LIMITED, BEETAL HOUSE, 3RD FLOOR, 99 MADANGIR, NEW DELHI- 110 062, REGISTRAR AND SHARE TRANSFER AGENT OR THE COMPANY AT THE REGISTERED OFFICE.
3. An Explanatory Statement pursuant to section 173(2) of the

Companies Act, 1956 in respect of Special Business is appended below.

4. The Register of Members and the Share Transfer Books of the Company shall remain closed for one day only i.e. Thursday, 20th day of September, 2012.
5. Members who have not got their shares dematerialized are advised to do the same in their own interest.
6. Members holding shares in physical form are requested to notify the change in their address, if any, at the earliest to the company or its Registrar and Share Transfer Agent and if the shares are in electronic mode to their respective Depository Participant.
7. Members who have not encashed their dividend warrants, hereby requested to deposit their dividend warrant to their respective bank account and get it encashed. The Dividend amount remaining unclaimed/ unpaid for a period of seven years from the date of declaration will be transferred to Investor Education and Protection Fund and no claim will lie against those amount.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification and attendance at the meeting.

9. Members attending the meeting are requested to bring their copy of Annual Report.
10. Members may send their queries relating to the accounts, if any, in writing, at the Registered Office of the Company at least 10 days in advance from the date of meeting so as to make the reply available at Annual General Meeting.
11. Additional Information with respect to appointment/re-appointment of Directors as per Clause 49 of the Listing Agreement is appended to this notice.
12. The documents referred in the Notice are available for inspection till the date of ensuing Annual General Meeting on all working days between 10:00 a.m. to 01:00 p.m.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. Y. L. Madan has been appointed as an Additional Director of the Company, who will hold the office upto the date of ensuing Annual General Meeting. The Board of Directors in their meeting held on 07th November, 2011 had appointed him as an Additional Director of the Company.

Mr. Y. L. Madan has done M.Sc. in Physics from Delhi University and is an MBA (Finance) from FMS, Delhi University and also is a CAIB (Indian Institute of Bankers). He has been associated with Banks for over 37 years and is having rich and varied experience in the banking field, with expertise in corporate and retail finance and SME lending.

As per Section 260 of the Companies Act, 1956, he will hold office upto the ensuing Annual General Meeting. The Company has received a notice in writing from shareholder of the Company proposing his candidature for office of Director under Section 257 of the Companies Act, 1956.

Your Directors believe that with his appointment as a Non-Executive Director, the Company would be benefited from his knowledge and experience. Thus the Board recommends the same for the approval of shareholders.

None of the Directors except Mr. Y. L. Madan is interested in the said resolution.

Item No. 7

The members of the Company in their 16th Annual General Meeting held on 24th September, 2010 have re-appointed Mr. Sanjeev Goel as Managing Director of the Company with effect from 01st April, 2010 for a period of 5 years.

Further the members in their 17th Annual General Meeting held on 14th September, 2011 have approved to increase the remuneration of Mr. Sanjeev Goel from ₹ 30 Lacs per annum to ₹ 70 Lacs per annum subject to the approval of the Central Government w.e.f. 01st April, 2011. Although during the year the said remuneration was not increased. Therefore approval of members is being sought to increase the remuneration from existing ₹ 30 Lacs per annum to ₹ 70 Lacs per annum subject to the provision of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and such other approvals as may be necessary in this regard.

Considering the contribution of Mr. Sanjeev Goel toward overall achievement of organizational goals, the Board of Directors recommends to increase the remuneration subject to the approval

of the Central Government. Further the last increase of remuneration of Mr. Sanjeev Goel was with effect from April, 2010. The Remuneration Committee of the Company has also approved the same at their meeting held on 30th July, 2012.

As per the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, any increase in remuneration of the Managing Director requires shareholders approval in the General Meeting.

The information as required under Schedule XIII to the Companies Act, 1956 is as under:-

I. GENERAL INFORMATION:

- (1) **Nature of Industry:** Providing Financial Services
- (2) **Date of commencement of commercial operation:** The Company was incorporated on 15th February, 1994 as Intec Securities Private Limited
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- (4) **Financial Performance:**

S. N.	Particulars	2011-12	2010-11
1.	Total Income	80,99,33,992	37,07,24,265
2.	Total Expenditure	66,76,56,396	29,29,82,772
3.	Profit/(Loss) before Tax	14,22,77,596	7,77,41,493
4.	Profit/(Loss) after Tax	9,46,79,165	4,75,81,735

- (5) **Export performance and net foreign exchange collaborations:** NIL
- (6) **Foreign investments or collaborators, if any:** NIL

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background Details:** Mr. Sanjeev Goel, aged 49 years, is a Fellow member of Institute of Chartered Accountants of India and has done MBA from University of IOWA (USA). He has total work experience of 21 years in the financial sector.
- (2) **Past remuneration:**
Mr. Sanjeev Goel was drawing ₹ 30,00,000/- per annum during the financial year ended 31st March, 2012 and 31st March, 2011 comprising of salary, allowances, monetary value of perquisites within the limits under Schedule XIII of the Companies Act, 1956.
- (3) **Job profile and his suitability, recognition or awards:**
Mr. Sanjeev Goel is Chartered Accountant by qualification and is contributing and advising on the corporate, legal and financial affairs of the Company. He plays a vital role in the management and administration of the affairs of the Company. Under his superior efforts and pragmatic leadership the Company has progressed steadily.
- (4) **Remuneration Proposed:**
As set out in the Special Resolution in the Notice of the 18th Annual General Meeting of the Company.
The appointment and remuneration to Managing Director has been approved by the Remuneration Committee.
- (5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**
Taking into consideration the size of the Company, the profile

of Mr. Sanjeev Goel and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration packages paid to managerial position in other Companies.

(6) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:

Besides, the remuneration proposed, Mr. Sanjeev Goel does not have any other pecuniary relationship with the Company and its Managerial Personnel.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profit:

For the past several years the Company has been earning profits. For the financial year ended 31st March, 2011 and 31st March, 2012 the Company has earned Profit before Tax of ₹ 777.41 Lacs and ₹ 1422.78 Lacs respectively.

2) Steps taken or proposed to be taken for improvement:

The Company has earned profits during the financial year 2009-10, 2010-11 and 2011-12 and is hopeful to perform even better in coming financial years. The Company has taken appropriate steps to maintain and improve the profitability in future.

3) Expected increase in profitability:

The Company shall take all the reasonable steps and measures to maintain and improve the profitability. However the same cannot be predicted.

IV. DISCLOSURE:

(1) The disclosure on remuneration package payable to the Managing Director contained in the Notice for convening the 18th Annual General Meeting of the Company.

(2) All the relevant information pertaining to the Managing Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance" is attached to the Annual Report.

The Board of Directors recommends to increase the remuneration paid to Mr. Sanjeev Goel as Managing Director for the remaining period of his service at a total remuneration as mentioned in the resolution and recommends the same for your approval as a Special Resolution.

None of the Directors except Mr. Sanjeev Goel is concerned or interested in the said resolution.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum of interest for the terms of appointment and remuneration of Mr. Sanjeev Goel, as Managing Director of the Company under section 302 of the Companies Act, 1956.

For Intec Capital Limited

Place: New Delhi

Date: 30.07.2012

Kashvi Malhotra
Company Secretary

ADDITIONAL INFORMATION WITH RESPECT TO RE-APPOINTMENT OF MR. S. K. GOEL, MR. SUBHASH JINDAL AND MR. Y. L. MADAN AS DIRECTORS, AS PER CLAUSE 49 OF THE LISTING AGREEMENT

At the ensuing 18th Annual General Meeting, Mr. S. K. Goel, Mr. Subhash Jindal, Directors of the Company are liable to retire by rotation and being eligible, offer themselves for their re-appointment. Mr. Y.L. Madan being Additional Director is also liable to be regularised as Director at the ensuing Annual General Meeting of the Company. Pursuant to Clause 49 of the Listing Agreement, their brief particulars are mentioned herein below:

Mr. S. K. Goel

Mr. S. K. Goel aged 67 Years is a Science graduate and holds ASNT Level III Certification. He has more than 40 years of experience in the technical field. He has served in industries such as Power (Nuclear, Coal, Gas & Hydro), Petrochemical, Marine, Defense & Structural (Bridges and Buildings). Presently he is associated with Atlas Engineering & Inspection Services Private Limited as a Managing Director. He has held various esteemed positions at Hindustan Engineering Inspection Services and ISGEC. He is also a respectable member of American Society for Nondestructive Testing and American Welding Society.

Mr. S. K. Goel does not have any shareholding in the Company as on 31st March, 2012. He is the member of Share Transfer Committee, Audit Committee, Remuneration Committee, Treasury Committee and Shareholders'/ Investors' Grievance Committee of the Company.

Mr. Subhash Jindal

Mr. Subhash Jindal aged 63 Years is a Bachelor in Commerce. He has

over 40 years of experience in the field of Paper and Stationary Trade. In the past, he has been associated with leading Paper Companies like BILT and JK Paper along with the leading Stationary Companies like Luxor, Kores, Camlin, Kangaroo and Hindustan Pencil.

Mr. Subhash Jindal does not have any shareholding in the Company as on 31st March, 2012.

Mr. Y. L. Madan

Mr. Y. L. Madan aged 62 years is a Masters in Physics from Delhi University and MBA (Finance) from FMS, Delhi University and also is a CAIIB (Indian Institute of Bankers).

Mr. Madan is also a member of IBA's Committees on Basel II Implementation & Risk Management and Legal & Banking Operations. He has an extensive experience of 37 years in the banking field and has an expertise in corporate and retail financing. He was also associated with Canara Bank and Overseas Bank as General Manager and Executive Director respectively. He has good understanding of the international and domestic economic scenario, business environment and factors affecting various business segments of the country, thereby understanding the needs of trade and industry.

Mr. Y. L. Madan does not have any shareholding in the Company as on 31st March, 2012. He is the member of Asset Liability Management Committee (ALCO) of the Company.



Regd. Office: 701, Manjusha, 57 Nehru Place, New Delhi- 110019

PROXY FORM

I/We of in the district of being a member/members of above Company hereby appoint Mr./ Mrs. of in the district of or failing him/her of in the district of as my/our proxy to vote for me/us and on my/ our behalf at the **18th Annual General meeting** of the Company to be held on **Thursday the 20th day of September, 2012 at 10:00 a.m.** at B. C. Pal Memorial Auditorium, A-81 Chitranjan Park, New Delhi - 110 019.

Client ID & DP ID/ Registered Folio No. :

Date:

Signature

Affix Rupee One Revenue Stamp here

Note: The proxy form must be deposited at the registered office of the Company at 701, Manjusha, 57 Nehru Place, New Delhi- 110019, not less than 48 hours before the time of the meeting



Regd. Office: 701, Manjusha, 57 Nehru Place, New Delhi- 110019

ATTENDANCE SLIP

1. Full name of the Shareholder/ Proxy

2. Client ID & DP ID/ Registered Folio No:

3. If Proxy, Full Name of Shareholder

I hereby record my presence at the **18th Annual General meeting** of the Company held on **Thursday the 20th day of September, 2012 at 10:00 a.m.** at B. C. Pal Memorial Auditorium, A-81 Chitranjan Park, New Delhi - 110 019.

Signature of Member/Proxy

Notes :

This attendance slip is to be handover at the entrance of the Meeting Hall.



CORPORATE INFORMATION.

Board Members

Mr. Sanjeev Goel-*Managing Director*

Mr. Y L Madan-*Director*

Mr. Praveen Sethia-*Director*

Mr. Robindra Gupta-*Director*

Mr. Rakesh Kumar Joshi-*Director*

Mr. S K Goel-*Director*

Mr. Subhash Jindal-*Director*

Statutory Auditors

T. K. Gupta & Associates

Chartered Accountants

4228/I, Ansari Road, Darya Ganj,

New Delhi- 110002

Company Secretary

Ms. Kashvi Malhotra

Bankers

Punjab National Bank

Bank of India

Bank of Maharashtra

Indian Overseas Bank

Central Bank Of India

Oriental Bank of Commerce

State Bank of Patiala

Axis Bank

ICICI Bank

HDFC Bank

South Indian Bank

Dhanlaxmi Bank

Financial Institutions

SIDBI

Siemens Financial Services Pvt. Ltd.

Reliance Capital Limited

Registrar & Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99 Madangir,

New Delhi-110062

Registered & Corporate Office

Intec Capital Limited

701, Manjusha Building,

57- Nehru Place,

New Delhi-110019

Ph: 011-46522200/300

Fax: 011-46522333

E mail: complianceofficer@inteccapital.com

www.inteccapital.com



Sapne Aapke, Bharosa Apno ka

701, Manjusha Building, 57-Nehru Place, New Delhi-110019

Ph: 011-46522200/300, Fax: 011-46522333

E mail: marketing@inteccapital.com