

**THE**



**COMPANY**



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# PREFACE


This is a story worth sharing.

A story of transformation of a small company.

From a very modest beginning to gradual industry prominence by learning and working together as a team in a multi-cultural work environment.

A story of dreaming, daring and delivering value together as the 'We Company'

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# READ INSIDE

## 1 CHAPTER

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### Corporate Overview

## 04-28

About Intec	04
Message from the Managing Director	06
Robust Numbers	10
Intec Values	12
The WE Company	14
Celebrating WE	22
Awards and Accolades	24
SME Conclave	25
Board of Directors	26
Our Presence	27
Corporate Information	28

## 2 CHAPTER

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### Statutory Reports

## 29-61

Directors' Report	30
Management Discussion and Analysis	36
Corporate Governance Report	44

## 3 CHAPTER

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### Financial Statements

## 62-139

Standalone Financials	63
Consolidated Financials	105
Notice	140



At Intec, our people, clients and shareholders make the real difference to our growth. That makes us truly a WE Company.

# 1

CHAPTER

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## CORPORATE OVERVIEW

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**THE  
STORY  
BEGAN  
20 YEARS  
AGO**

when Intec  
started its journey  
with a seed  
capital of only  
₹10 lacs.

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Today, the picture has dramatically changed with widening business operations, enriched customer profile, robust capital base and higher disbursements. And above all, an empowered team, which has grown from two members to 300 people in the last two decades. We are on course to further strengthening our team to serve our increasing customers base.

Today, we have presence with a wide geographic reach, catering to small and medium-scale enterprises across a broad spectrum of growing industries. Our business model is geared to meet almost all financial requirements of SMEs to grow their businesses in a rapidly transforming economy.

Our business model, world-class training modules for our team and a culture of transparency and positivity are the core strengths that will take the organisation to new horizons of growth.

Along the way, we continue to receive the support, guidance and appreciation of customers, investors, business associates and fraternity of stakeholders.

TOGETHER, WE HAVE HELPED CREATE OUR VIBRANT

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# WE COMPANY

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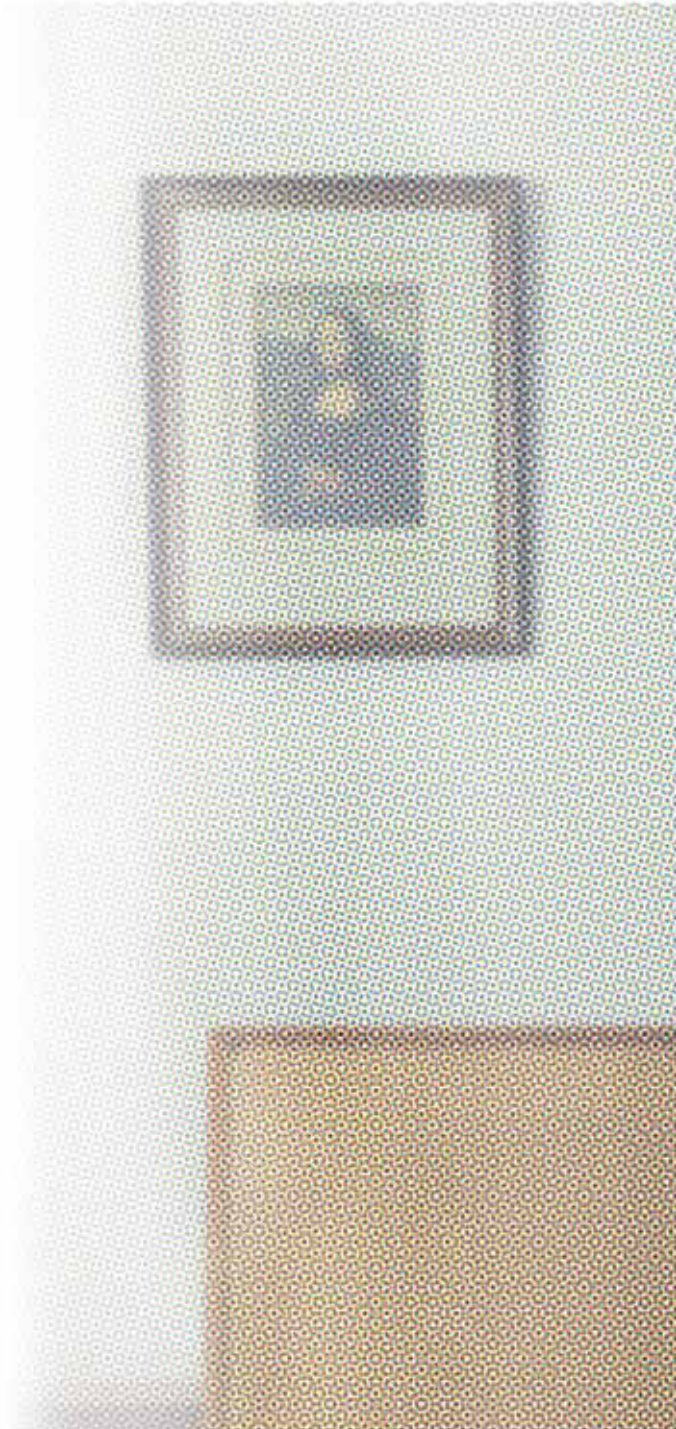


## MESSAGE FROM THE MANAGING DIRECTOR



**AT INTEC, WE ARE  
PUTTING OUR  
STRATEGIES INTO  
HIGH GEAR TO  
HELP SMEs DRIVE  
THEIR GROWTH  
PLANS WITH  
ASSURED CAPITAL  
SOLUTIONS.**

**WE WORK ON A SOUND  
BUSINESS MODEL THAT  
FOCUSES ON BUILDING AND  
NURTURING LONG-TERM  
RELATIONSHIPS WITH  
MANUFACTURERS ON THE  
ONE HAND AND CUSTOMERS  
ON THE OTHER.**





**Sanjeev Goel**  
Managing Director



## Dear Stakeholders,

After a prolonged slowdown, the global economy has finally started showing positive signs of growth and recovery. With an expected growth rate of 3.7% in 2014, the optimistic drivers of financial stability are pushing global growth to touch 3.9% in 2015. Emerging markets and developing economies are the next warriors of this so called long lasting slowdown war. With new hope of advancement and development, the growth in these emerging markets is expected to increase to 5.1% in 2014 and to 5.4% in 2015. Even the investors worldwide are confident that the emerging economies have more potential to grow rapidly as compared to the developed nations and global economic giants considering the need to survive, sustain and overcome in the era of dynamic opportunities.

Undoubtedly in the journey of global economic growth in the last few years, the key development drivers have witnessed a lot of ups and downs making it difficult to believe in reforms and improvement. India was also impacted by global and domestic challenges during the year. However, it is now widely expected to gather momentum with the new government focused on implementing radical reforms across every sector of the economy. Such a policy initiative will bolster the confidence of investors and consumers of financial products and services, and augur well for Intec Capital. We are committed to contribute to broad-based economic growth by catering to India's vibrant SME sector.

Over the years, we have evolved as an organisation, but we never lost sight of the company we wanted to build together, and the differentiated value we wanted to deliver to our stakeholders. We came from diverse backgrounds and industry experiences, but the vision to create a difference in the sectoral landscape helped create a cohesive and energetic team. In the last two decades, we accomplished many milestones, more people joined the team, but the vision remains the same: to be the most preferred financial services provider to every Indian entrepreneur.

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**OVER THE YEARS, WE HAVE EVOLVED AS AN ORGANISATION, BUT WE NEVER LOST SIGHT OF THE COMPANY WE WANTED TO BUILD TOGETHER**

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Vision cannot function in a vacuum. It has to be supported by viable action on ground. As we begin our journey towards the next growth altitude with an aggressive expansion plan, we have taken important initiatives on the people front during the year. We revamped our HR policies and even focused on attracting the best industry talent by creating an exciting work culture. A culture in which ideas not always cascade from the top, but also travel from the bottom; where people collaborate and share knowledge to build a great enterprise. We also tied up with renowned international HR consultancy, Dale Carnegie, for extensive and engaging training and development programmes. The programmes were conducted across various functions in the organisation and were well received by our team.

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**WE ALSO TIED UP WITH RENOWNED INTERNATIONAL HR CONSULTANCY, DALE CARNEGIE, FOR EXTENSIVE AND ENGAGING TRAINING AND DEVELOPMENT PROGRAMMES**

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Powered by a dynamic team, we are revving up operations in order to leverage emerging opportunities in the sector. We have expanded our business model to meet almost all the financial requirements of SMEs to grow their businesses. Such a scenario augurs well for a developing economy like India. The reason is simple: SMEs are pivotal to employment generation, exports and economic empowerment of a wide cross-section of people in India. According to estimates, the SME sector accounts for 45% of the manufactured output and over 8% of GDP.

At Intec, we are putting our strategies into high gear to help SMEs to drive their growth plans with assured capital solutions. We work on a sound business model that focuses on building and nurturing long-term relationships with manufacturers on the one hand and customers on the other. Our geographic reach serves small-scale and medium-scale enterprises across a broad spectrum of SME clusters in the country.

**50**

Expected branch  
offices by 2014-15

During FY 2013-14, we expanded our reach from manufacturing sector to trading as well as service sector to augment the asset quality. We have conducted in-depth analysis and acquired knowledge about various industries, evaluating market dynamics and identifying opportunities. During FY 2014-15, we plan to increase our footprints to 50 branches ensuring our reach in potential SME clusters. We also reshaped our business portfolio during the year by reducing the ticket size in order to ensure diversified risk profile and improved credit quality. We reduced our average ticket size from ₹ 68 lacs in FY 2012-13 to ₹ 45 lacs in FY 2013-14.

During FY 2013-14, the Company announced an open offer pursuant to promoters opting to convert their 5% convertible preference shares along with person acting in concert opting for conversion of their .001% compulsorily convertible preference shares and a further infusion of ₹ 17.70 Cr. of equity by India Business Excellence Fund II (IBEF II). The open offer has ensured infusion of sufficient capital in the Company for organic growth.

During the financial year 2013-2014, we adopted a cautionary approach towards the growth of business in order to preserve the asset quality, considering the weak market sentiments. Though our disbursements stood at ₹ 56,101 lacs (including ₹ 1,478 lacs of disbursement made under CDA scheme), the profit after tax grew by 38% from ₹ 1,312 lacs in FY 2012-13 to ₹ 1,816 lacs in FY 2013-14 due to the reduction in the cost of funds and strictly monitored budgets. Our AUMs also grew from ₹ 87,102 lacs in FY 2012-13 to ₹ 1,01,417 lacs in FY 2013-14.

Our primary business is financing against asset and the focus area will remain the same in future as well. The Company was recognised as an Asset Finance Company (AFC) on 7th of April 2014 by the RBI. The AFC status will entail the following benefits:

- Migration from self- governance to regulatory governance
- Enhanced credit rating
- Diversified sourcing of funds
- Lower cost of funds
- Providing more comfort to the Banks or Financial Institutions
- Improving the Company's overall reputation

We were also recognised as the 'Best NBFC' in India by the SME's Annual Survey 2014 organised by India SME Forum. The survey was focused on regional and nationwide behavioural information and analysis of innovation, banking and financing, investing, marketing, branding, and technological aspects.

At Intec, we have evolved continuously as a process and people driven company during the last two decades, not because the going was smooth for us, but because we chose to work together as a great team, whenever we faced challenges.

We are committed to leverage our capabilities to perform even better, as sectoral opportunities increase in an era of gradual economic revival.

Before concluding, we would like to extend our heartfelt gratitude to Team Intec, our customers, our business partners, shareholders, bankers and financial institutions for the continuous support in attaining the organic growth for the organisation.

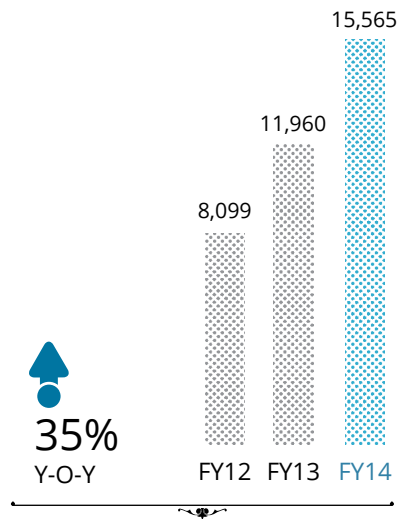
**Sanjeev Goel**

Managing Director

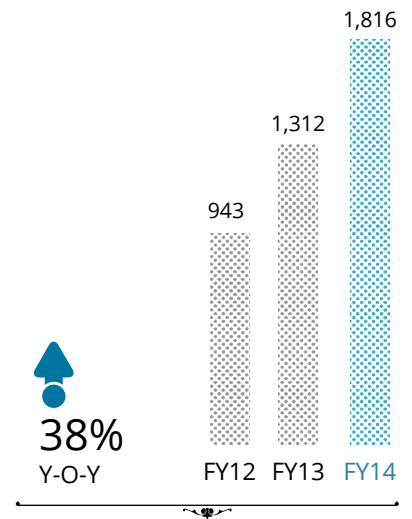
**WE WERE ALSO  
RECOGNISED AS  
THE BEST NBFC  
IN INDIA BY SME'S  
ANNUAL SURVEY  
2014 ORGANISED BY  
INDIA SME FORUM**

# ROBUST NUMBERS FOR FY 2013-14

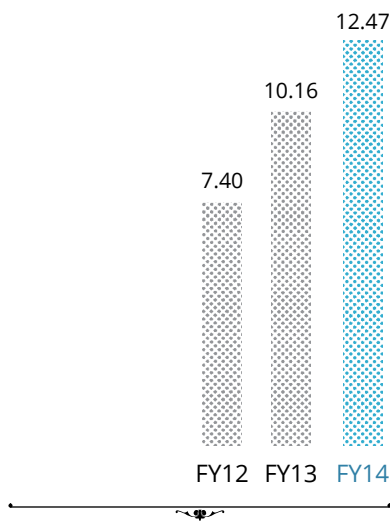
**Gross Income** (₹ in lacs)



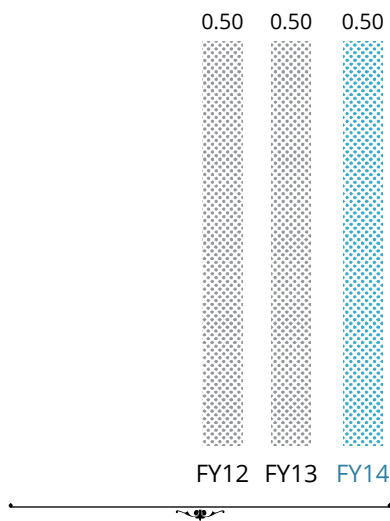
**Profit After Tax** (₹ in lacs)



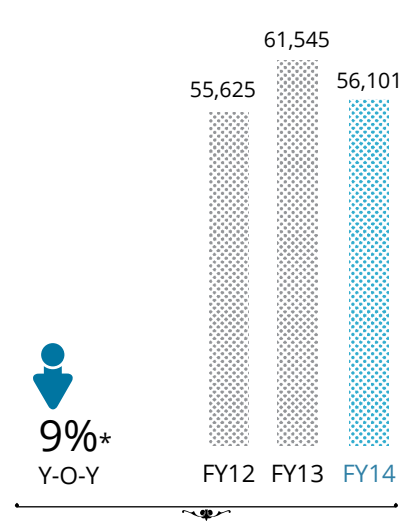
**Earnings Per Share** (in ₹)



**Dividend Per Share** (in ₹)

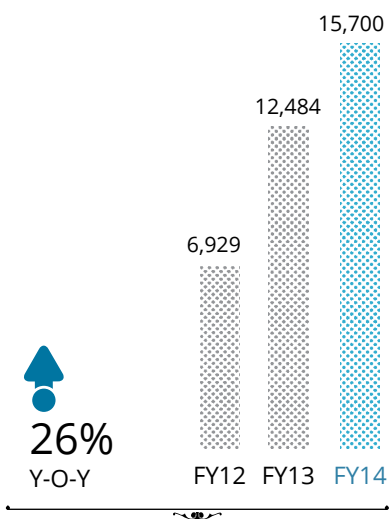


**Disbursements** (₹ in lacs)

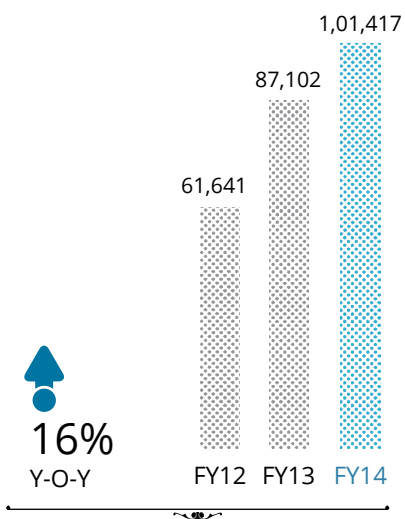


\*Due to the cautionary approach adopted by the company to preserve asset quality

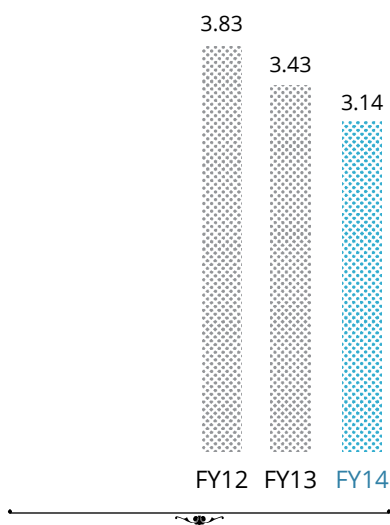
**Equity Capital** (₹ in lacs)



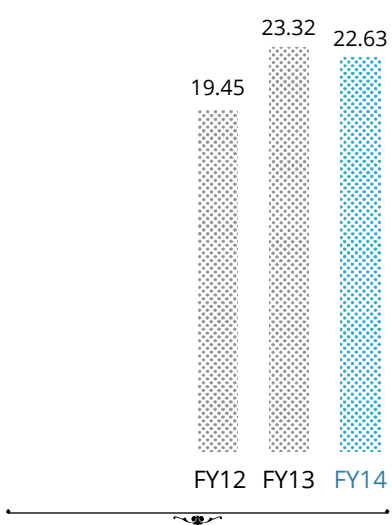
**Assets under management** (₹ in lacs)



**Leverage ratio** (%)



**Capital adequacy ratio** (%)



# INTEC VALUES

## Our vision

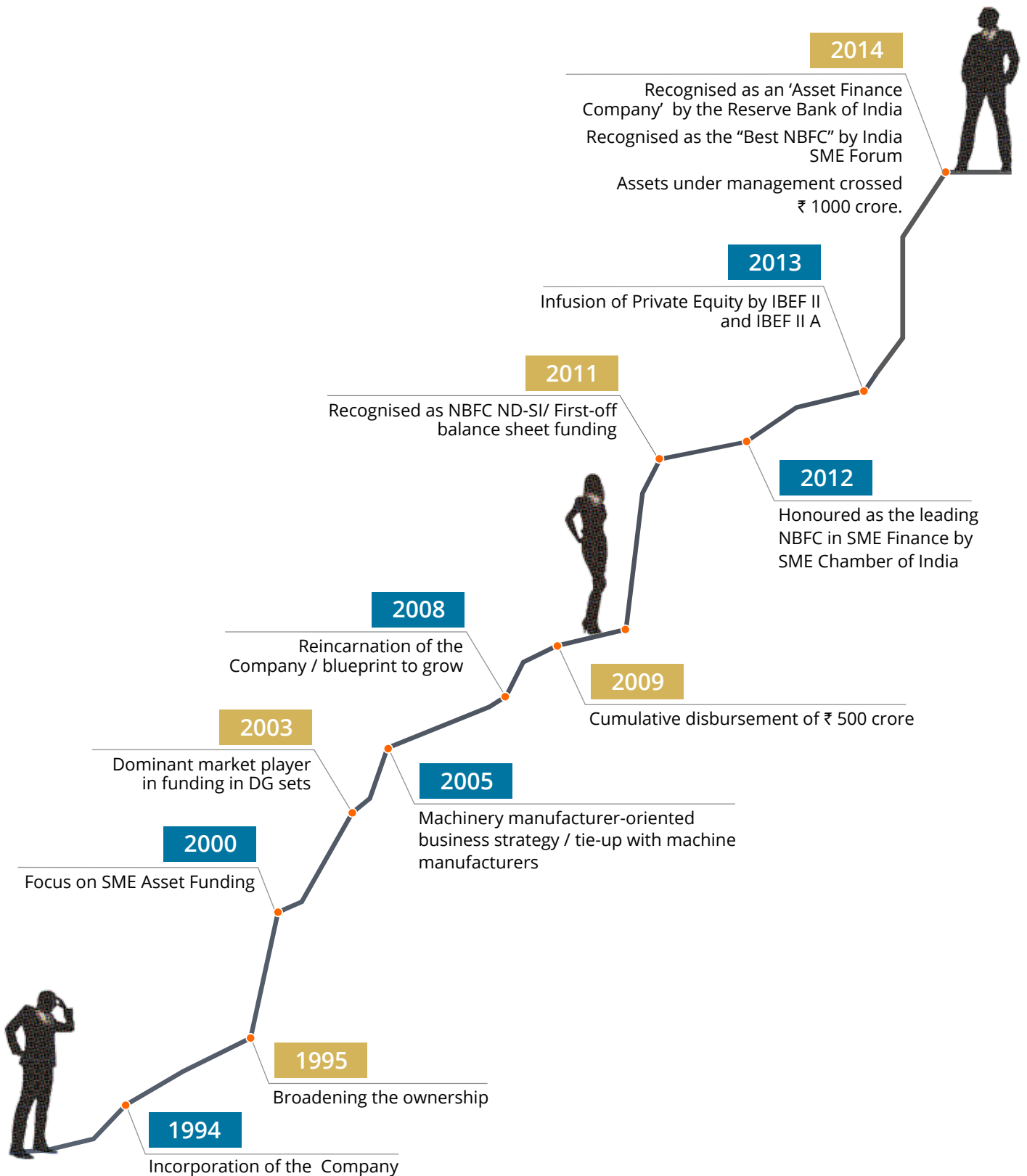
To be the most preferred financial service provider to every Indian entrepreneur.

## Core values

- Integrity
- Customer satisfaction
- Respect for people
- Stakeholder value enhancement
- Building relationships
- Nurturing Entrepreneurship



# MILESTONES

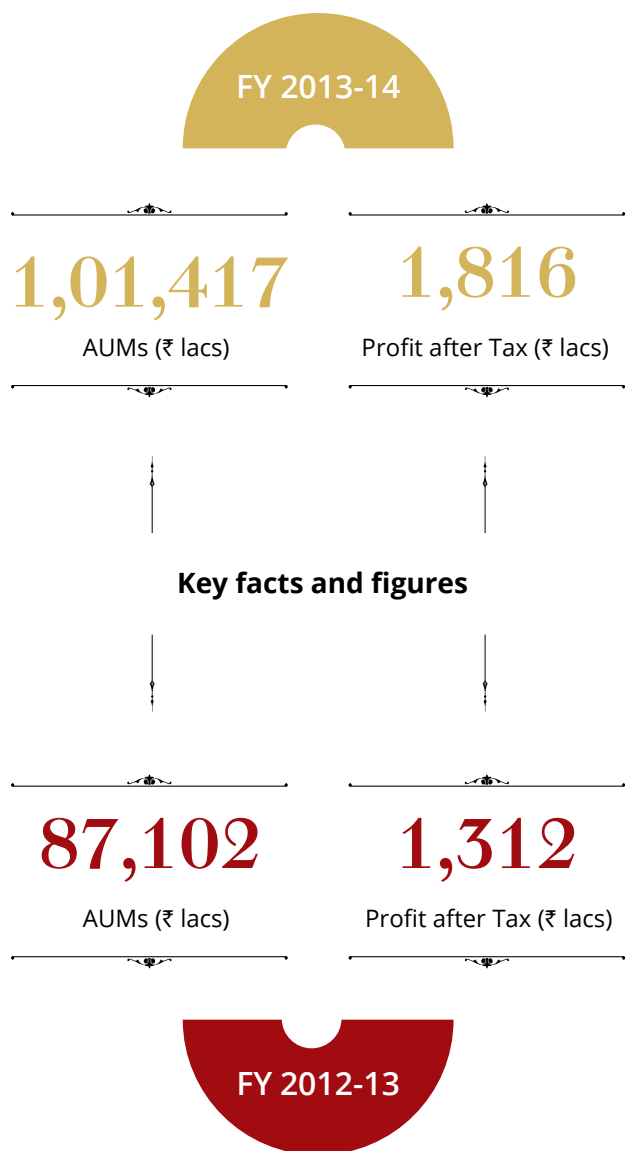


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**WE BELIEVE  
SOUND FISCAL  
FUNDAMENTALS  
HELP CREATE A  
VALUE-ACCRETIVE  
BUSINESS**

A STRONG BALANCE SHEET STRUCTURE IS IMPERATIVE FOR CONTINUING A VIABLE AND PROFITABLE BUSINESS MODEL THAT CREATES SUSTAINABLE VALUE FOR STAKEHOLDERS. TO ENSURE SOUND FISCAL FUNDAMENTALS WE ROUTINELY UPDATE OUR CREDIT POLICIES, FOCUS ON ENHANCING ASSET QUALITY AND LIMIT OUR RISK EXPOSURE. BESIDES, WE TRY TO ALIGN OUR OFFERINGS TO CHANGING CUSTOMER EXPECTATIONS TO REMAIN AMONG THE INDUSTRY FRONTRUNNERS. THIS, WE WERE ABLE TO ACHIEVE WITH THE HELP OF A TRAINED AND DISCIPLINED WORKFORCE. OUR CREDIT MANAGEMENT AND TREASURY MANAGEMENT TEAMS ARE INSTRUMENTAL IN ACHIEVING OUR SOUND FISCAL NUMBERS.



### Credit management

Our credit team undergoes adequate training to monitor overall function to create quality portfolio including low delinquency levels. Our credit management team is entrusted with the task of underwriting the portfolio, to assess and mitigate the risk levels.

Central Processing Centre has been created to ensure standardisation of the process and policies and increase the productivity at branch level. The team endeavours to improve the quality of underwriting and ensure optimum service quality. The team also works towards constant development of unique credit methodology (including innovative income assessment techniques) and continuously develop customised products for each segment. Our Credit team also undertakes Environmental and Social Due Diligence (ESDD) compliances for internal as well as external stakeholders.

### Treasury management

Capital accretion at reasonable costs and at the right time is the key to long-term business sustainability. Our treasury management team is equipped to procure the funds at reduced cost, leading to better profitability.

The treasury team focuses on financing through alternative sources (such as exploring funding from International sources, new banks, new financial institutions) and working meticulously on arbitrage products. Diversifying into non-bank sources of financing, during 2013-14, the Company's loan asset portfolio and receivables got securitised with IDBI bank leading to interest cost savings. We also completed successful issues of commercial paper to procure funds at lower costs.

These efforts translated into a stable capital adequacy ratio, improved the credit ratings and provide enough liquidity into the system. Our sound CAR was also the result of capital infusion by IBEF II and IBEF IIA through compulsory convertible preference shares (CCPS) and equity shares.



*"I am very impressed with the responsiveness of team Intec for providing me the financial assistance in minimal time. I am thankful to the entire team of Intec for the trust, they reposed in my capabilities time and again."*

*- Anuj Dureja, Managing Director, Siora Surgicals Private Limited*

₹ **56,101** lacs

Total disbursements made in FY 2013-14


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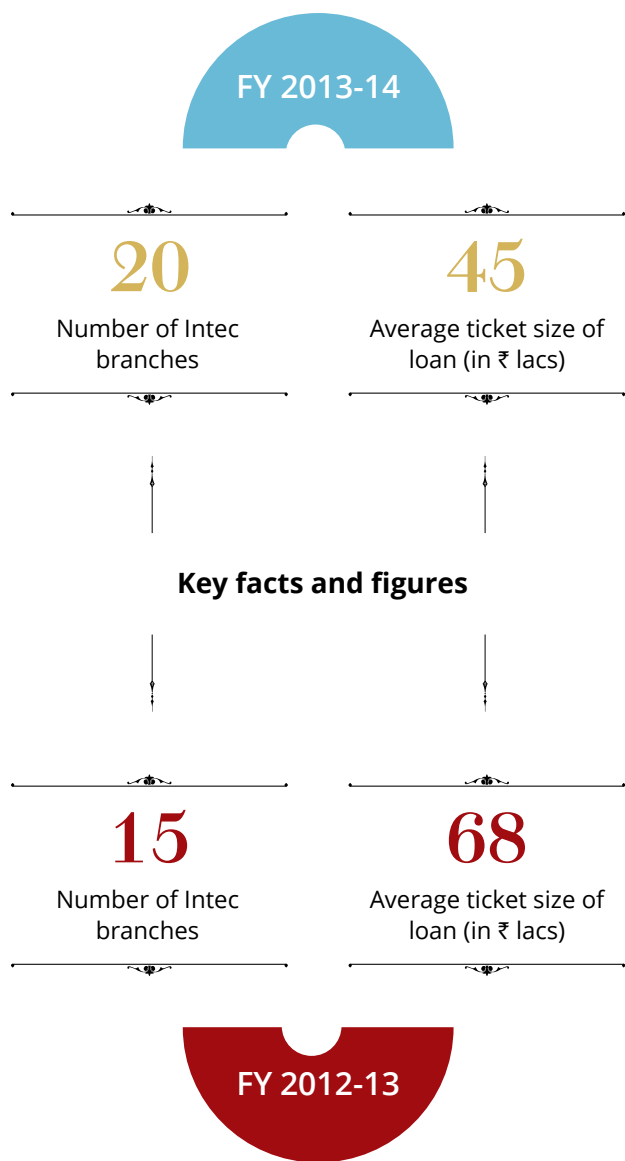


**WE FOSTER  
LONG-TERM  
RELATIONSHIPS  
WITH OUR  
CUSTOMERS.**

SMILING FACES, SOLVING AN ISSUE COMFORTABLY, A REASSURING HAND ON THE SHOULDER – ARE ALL IMAGES THAT SPEAK OF TRUST AND BELIEF. OUR AIM IS TO DO JUST THIS. GAINING OUR CUSTOMERS' FAITH IN US IS THE KEY TO HELP US GUIDE THEM IN FULFILLING THEIR DREAMS OF SUCCESSFUL ENTREPRENEURSHIP. BUT, BEHIND EVERY REASSURANCE IS AN INTEC TEAM MEMBER, A DEDICATED CUSTOMER CARE CELL WHICH WORKS TIRELESSLY TO SMOOTHEN THE LOAN DISBURSAL PROCESS.

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*"Intec has a good team of people with a strong focus from the top management to serve the small & medium enterprise. Intec has been able to work along with Ferromatik Milacron Sales Team and create a bond to become a preferred NBFC for financing need of FMI Injection Molding Machines."*

*- Umesh Parikh, VP Sales, Ferromatik Milacron*

### Customer focus

'Comfort and trust' are the two most important factors that customers seek in a financial partner. At Intec, we encourage our team to build trustworthy relationship with customers, which make them comfortable. Our customers are integral in every step of our business. Right from loan application to loan disbursements, we hand hold our customers to address their financial needs.

Understanding our customers' priorities and needs, is an important aspect of our business, we have a dedicated customer care cell to cater to their queries and requirements. We introduced Document Management Applications in the system for faster loan processing and better document management. Our sales team meets customers at least once a month to strengthen relationships and smoothen out the loose ends. We understand the SME sector well to help customers identify the right vendor for their business, which in turn, facilitates faster loan disbursements.

### Strengthening brand Intec

When our clients come back to us, it is a matter of pride and responsibility. Our service quality is equivalent to our brand recall, which is continuously improving, according to clients' feedback. Our branding and business development team further strengthens the brand visibility by participating in more trade fair and exhibitions, leading to better brand recall among customers and manufacturers.

With our growing presence, we are not only closer to our customers but also to our new manufacturers, specifically the ones with a regional presence. In the previous year, we also signed MoUs with several existing manufacturers, and also added new business partners to our portfolio. With an increasing number of new business partners, across industry verticals we are transforming ourselves into a finance company with multi-sector presence.

We ensured higher satisfaction ratings from customers by simplifying our procedures. We are also determined to expand our brand and services network to India's untapped terrains. We have significantly reduced our loan's ticket size, introducing lower loan portfolio for a wide cross-section of our customers. The approach has widened our customer base, and simultaneously reduced risks.

130+

OEMs partners


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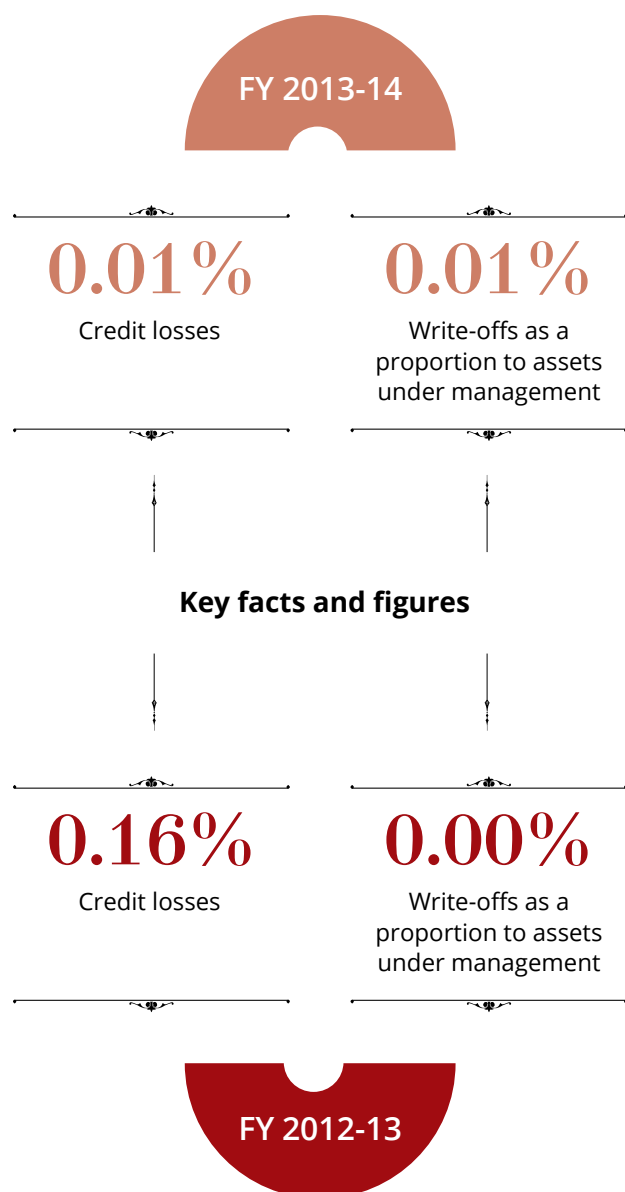


# WE DELIVER VALUE THROUGH A WELL ORGANISED OPERATIONAL ECOSYSTEM

A COMBINATION OF DETAILED DUE DILIGENCE, EFFICIENT PROCESSING AND SPEEDY DISBURSEMENTS MAKE US THE PREFERRED FINANCIAL SOLUTIONS PROVIDER TO OUR CUSTOMERS. THIS WAS POSSIBLE DUE TO THE DEDICATED RESEARCH, SALES AND COLLECTION TEAMS, WHO WORKED IN UNISON TO PROVIDE THE BEST SOLUTIONS, FASTER.

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"I think Intec is a specialised company in more ways than one. Considering how important the SME sector is for the economic growth of the country, Intec is at the right place and at the right time. Their experience of more than two decades backed by a strong understanding of the business is visible in their growing financial numbers over the years. At Motilal Oswal, we feel Intec is positioned to grow sustainably in the coming years, vindicating our investment in them." – Vishal Tulsyan, Head, Private Equity Investment, Motilal Oswal.

## Operational efficiency

At Intec, one of the key strategies was to reduce the loan's average ticket size resulting into reduction in customer concentration risk. We identified new SME clusters across India, and launched new products after extensive background research. We are setting up regional processing centres to further ease the disbursement process. In addition, we are also creating mobile and tablet compatible applications, which will allow our employees to update customer information seamlessly on a real-time basis. Our exposure levels increased to a wider customer base, closely handheld by an effective collection approach.

We improved our collection efficiencies backed by strong legal and information technology systems. The systems updates ensures regular reminder letters, facilitates tele-calling and direct calling to customers for loan repayment. During the year, we started recording customer collection calls, which created a necessary database for information tracking and improved training modules for our collection resources. The technical expertise of the IT team with their efficient planning helped us deliver the new system in a smooth and efficient manner.

We are continuously working on improving our turnaround-time (TAT), strengthening our customer relations. We have also introduced Document Management Applications which helps us maintain our records on a real-time basis.

## Risk management

At Intec, we follow an effective, simple and consistent risk management model that supplements our growing AUMs. We have in place a dedicated Risk Containment Unit (RCU), wherein various processes has been streamlined. The documents submitted by customers are evaluated by an external agency for their genuineness to control the risk levels.

While the credit appraisal process is decentralised across various levels, the final disbursement work is centralised. Meticulous training sessions are held to strengthen customers' screening capabilities, projected income flows and their regularity in due course. Based on the ticket size, three committees have been established for approval systems – Business Committee, Executive Committee and Credit Committee, leading to faster TAT's for quicker decision making.

₹ 15,700 lacs

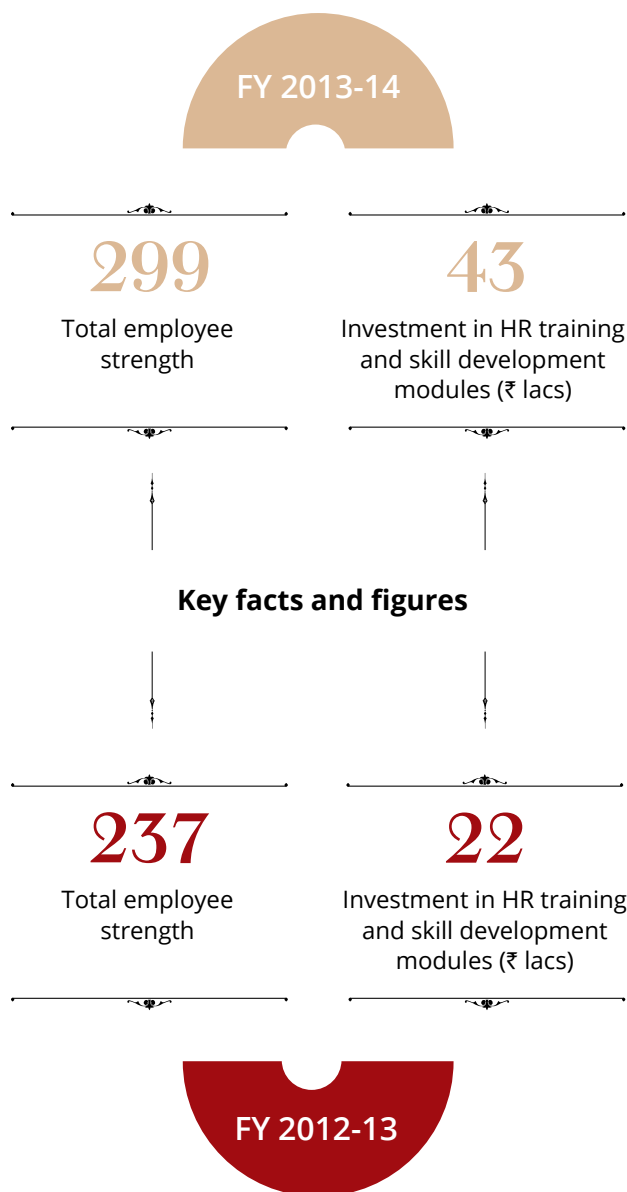
Networth as on 31st March, 2014

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**WE LEVERAGE  
TEAMWORK AND  
TECHNOLOGY FOR  
BEING FUTURE  
READY**

AT INTEC WE FOCUS ON BUILDING FUTURE PREPAREDNESS ON THE STRENGTH OF A DYNAMIC TEAM AND CUTTING-EDGE TECHNOLOGY. WE ATTRACT, NURTURE AND RETAIN THE BEST INDUSTRY TALENTS, WHILE CONTINUOUSLY INVESTING IN EMERGING TECHNOLOGIES TO ACCELERATE PROCESSES AND CREATE GREATER VALUE. WE CONSIDER AN INFORMED AND DEDICATED MEMBER TO BE AN ASSET, AND FOR THIS WE HAVE COLLABORATED WITH THE BEST ORGANISATIONS TO TRAIN AND HELP DEVELOP A FUTURE-READY EMPLOYEE.



**Key facts and figures**

**Empowered team**

We build our team through a meticulous recruitment process. The recruitment process is conducted by effectively utilising the online as well as print medium for sourcing the right talent and reaching out to the young talent through campus placements. A well-defined leadership training paradigm (for middle and senior level employees) has been introduced in partnership with 'Pragati Leadership' (a leading HR Consultancy firm). We have also introduced a comprehensive skill development course in partnership with International HR consultancy Dale Carnegie, across our various functions.

**Technology focus**

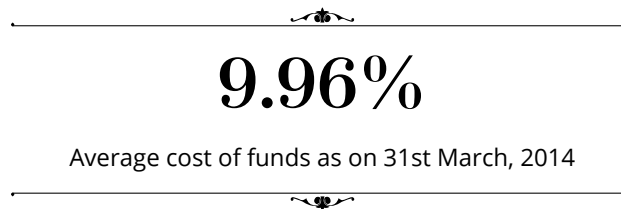
At Intec, information technology facilitates faster and informed decision-making. We are launching a mobile application for smartphones and tablets for faster disbursals. The app will facilitate real-time information update to the core system. With a significant investment, the mobile application will help integrate functions, such as collections, credit, sales and marketing for enhancing customer service experience.

The updated technology platform across all offices will provide employees with online scanning features for document scanning, faster disbursement by local cheque printing system along with analytical tools for the credit team.



*"My aspiration of becoming an entrepreneur would have been still a dream, if I was not introduced to Intec Capital. I am thankful to Intec, not just because of their financial assistance, but the trust they reposed in my capabilities."*

*- Rajesh Kumar and Arvind Kumar, Partners, Radiant Engineers*



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CELEBRATING  
**WE**

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PEOPLE FIRST



## Utsaah - celebrating joy!

We at Intec are people-driven, understanding the changing customer landscape, driven by togetherness and individual brilliance. To empower our people, we launched a unique initiative named 'Utsaah'.

The idea is centred on three fundamentals – Appreciation, Collaboration and Ownership. As we scale newer heights with each passing milestone, we realise the need to enhance people potential to the maximum. The Utsaah initiative was driven across all the different departments, building around the three fundamentals of Appreciation, Collaboration and Ownership.

Action points for driving Utsaah at Intec

- Work for organisational goals and objectives
- Collaborate within the team and the cross-functional team for smooth and timely closure of assignments
- Give a small token of appreciation like a “thank you” note or a “pat on the back”
- Understand the importance of every individual's role in the organisation
- Be open to ideas and recommendations from fellow colleagues
- Respect and appreciate fellow colleagues

- Have clarity in communication
- Be accountable for self-deeds and assignments

Going ahead, at Intec, we are confident of ushering in a new era of fun-filled work environment. We are working towards creating and designing more employee-centric policies, in terms of compensation, flexible work timings and incentive structure among others. These best practices and innovative policies will ultimately bring in energy, excitement, enthusiasm, engagement and enjoyment at Intec.

## Vistaar – celebrating future!

In the past 20 years, Intec achieved supremacy in SME financing, dedicated to the machinery segment. With an eye on the future, we at Intec feel the next-level of growth is embedded in spreading our wings, across the country. Underlying our expansion plans, we launched project 'Vistaar', empowering our people to envision the aspirations of the Company.

While we are excited about our expansion plans, we are determined to instil a sense of responsibility and opportunity among our employees, aligning the objectives of the Company with their individual goals. We remain confident of achieving the set target, with a 'WE' driven attitude among our people.

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**WITH AN EYE ON THE  
FUTURE, WE AT INTEC  
FEEL THE NEXT LEVEL OF  
GROWTH IS EMBEDDED  
IN SPREADING OUR  
WINGS, ACROSS THE  
COUNTRY.**

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## AWARDS AND ACCOLADES

Intec was honoured as the “Best NBFC” in ‘India’s best for SME’s Annual Survey 2014’ organised by India SME Forum at a glittering award ceremony held at Surya Hotel in Delhi. India SME Forum is India’s biggest not for profit

initiative for Small & Medium Enterprises comprising of 70,000 SMEs across India. The association is established with the objective of nurturing entrepreneurial talent and support global innovation & competitiveness.



Standing from Left to Right: Mr. Vinod Kumar, Country Manager India & Middle East for Sustainable Development Research & Consulting; Mr. Sanjeev Goel, Managing Director, Intec Capital Limited; Shri Kalraj Mishra, Honourable Union Cabinet Minister for MSME; Mr. K.V. Srinivasan, CEO, Reliance Commercial Finance; Mr. Sudhir Menon, Country Head - Emerging Markets, Intec Capital Limited; Mr. Virender Kataria, Country Head, Intec Capital Limited; Mr. P.K. Jain, Regional Manager ( P&GS), LIC

## SME CONCLAVE

We recently organised SME Conclave in association with CARE Ratings at The Park Hotel, New Delhi. The event was to create awareness amongst SMEs on various financing related aspects and highlight the importance of ratings. The event was honored with delegates of Dr. H.P. Kumar, Chairman & Managing Director National Small Industries Corporation (NSIC), Mr. D R Dogra, Managing Director & CEO, CARE Ratings and Mr. Sanjeev Goel, Managing Director, Intec Capital Limited.

The Conclave highlighted the opportunities for the MSMEs in the economy with special emphasis on ratings being very important. The event also laid importance of providing the funds to SMEs at the reasonable cost so as to make the products of Indian SMEs competitive as per the global standards.



Mr. Sanjeev Goel, Managing Director, Intec Capital Limited addressing the audience



Mr. Sanjeev Goel, MD, Intec Capital Limited; Dr. H.P. Kumar, Chairman & Managing Director NSIC along with Mr. D R Dogra, Managing Director & CEO, CARE Ratings lighting the inauguration lamp during the event

# BOARD OF DIRECTORS



Sanjeev Goel



Y L Madan



Praveen Sethia



Vishal Gupta



Robindra Gupta



Rakesh Kumar Joshi



S K Goel

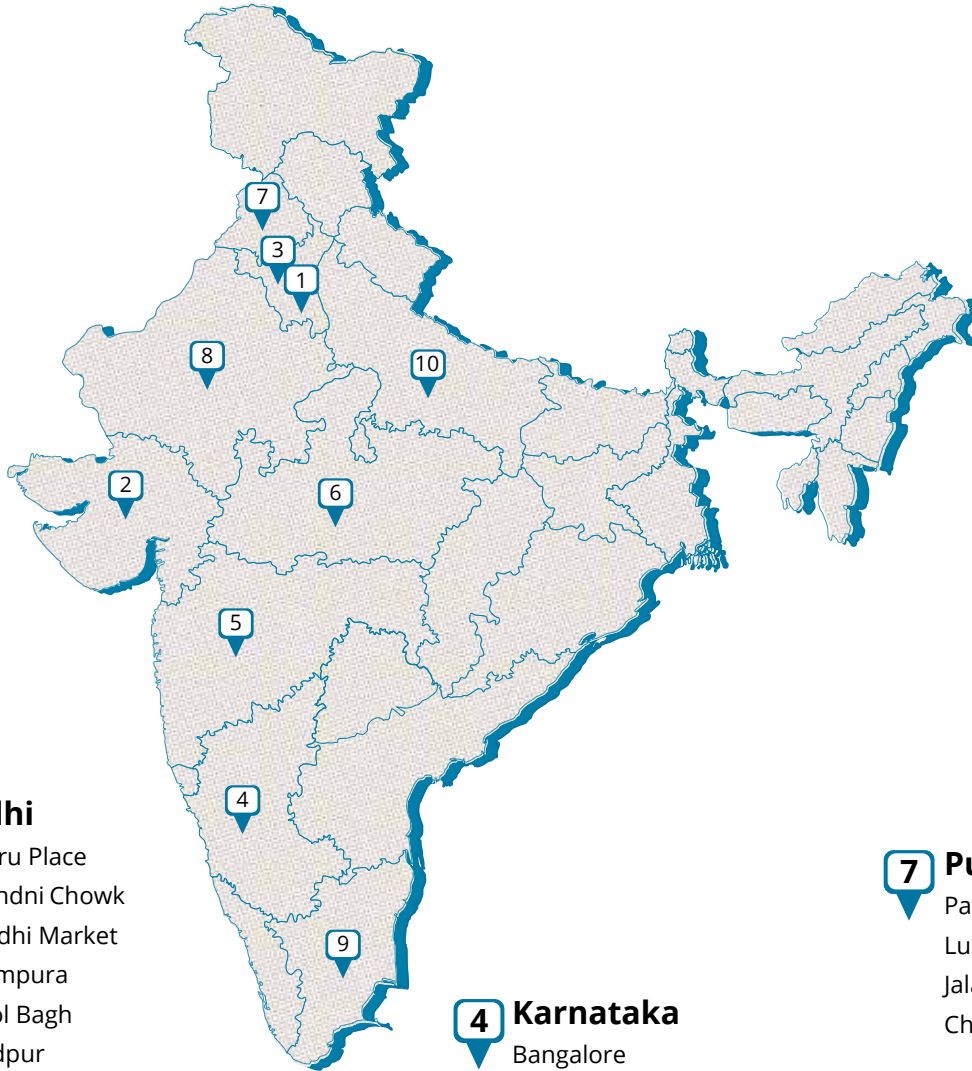


Dhruv Prakash



For detailed profile, scan with QR code application from your smart phone

# OUR PRESENCE



- 1 Delhi**  
Nehru Place  
Chandni Chowk  
Gandhi Market  
Pitampura  
Karol Bagh  
Azadpur

- 2 Gujarat**  
Ahmedabad  
Bharuch  
Valsad  
Mehsana  
Vadodara  
Jamnagar  
Rajkot  
Vapi  
Anand  
Surat  
Chatrral  
Changodar

- 3 Haryana**  
Faridabad  
Palwal  
Panipat  
Hisaar  
Rohtak  
Gurgaon  
Bhiwadi  
Ambala

- 4 Karnataka**  
Bangalore  
Bommasandra

- 5 Maharashtra**  
Pune  
Ahmednagar  
Nasik  
Aurangabad  
Kolhapur  
Mulund  
Borivali

- 6 Madhya Pradesh**  
Indore  
Bhopal

- 7 Punjab**  
Patiala  
Ludhiana  
Jalandhar  
Chandigarh

- 8 Rajasthan**  
Kotputli  
Jodhpur  
Udaipur  
Jaipur

- 9 Tamil Nadu**  
Chennai  
Coimbatore  
Poonamallie

- 10 Uttar Pradesh**  
Ghaziabad  
Noida

# CORPORATE INFORMATION

## Board Members

**Mr. Sanjeev Goel**

*Managing Director*

**Mr. Praveen Sethia**

*Non-Executive Independent Director*

**Mr. Robindra Gupta**

*Non-Executive Independent Director*

**Mr. Y.L. Madan**

*Non-Executive Independent Director*

**Mr. Rakesh Kumar Joshi**

*Non-Executive Independent Director*

**Mr. S.K. Goel**

*Non-Executive Independent Director*

**Mr. Subhash Jindal<sup>1</sup>**

*Non-Executive Independent Director*

**Mr. Vishal Kumar Gupta**

*Non-Executive Nominee Director*

**Mr. Dhruv Prakash<sup>2</sup>**

*Non-Executive Independent Director*

- 1 Mr. Subhash Jindal is no longer associated with the company. He has resigned from the Board of Directors of the Company w.e.f. 27th May 2014
- 2 Mr. Dhruv Prakash has been appointed as Non-Executive Independent Director on the Board of the company w.e.f. 28th May 2014.

## Company Secretary

**Mr. Puneet Sehgal**

## Registered and Corporate Office

Intec Capital Limited

CIN: L74899DL1994PLC057410.

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

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

E-Mail: [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com)

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

## Bankers

Bank of India

Punjab National Bank

Central Bank of India

State bank of India

Bank of Maharashtra

Dhanlaxmi Bank

India Overseas Bank

State Bank of Patiala

HDFC Bank Limited

IDBI Bank Limited

Oriental Bank of Commerce

South Indian Bank

Axis Bank Limited

United Bank of India

ICICI Bank Limited

State Bank of Hyderabad

Union Bank of India

DCB Bank Limited

Vijaya Bank

## Financial Institutions

SIDBI

L&T Finance Limited

IFMR Capital Finance Private Limited

## Auditors

B S R & Associates LLP,

Chartered Accountants,

Building No.10,8th Floor, Tower-B, DLF Cyber City,  
Phase-II,

Gurgaon-122002

## Registrar & Share Transfer Agent

BEETAL Financial & Computer Services Pvt Ltd.

BEETAL House, 3rd Floor,

99, Madangir, Behind LSC, New Delhi - 110062

CHAPTER  
2

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STATUTORY REPORTS

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# DIRECTORS' REPORT

## Dear Members,


Your Directors are pleased to present the 20<sup>th</sup> Directors Report together with the Annual Audited Accounts for the financial year ended 31st March, 2014.

## Financial Highlights

For the financial year ended 31st March, 2014:

(₹ in lacs)

Particulars	Standalone as at March		Consolidated as at March	
	2014	2013	2014	2013
<b>Profit/(Loss) before tax</b>	<b>2,657.82</b>	<b>2,006.62</b>	<b>2,442.95</b>	<b>2,008.86</b>
Less: Provision for Taxation				
Current Tax	1,613.27	666.26	1,613.27	666.26
Deferred Tax	(837.45)	28.09	(837.45)	28.09
Current Tax for earlier years	65.54		65.54	
<b>Profit/(Loss) after tax</b>	<b>1,816.46</b>	<b>1,312.27</b>	<b>1,601.59</b>	<b>1,314.51</b>
Add: Balance brought forward from last year	2,786.83	1,823.26	2,785.69	1,819.87
Less: Adjustment of goodwill relating to earlier years	251.85	-	251.85	-
<b>Surplus available for appropriation</b>	<b>4,351.44</b>	<b>3,135.53</b>	<b>4,135.43</b>	<b>3,134.38</b>
Less: Appropriations				
Proposed Equity Dividend	71.42	64.02	71.42	64.02
Preference Dividend	31.18	10.19	31.18	10.19
Tax on Proposed Dividend	17.44	12.04	17.44	12.04
Transfer to Reserve Fund u/s 45IC of RBI Act, 1934	363.29	262.45	363.29	262.45
<b>Surplus carried to Balance Sheet</b>	<b>3,868.11</b>	<b>2,786.83</b>	<b>3,652.10</b>	<b>2,785.68</b>

— — — — —  
  
**₹ 2,658** lacs  
 Profit before tax as on  
 31st March, 2014  
 — — — — —  


## Dividend

Your Directors have recommended 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 FY 2013-14.

The dividend payout is subject to approval of members at the ensuing 20th Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on record date; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

## Transfer to Reserves

During the year under review Company had transferred ₹ 363.29 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 total Capital Adequacy Ratio (CAR) as on 31st March, 2014 stood at 22.63% as compared to 23.33% 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%.

## Transfer to Investor Education & Protection Fund

The Company sends letters to all shareholders whose dividends are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made in co-ordination with the Registrar to locate the shareholders who have not claimed their dues.

As provided in Section 205C(2) of the Companies Act, 1956, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has to be transferred to Investor Education & Protection Fund. The amount of ₹ 144,480.00 remained unclaimed for the year 2005-06 and was transferred to Investor Education & Protection Fund by the Company during the year. Cumulatively, the amount transferred to the said fund was ₹ 144,480.00 during the Financial year 2013-14.

## Non Acceptance of Public Deposits

The Company has not accepted any Public Deposits or any Fixed Deposit during the year 2013-14 and hence there are no defaults in repayments of amount of principle or interest as on the date of Balance Sheet.

## Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March, 2014, 71.88% of the Company's total paid-up Capital representing 13,201,289 shares is in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail the facility of dematerialization from either of the Depositories.

## Subsidiary Company

The Company has one 100% Wholly Owned Subsidiary i.e Amulet Technologies Limited.

As per Section 212 of the Companies Act 1956, we are required to attach Director's Report, Balance Sheet and Profit and Loss account of the subsidiary company. The Ministry of Corporate Affairs vide the General Circular No. 2/2011 and 3/2011 dated 08th February, 2011 and 21st February, 2011 respectively has provided an exemption to companies from complying with Section 212 i.e from 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.

### Auditors and Audit Report

The Auditors, BSR & Co. LLP, Chartered Accountants, retire at the ensuring AGM and have confirmed their eligibility and willingness to accept office if re-appointed.

The Company has received letters from all of them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Auditors' Report on the financials of the Company for the year ended 31st March, 2014 does not contain any reservation, qualification or adverse remark except a Service tax due amounting to ₹ 11 lacs was in arrears as at 31st March, 2014 for a period of more than six months from the date it has become payable. This amount was accrued by the Company only at year end, not envisaged earlier considering the nature of income, and paid off subsequent to year end (along with applicable interest).

### Director's reply to Auditor's observation / qualification in Auditor's Report

Regarding the qualification of Auditors in the CARO being integral part of Audit Report as per point No. (ix) (a), regarding the qualification of Auditor as per point No. (ix) (a) of CARO, our comment is that the company has already paid the service tax dues amounting ₹ 11 lacs to service tax authorities.

### Open Offer under SEBI SAST, 2011

During the financial year, the Promoter group was allotted shares which resulted in their stake increasing beyond 5% of the outstanding share capital. As per SEBI guidelines, this required the Promoter group to launch an open offer to acquire upto 26% of the outstanding shares. 9,17,922 shares were tendered during the process and acquired by the Promoter group. Subsequent to the closure of the open offer, the promoter shareholding was 71.6%.

### Listing of Shares

Presently, 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 FY 2014-15 have been paid for both the Stock Exchanges where the shares of the Company are listed.

### Credit Rating Agencies

The Credit Rating assigned to the long term bank facilities by Credit Analysis & Research Limited (CARE) is CARE BBB+ (Triple B Plus) for an amount of ₹ 675 crore (enhanced from ₹ 441.17 crore).

### Board of Directors

#### • Appointment

In terms of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, of the Companies Act, 2013, Mr. Dhruv Prakash (bearing DIN 05124958) was appointed as a Non-Executive Independent Director on the Board of Directors of the Company for a five (5) consecutive years for a term starting from 28th May, 2014 and ending up to 27th May, 2019 subject to the approval of shareholders by passing ordinary resolution in the forthcoming Annual General Meeting of the Company.

Mr. Prakash holds a Master's degree in business administration from the Indian Institute of Management, Ahmedabad, and a Master's degree in Chemistry from Meerut University.

In addition to over 40 years of varied industry experience, Mr. Prakash possesses an extensive background in consulting, having worked with several of India's leading businesses to manage change, coach senior management, build high performance cultures, align executive compensation, restructure organizations and conduct post-merger integration.

- **Resignation**

Mr. Prakash Dhoot who was acting as Non-Executive Nominee Director on the Board, resigned from the services of the company effective from 06th March, 2014. The Board would like to thank and record its appreciation for the services rendered by him to the Board and to the Company.

Mr. Subhash Jindal who was acting as Non-Executive Independent Director on the Board has also resigned from services of the company as Director w.e.f 27th May, 2014. Mr. Jindal has been part of the Board for 15 years and Board conveys its deep sense of appreciation for the services rendered by him during his tenure.

- **Re-Appointments**

As per the provisions of Companies Act, 2013 and Article 86 of the Article of Association of the Company Mr. Vishal Kumar Gupta (DIN: 02368313), Director of the Company will be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

## Board Meeting held during the year

During the period under review the company has held 8 Meetings of Board of Directors

Sl.	Name	Designation	Meetings held	Meetings attended
1.	Mr. Sanjeev Goel	Managing Director	8	8
2.	Mr. Robindra Gupta	Director	8	8
3.	Mr. Praveen Sethia	Director	8	5
4.	Mr. Rakesh Kumar Joshi	Director	8	8
5.	Mr. Vishal Kumar Gupta	Director	8	6
6.	Mr. Prakash Dhoot*	Director	8	4
7.	Mr. S. K. Goel	Director	8	8
8.	Mr. Y. L. Madan	Director	8	6
9.	Mr. Subhash Jindal**	Director	8	4

\* Mr. Prakash Dhoot ceased to be a director of the company w.e.f 06th March, 2014

\*\* Mr. Subhash Jindal has resigned from the board w.e.f. 27th May, 2014 and his resignation was accepted in the Board Meeting held on 28th May, 2014.

## Corporate Governance

The Company is committed to maintain the highest standard 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.

## Compliance Certificate on Corporate Governance

The requisite Certificate from the practicing Company Secretary 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 (MDAR)

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.

## 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 ₹ 6,000,000/- (Rupees Sixty Lacs Only) per annum and ₹ 500,000/- (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, 2014 on a going concern basis.

## Statutory Auditors

B S R & Associates Chartered Accountant, Gurgaon were appointed as the statutory auditors of the Company for FY 2013-14 at the 19th Annual General

Meeting (AGM) of the Company held on 25th September, 2013. B S R & Associates converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as B S R & Associates LLP with effect from 14th October, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated 30th April, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. Accordingly, the audit of the Company for FY 2013-14 was conducted by B S R & Associates LLP. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

B S R & Associates LLP will hold their office till the ensuring Annual General Meeting and are eligible for reappointment for a maximum term upto next five years, if reappointed

The Board recommends their re-appointment for the approval of the shareholders from the conclusion of this Annual General Meeting till next Annual General Meeting of the Company.

## 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

On 07th April 2014 your company has attained the status of Asset Finance Company i.e Non-Banking Asset Finance Company (NBFC-AFC). 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 recognizes 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 organizes 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

## Green Initiatives

This year we had started Green Initiative in Corporate Governance: Go Paperless as a sustainability initiative and minimizing our impact on the environment.

Under this Go Green initiative electronic copies of the Annual Report 2014 and Notice of 20th Annual General Meeting of the company are sent to all the

members whose email addresses are registered with the Company/RTA. For other members who have not registered their email addresses, physical copy of the Annual Report and Notice of AGM are sent in the permitted mode. Members requiring physical copies can send a request to Compliance Officer of the Company.

The Company is providing e-voting facility to all its members to enable them to cast their votes electronically on all the resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014. The instructions for e-voting is provided in the Notice.

## Acknowledgement

The Board of Directors would like to express their appreciation for assistance and cooperation received from Customers, Shareholders, Vendors, Banks, Financial Institutions, various Government Authorities.

The Board recognizes 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.

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

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** **S. K. Goel**

*Managing Director* *Director*

Date: 7th August, 2014

Place: New Delhi

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economic Review

The year 2013 was more one of consolidation, and the global economy is at present witnessing a recovery, albeit an uneven one. Although the first half of 2013 had not witnessed much global activity, the latter half experienced a rebound. Global growth is expected to improve in FY 2014-2015, owing to a recovery in the advanced economies. Despite continued fragilities in some economies, as per the IMF estimates, global GDP growth is likely to grow at 3.7% in 2014 and 3.9% in 2015, as compared to 3% in 2013.

Improved economic metrics saw better employment numbers and better spending trends determined the US recovery story. The Eurozone dispelled recessionary fears on the back of eased up credit scenario and improved resilience while growth in China rebounded in the second half of 2013, due to acceleration in investment. (Source: International Monetary Fund)

High public and private debt, coupled with financial fragmentation are likely to stagnate domestic demand in the European countries. Annual growth is estimated to be 1.7% and 7.7% in Japan and China, respectively, in 2014. Overall, the emerging and developed economies are projected to register a growth of 5.1% in 2014 and 5.4% in 2015 (Source: IMF and World Bank).

## Overview of the World Economic Outlook Projections

(% Change unless noted otherwise)

	Projections				Differences from July 2013 WEO projections	
	2011	2012	2013	2014	2013	2014
World Output	3.9	3.2	2.9	3.6	(0.3)	(0.2)
Advanced Economies	1.7	1.5	1.2	2	0	0
United States	1.8	2.8	1.6	2.6	(0.1)	(0.2)
Euro Area	1.5	(0.6)	(0.4)	1	0.1	0
Germany	3.4	0.9	0.5	1.4	0.2	0.1
Japan	(0.6)	2	2	1.2	(0.1)	0.1
United Kingdom	1.1	0.2	1.4	1.9	0.5	0.4
Other Advanced Economies	3.2	1.9	2.3	3.1	0	(0.2)
Emerging and Developing Economies	6.2	4.9	4.5	5.1	(0.5)	(0.4)
China	7.7	7.7	7.5	7.3	0.3	0.2

(Source: IMF, January 21, 2014)

## Indian Economic Review

The uncertainties prevailing in the global economy had its spillover effects on the emerging economies as well. The Indian economy is going through major turbulence owing to high inflation, rising fiscal deficit and policy inertia. But with the positive macro indicators of growth in the developed world and the new government formation in the recently concluded elections,

12,159

NBFCs registered in  
India with RBI

reforms are expected to register a GDP growth of more than 5% in the coming years, post its 4.7% growth rate for FY 2013-2014 (Source: Central Statistical Organisation).

The rupee depreciated from ₹ 53.5 in January 2013 to ₹ 68.8 in August 2013, stabilising at ₹ 61.6 in November 2013. This led to multiple effects, causing rise in imports bills, inflation and widening current account deficit.

The government has been able to limit the current account deficit (CAD) to 4.8% of GDP in the previous fiscal and it is expected to remain at 3.0% of GDP in 2014-15. While corporate credit is likely to stay low, credit to SMEs is expected to rise.

### Recent pattern in real GDP growth

Growth rate (%)	2012-13	2013-14
GDP at factor cost	4.5	4.7
Agriculture, forestry & fishing	1.4	4.7
Mining and quarrying	(2.2)	(1.4)
Manufacturing	1.1	(0.7)
Electricity, gas and water supply	2.3	5.9
Construction	1.1	1.6
Trade, hotels, transport and communication	5.1	3.0
Financing, insurance, real estate and business services	10.9	12.9
Community, social and personal services	5.3	5.6

(Source: CSO, Ministry of Statistics & Programme Implementation)

### Industry review

NBFCs have been playing a complementary role compared to the other financial institutions, including banks, in meeting the funding needs of the economy. They help fill the gaps in credit services that otherwise occur in the unbanked and underserved areas and account for 12.3% assets of the total financial system. Although the global economy is still under recovery phase, the new govt in India with favorable policies and the boom in segments like automotive, technology, life sciences, consumer products etc has helped Indian in emerging as a much preferred investor destination. As a nation we are recovering quickly from the global industrial slowdown and the recovery has stretched SME sector to grow with full potential. The Indian SME and MSME sector has all the potential to drive the new growth of India. These are the new signs of optimism that Indian NBFC sector is moving forward with immense opportunities.

The NBFC segment has witnessed considerable growth in the last few years and is now being recognised as complementary to the banking sector, due to implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc.

NBFCs play a pivotal role in India's economic development by meeting the credit requirements of a whole cross section of the Indian population. They have been at the forefront of catering to the rural and semi-urban areas. Through strong linkage at the grassroots level, they have created an effective medium of communication with this segment.

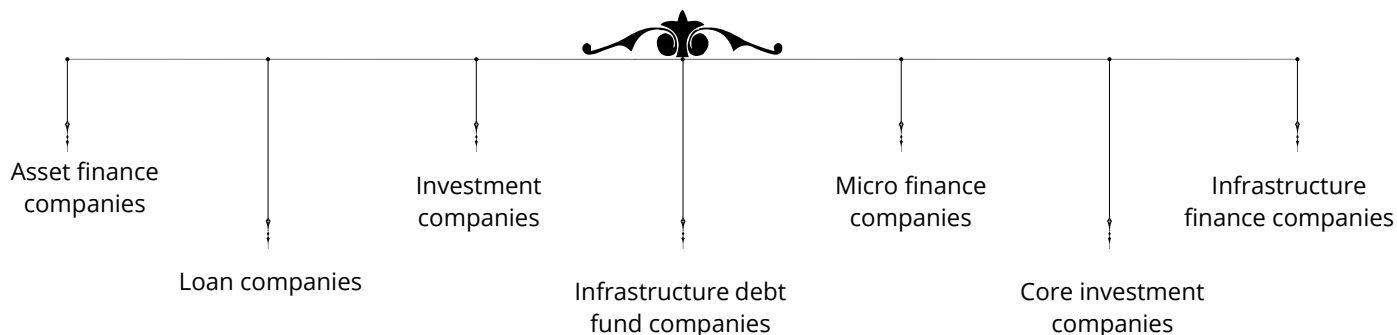
The government is planning a tech upgradation scheme for the small scale industry. It would entitle a major subsidy for registered SSI units. Intec has entered into a credit delivery arrangement, whereby customers of Intec will get to avail of a subsidy on their machine purchase cost. The Company's efforts to promote the MSME sector will provide the much needed development in the rural; and semi-rural areas and also help the Company create a dependable entity.

### Market share

As per the Reserve Bank of India 12,159 NBFCs were registered as on 31st January, 2014. Out of these, 244 are registered NBFCs permitted to accept public deposits. (Source: Simsree consulting group)

### Classification of NBFCs

#### Based on the nature business



### Size of the sector

The share of NBFCs' assets in GDP (at current market prices) increased steadily from just 8.4% as on 31st March, 2006 to 12.5% as on 31st March, 2014; while the share of bank assets increased from 75.4% to 95.5% during the same period. If the assets of all NBFCs below ₹ 100 crore are considered, the share of NBFCs' assets to GDP would increase further.

The average leverage ratio as on 31st March, 2014, (outside liabilities to owned fund) of the NBFCs-ND-SI stood at 2.94%, return on assets (net profit as a percentage of total assets) stood at 2.3%, return on equity (net profit as a percentage of equity) stood at 9.22% and the gross NPA as a percentage of total credit exposure (aggregate level) was 2.8%. The growing NBFC sector is a sign of optimism for Intec in the years to come.

### Assets of NBFCs and banking sector as a % to GDP

Ratio	Year							
	2006	2007	2008	2009	2010	2011	2012	2013
NBFC Assets to GDP (%)	8.4	9.1	10.1	10.3	10.8	10.9	11.9	12.5
Bank Assets to GDP (%)	75.4	80.6	86.8	93	93	92.2	92.7	95.5

(Source: (i) Reports on trend and progress of banking in India, 2006-2013; (ii) Hand book of statistics on Indian economy, 2012-13)

Note: Assets of NBFC sector include assets of all deposit-taking NBFCs and non-deposit taking NBFCs having asset size of ₹ 100 crore and above (NBFCs-ND-SI)

Small and medium enterprises (SMEs) are vital and of paramount importance to the development of any country, especially developing countries like India. They also play a pivotal role and can be considered to be the backbone of the national economy.

In India, SMEs have made a significant contribution to the economy:

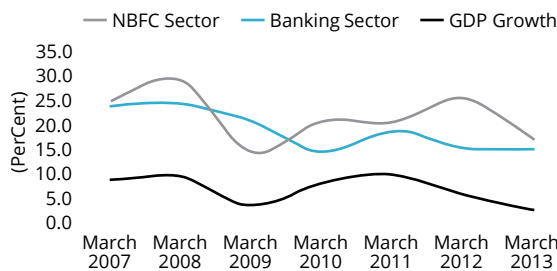
- Approximately 40% of the country's domestic production is from SMEs
- Almost 50% of India's total exports is from the sector
- 45% of India's industrial employment is linked to the SMEs
- 35-40% to the GDP and account for more than 90% of all industrial enterprises in India.

**Business Trends of the NBFC sector- An analysis**

**Balance sheet growth**

- The NBFC sector clocked phenomenal growth in the last ten years. The sector on an average, witnessed a compounded annual growth rate (CAGR) of 22% between March 2006 and March 2014, growing faster than the banking sector during this period.

**Balance Sheet Growth - NBFCs vis-vis Banks**

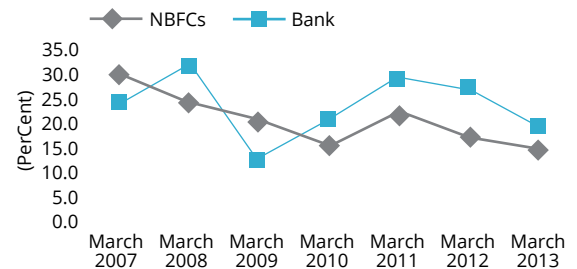


Source: Reports on Trend and Progress of Banking in India, 2007-2013 and Handbook of Statistics on Indian Economy, 2013-13

**Credit growth**

NBFC-credit grew rapidly compared to the banking sector, witnessing a CAGR of 24.3% during the period between March 2007 and March 2013, as against 21.4% by the banking sector.

**Growth in Credit - NBFCs vis-vis Banks**

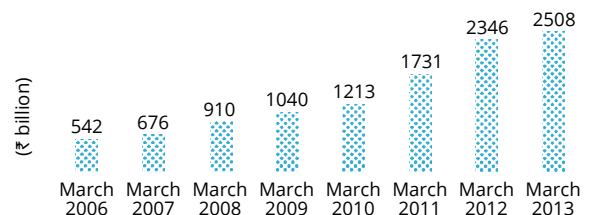


Source: Reports on Trend and Progress of Banking in India, 2007-2013

**Inter-connections with the banking sector**

- Borrowings from banks are one of the major sources of funding for the NBFCs. These borrowings increased manifold to ₹ 542 billion as on 31st March, 2006 to ₹ 2,508 billion in 31st March, 2013 (an increase of more than fourtimes).

**Trends in Bank Borrowings by the NBFCs**



Source: Source: Reports on Trend and Banking in India, 2006-2013

**Company Overview**

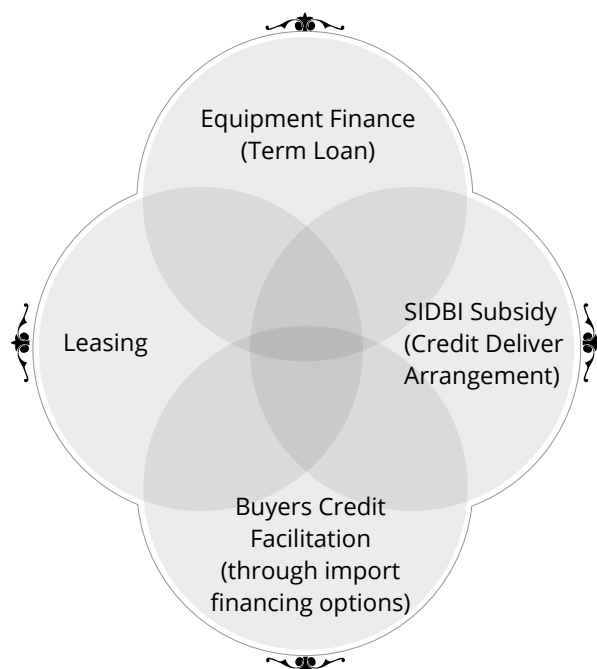
Intec Capital Limited, one of the leading non-banking financial institutions in India. The Company finances small and medium enterprises spread across the country. Intec believes in having a sound business model that focuses on building and nurturing long-term relationships with their stakeholders that include machinery manufacturers and customers to promote sustainable growth.

Today, Intec has an unprecedented proficiency in providing loans to SMEs for acquisition of machinery with a focus on growing sectors of the economy. With an experience of almost two decades, Intec has

been acknowledged for offering unconventional and customer-friendly financial solutions across the SME sector.

The Company has expanded to meet the financial requirements of SMEs across the country.

### Our offering- In a nutshell



### Intec in FY 2013-14

Intec Capital began its journey in 1994 and has been steadily growing with a CAGR of more than 38.68% in the industry with a clear focus on the SME segment. Intec Capital Limited has a wide geographic reach, and covers more than 155 SME clusters.

### Revenue growth

	(₹ lacs)		
Year	2012-13	2013-14	y-o-y
Amount	11,960	15,566	30.15 %

### PAT growth

	(₹ lacs)		
Year	2012-13	2013-14	y-o-y
Amount	1,314	1,816	38 %

### A brief financial analysis

Intec Capital performed well despite challenging market conditions, interest rate fluctuations, market volatility and stringent RBI norms. The Company's performance is enumerated below:

- Earnings per share (EPS) stood at ₹ 12.47 against ₹ 10.16 in 2012-13.
- Profit after tax increased from ₹ 1,816 lacs in 2013-14 against ₹ 1,312 lacs in 2012-13
- The Company's total disbursement stood at ₹ 56,101 lacs (including ₹ 1,478 lacs of disbursement made under CDA scheme) in 2013-14 compared to ₹ 61,545 lacs in 2012-13 due to the cautionary approach followed by the company to preserve the asset quality.

### Outlook

The Company is all geared up to take up the next step by:

- Adopting faster means to expand and improve business operations through faster documentation process, catering newer sectors.
- Establish a presence across several parts of India
- Develop new and customised products meeting diverse customer needs.
- Integrate operations with technology to enhance the overall efficiency levels.

### Principal risks and uncertainties

Risk is an inherent part of doing business. A successful risk management process balances risks and rewards and relies on sound judgement of their impact and likelihood. We have the overall responsibility of ensuring that an effective risk management framework is aligned to our objectives.

The senior management team, audit committee and the Board review risks, which could affect the Company throughout the year. They are reviewed by our internal auditors on a regular basis to ensure that the framework is in line with good practice in risk management and that identified mitigation plans are being adhered to.

<b>Risk</b>	<b>Mitigation</b>
Market Risk	<p>Market risk is mitigated through our lead indicators, which are tracked closely throughout the year and based on the movement of these indicators; portfolio level-corrective steps are undertaken.</p> <p>A regular portfolio review and a market review process have also been formulated and implemented through the Risk Management Committee (RMC).</p> <p>The Risk Management Committee (RMC) meets at regular intervals to assess evolving and changing market risks and monitor portfolio performance and decides on corrective steps</p>
Foreign Exchange Risk	Foreign exchange risk is mitigated by passing on the gain or loss in the transaction to the customers, which is a part of the agreement.
Operational Risk	Better process standardisation and documentation is developed. Employees have more clarity in following processes and guidelines through a web-based interactive system and also on the internal audit process, which covers both on-site and off-site audit of branches and departments. We have adopted new technologies which help integrate the wide branch operations seamlessly.
Liquidity Risk	At Intec we manage liquidity risk by planning and implementing a funding plan to mitigate this risk. We have ensured maximum asset compliance with priority sector lending norms. Added to this is the fact that the bankers to the Company also increased limit substantially during the year. To manage liquidity risk we maintain substantial levels of unutilised limits.

## Rating

Intec enhanced its rating from CARE from BBB to BBB+ and maintained its rating from ICRA at BBB for enhanced credit facilities despite a weak economic scenario.

## Internal control processes and systems

To assess the potentiality of its internal control system, Intec has implemented robust audit and control mechanisms. To ensure that all assets are safeguarded, transactions are authorised, recorded and reported properly and all applicable statutes and corporate policies are duly complied with, the Company's audit processes are aware of the nature of its operations. The Company's internal auditors are responsible for evaluating the adequacy and efficacy of internal controls. They work closely with the Audit Committee by discussing critical audit observations for its effective monitoring.

## Human resources

At Intec, most managers work towards the same goal and are aware of the Company's documented business plan. There is a perfect collaboration

among employees across regions and divisions, leading to a lively exchange of information and experience.

Intec has a professional team of 301 employees. Of the total manpower, 57% of team members comprise of professionals like Chartered Accountants, Company Secretaries, Post Graduates and 43% comprises of Graduates. The Company hires quality manpower and continually invests in training (functional and behavioural) by conducting on-the-job as well as off-the-job training programmes imparted by professionals. In 2013-14 the Company empowered employees to ensure the achievement of organisational goals as well as personal objectives. With a special focus on people, we were able to attract, develop and retain the right people for the sustainability of our business.

## 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 does 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](http://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, 2014.

For Intec Capital Limited

Date: 7th August, 2014

Place: New Delhi

**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 Sir,

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 policies during the year;
  - (iii) no instances of fraud in the company has come to our knowledge.

For Intec Capital Limited

Date: 7th August, 2014  
Place: New Delhi

**Sanjeev Goel**      **Sudhindra Sharma**  
*Managing Director*    *Head - Finance & Accounts*

# CORPORATE GOVERNANCE REPORT

Corporate governance is a reflection of our policies, culture and relationship with shareholders, employees, customers, suppliers and diverse stakeholders.

The Company has set in the best of corporate governance practices in its day-to-day operations aimed at building trust with all stakeholders.

At Intec Capital Limited, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on values of Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, Citizenship and Courage.

## Mandatory Requirements

### 1. Board of Directors

#### a) Composition of the Board

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that atleast 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on 31st March, 2014, Company's Board of Directors comprises of Nine Directors out of which Six are Non-Executive Independent Director, Two are Nominee Director and the remaining One is acting in the capacity of Managing Director. The meetings of Board of Directors are normally presided over by the Managing Director who is also the Promoter of the Company.

As mandated under existing clause 49 of the Listing Agreement, the Independent Directors on the board of the Company:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director;
- Are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board;
- Have not been executive(s) of the Company in the immediately preceding three financial years;
- Are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years, of any of the following:
  - Statutory audit firm or the internal audit firm that is associated with the Company
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.

- Are not material supplier(s), service provider(s) or customer(s) or lessor(s) or lessee(s) of the Company, which may affect independence of the Director;
- Are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares;
- Are not less than 21 years of age.

None of the Directors of the Company are related to each other.

**b) Directors' Attendance Record and Details of Directorships/Committee Positions held:**

10th May, 2013	24th July, 2013	06th August, 2013	13th August, 2013
25th September, 2013	07th November, 2013	07th January, 2014	07th February, 2014

As mandated by Clause 49 of the Listing Agreement, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such Companies in which he is a Director.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 25th September, 2013 with particulars of their Directorships and Chairman/Membership of Board Committees of the companies showing the position as on 31st March, 2014 are given below:

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Whether last AGM attended	No. of outside Directorship held as on 31.03.2014 <sup>1</sup>	No. of Committee position held in other public companies as on 31.03.2014 <sup>2</sup>		No. of Shares held in the company
					Chairman	Member	
Mr. Sanjeev Goel	Promoter & Managing Director	8	Yes	2	Nil	Nil	544,464
Mr. S. K. Goel	Independent Non-Executive Director	8	Yes	Nil	Nil	Nil	Nil
<sup>4</sup> Mr. Subhash Jindal	Independent Non-Executive Director	4	No	Nil	Nil	Nil	Nil
Mr. Robindra Gupta	Independent Non-Executive Director	8	Yes	Nil	Nil	Nil	Nil
Mr. Rakesh Kumar Joshi	Independent Non-Executive Director	8	Yes	Nil	Nil	Nil	Nil
Mr. Praveen Sethia	Independent Non-Executive Director	5	Yes	Nil	Nil	Nil	Nil
Mr. Y. L. Madan	Independent Non-Executive Director	6	Yes	2	1	Nil	Nil
<sup>3</sup> Mr. Prakash Dhoot	Nominee Director	4	No	Nil	Nil	Nil	Nil
Mr. Vishal Kumar Gupta	Nominee Director	6	Yes	3	Nil	Nil	Nil

1. The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Intec Capital Limited) have been considered.
3. Mr. Prakash Dhoot has resigned from the directorship of Intec capital Limited on 06/03/2014.
4. Mr. Subhash Jindal has resigned from the directorship of Intec Capital Limited on 27/05/2014. Further Mr. Dhruv Prakash has joined the Board of Intec Capital Limited on 28/05/2014.

The information as required under Clause 49 of the Listing Agreement is being made available to the Board.

As is evident, the maximum time gap between any two meetings was not more than four months.

**c) Code of Conduct**

- (i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - [www.inteccapital.com](http://www.inteccapital.com).
- (ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2014. The Annual Report of the Company contains a Certificate by the Managing Director Clause 49 of the listing agreement. The declarations affirming compliance to the Code from Directors and Senior Management helps maintain a high standard of ethical business conduct for the Company. In terms of Code of Conduct, Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its members and stakeholders. Further Directors and Senior Management should ensure that they do not derive any undue personal benefit because of their position in the Company and/ or certain confidential information coming into their knowledge.

**2. Board Committees**

Details of the Board Committees and other related information are provided hereunder:

**Audit Committee:**

1. **Mr. Praveen Sethia**  
Independent Director  
Chairman of the Committee

2. **Mr. Rakesh Kumar Joshi**  
Independent Director
3. **Mr. Sanjeev Goel**  
Promoter Director
4. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director

**Shareholders/Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee:**

1. **Mr. S.K Goel**  
Independent Director  
Chairman of the Committee
2. **Mr. Sanjeev Goel**  
Promoter Director
3. **Mr. Rakesh Kumar Joshi**  
Independent Director
4. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director

**Nomination and Remuneration Committee:**

1. **Mr. Praveen Sethia**  
Independent Director  
Chairman of the Committee
2. **Mr. Sanjeev Goel**  
Promoter Director
3. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director
4. **Mr. Rakesh Kumar Joshi**  
Independent Director
5. **Mr. Y.L. Madan**  
Independent Director

**Independent Directors Committee:**

1. **Mr. Praveen Sethia**  
Independent Director  
Chairman of Committee
2. **Mr. Rakesh Kumar Joshi**  
Independent Director
3. **Mr. Y. L Madan**  
Independent Director

**Operation Review Committee:**

1. **Mr. Sanjeev Goel**  
Promoter Director
2. **Mr. Rakesh Kumar Joshi**  
Independent Director
3. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director

**Corporate Social Responsibility Committee:**

1. **Mr. Sanjeev Goel**  
Promoter Director  
Chairman of the Committee
2. **Mr. Y. L Madan**  
Independent Director
3. **Mr. Rakesh Kumar Joshi**  
Independent Director
4. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director

**Asset Liability Management Committee (ALCO):**

1. **Mr. Sanjeev Goel**  
Promoter Director  
Chairman of the Committee
2. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director
3. **Mr. Y.L. Madan**  
Independent Director

4. **Mr. Virender Kataria**  
Executive Member
5. **Mr. Sudhindra Sharma**  
Executive Member
6. **Mr. Piyush Moona**  
Executive Member
7. **Ms. Pooja Sondhi**  
Executive Member
8. **Mr. Vikas Garg**  
Executive Member

**Risk Management Committee:**

1. **Mr. Sanjeev Goel**  
Promoter Director  
Chairman of the Committee
2. **Mr. Praveen Sethia**  
Independent Director
3. **Mr. Jagjit Singh\*\***  
Executive Member
4. **Mr. Vikas Garg**  
Executive Member
5. **Mr. Sudhindra Sharma**  
Executive Member
6. **Mr. Vishal Kumar Gupta**  
Investor Nominee Director
7. **Mr. Y.L. Madan**  
Independent Director

\*\*Mr. Jagjit Singh is no more associated with the company.

**Meetings of Board Committees held during the year and Directors' attendance:**

Board committee	Audit Committee	Shareholders/ Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee <sup>1</sup>	Nomination and Remuneration Committee <sup>2</sup>	Independent Directors Committee	Operation Review Committee	Asset Liability Management Committee	Risk Management Committee
Meetings Held	4	11	1	1		12	4
Directors Attendance							
Mr. Sanjeev Goel	3	11	1	NA		12	4
Mr. Y.L Madan	NA	NA	1	1		9	1
Mr. Praveen Sethia	4	NA	1	1		1	4
Mr. S.K Goel	1*	11	NA	NA		NA	NA
Mr. Robindra Gupta	NA	9	NA	NA		NA	NA
Mr. Rakesh Kumar Joshi	3	11	1	1		NA	NA
Mr. Vishal Kumar Gupta	3	Nil	1	NA		4	Nil
Mr. Prakash Dhoot#	NA	NA	NA	NA		NA	NA
Mr. Subhash Jindal#	NA	NA	NA	NA		NA	NA

NA - Not a member of the Committee

# No more associated with the company.

\* Remain as a member for only one meeting.

1. The committee prior to 07/02/2014 was known as 'Shareholders' / Investors' Grievance Committee'.

2. The committee prior to the Board meeting held on 07/02/2014 was of know as 'Remuneration Committee'.

No meeting of the Corporate Social Responsibility Committee was held during FY 2013-14 after its constitution on 07th February, 2014.

**1. Audit Committee****a) Composition of Audit Committee:**

During the Year 2013-14, 4 (four) Audit Committee Meeting were held dated 10th May, 2013, 06th August, 2013, 07th November, 2013 and 07th February, 2014. At the beginning of the first quarter of FY 2013-14, the Audit Committee was comprised of Mr. Praveen Sethia, Mr. S.K Goel and Mr. Rakesh Kumar Joshi. Further the Board of Directors in their Meeting held on 10th May, 2013 has reconstituted the composition of Audit Committee which comprises of the following members as on 31st March, 2014:

Mr. Praveen Sethia  
Independent Non-Executive Director  
(Chairman of committee)

Mr. Rakesh Kumar Joshi  
Independent Non-Executive Director

Mr. Sanjeev Goel  
Promoter Director

Mr. Vishal Kumar Gupta  
Investor Nominee Director

During the year 2013-14, the Company complies with Section 292A of the Companies Act, 1956 as well as requirements under the listing agreement pertaining to the Audit Committee. Further the Committee's composition also meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure. 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 attends and participates in the meetings of the Audit Committee.

**b) Term of Reference:****Powers of the Audit Committee:**

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**Role of the Audit Committee inter alia, includes the following:**

- The Audit Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitor the scope and quality of internal and statutory audits.
- The Committee acts as a link between the Management, External and Internal Auditors and the Board of Directors of the Company.
- Before submission to the Board for approval, the Committee reviews the quarterly/half yearly/annual financial

statements with reference to changes if any, in accounting policies and reasons for the same, major accounting entries involving estimates based on exercise of judgment by management, adjustments if any, arising out of audit findings, disclosure of related party transactions, compliance with listing and legal requirements relating to financial statements, qualifications, if any, in the draft Audit Report and above all adequacy of Internal Control Systems.

- The Committee holds discussion with external Auditors before the audit commences regarding the nature and scope of audit and post audit discussion to ascertain any area of concern.
- It also reviews the Company's financial and risk management policies especially enterprise level risks. The Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of Clause 49 of the Listing Agreement and provisions of Section 292A of the Companies Act, 1956.

**2. Shareholders/Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee:****a) Composition of Committee**

During the Year 2013-14, 11(Eleven) shareholders/investors' grievance committee cum share transfer committee meetings were held on the following dates:

1) 15.04.2013	2) 07.05.2013	3) 21.05.2013	4) 28.05.2013
5) 01.06.2013	6) 15.07.2013	7) 22.07.2013	8) 21.10.2013
9) 21.12.2013	10) 28.01.2014	11) 24.02.2014	

The committee comprises of the following members:

Mr. S. K Goel – Independent Non-Executive Director (Chairman of committee)

Mr. Sanjeev Goel – Promoter Director

Mr. Robindra Gupta – Independent Non-Executive Director

Mr. Rakesh Joshi – Independent Non-Executive Director

Further the Board of Directors on 07th January, 2014 has reconstituted the Committee which comprises of the following members:

Mr. S. K Goel – Independent Non-Executive Director (Chairman of committee)

Mr. Sanjeev Goel – Promoter Director

Mr. Vishal Kumar Gupta- Investor Nominee Director

Mr. Rakesh Joshi - Independent Non-Executive Director

The 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board on 07th February, 2014 consequent to the dissolution of the 'Shareholders'/Investors' Grievance Committee' (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

**b) Term of Reference:**

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents

- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable

**c) Name and Designation of the Compliance Officer**

Mr. Puneet Sehgal, Company Secretary, is the Compliance Officer and can be contacted at:

**Intec Capital Limited**

701, Manjusha, 57 Nehru Place

New Delhi- 110019

Tel : 91 11 46522200/300

Fax: 91 11 46522333

E-mail: [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com)

The Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges.

**d) Number of complaints received and redressed during the year 2013-14**

Opening Balance	Received during the year 2013-14	Resolved during the year 2013-14	Closing Balance
0	4	4	0

As required under Clause 47(c) of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

**e) Transfer of Unclaimed Dividend to IEPF**

Pursuant to provisions of Section 205C of the Companies Act, 1956, the unclaimed and unpaid dividend for the Year 2005-06 amounting to ₹ 1,44,480/- (Rupees One Lac Forty Four

Thousand Four Hundred Eighty) was transferred to Investor Education and protection fund during the Financial year 2013-14.

**f) Unclaimed Dividend**

The company has posted the details of the shareholders who have not claimed their dividend till date on Companies website [www.inteccapital.com](http://www.inteccapital.com) and reminders in this respect have also been sent to the Shareholders to enable them to claim the dividend before the amount is transferred to IEPF for the FY 2006-07.

**g) Go-Green initiative**

The Company has started taking initiative to send the Annual Report, dividend intimation, notice and postal ballot forms through electronic mode to those Shareholders who have registered their email Ids. Physical intimations are sent to those Shareholders whose email addresses were not available and for the bounced email cases.

**3. Nomination and Remuneration Committee (Formerly termed as Remuneration Committee)****a) Composition of Committee**

At the beginning of FY 2013-14, the committee consists of 3(Three) Directors i.e Mr. Praveen Sethia, Mr. S. K Goel and Mr. Robindra Gupta. Further the company vide its Board meeting dated 10th May, 2013 reconstituted the composition of the committee which comprises Mr. Prakash Dhoot, Mr. Sanjeev Goel, Mr. Praveen Sethia. Further in accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated 17th April, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors in its meeting held on 07th February, 2014 reconstituted and approved the change in nomenclature of the remuneration of the committee and has further revised their role.

The reconstituted Committee comprises of the following members:

- 1) Mr. Sanjeev Goel – Promoter Director
- 2) Mr. Praveen Sethia – Independent Non-Executive Director (Chairman of the committee)
- 3) Mr. Vishal Kumar Gupta – Investor Nominee Director
- 4) Mr. Rakesh Kumar Joshi – Independent Non-Executive Director
- 5) Mr. Y. L. Madan – Independent Non-Executive Director

During the Year 2013-14, only 1(One) Meeting was held on 07th February, 2014.

**b) Term of Reference**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- To perform such other functions as may be necessary or appropriate for the performance of its duties

**c) Remuneration policy**

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors, which are within the limits prescribed by the Central Government. The Company pays a sitting fee of ₹ 5,000 (Rupees Five thousand only) to each NED for every Board meeting or Board constituted Committee Meeting attended by such Director.

Mr. Sanjeev Goel, Managing Director of the company is paid remuneration pursuant to the approval of the Members, Board of Directors and Remuneration Committee of the Board. The salary, benefits and perquisites paid during the year 2013-14 were:

Name	Designation	Salary (₹)	Others (₹)	Total (₹)	Service Contract
Mr. Sanjeev Goel	Managing Director	12,366,000	1,669,440	14,035,440	5 Years (w.e.f. 01.04.10)

#### 4) Asset Liability Management Committee (ALCO)

##### a) Composition of Committee

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

At the beginning of the FY 2013-14, ALCO comprises of nine members as under:-

Mr. Sanjeev Goel	- Promoter Director
Mr. Y. L. Madan	- Independent Director
Mr. Jagjit Singh	- Executive Member
Mrs. Vandita Kaul	- Executive Member
Mr. Sudhindra Sharma	- Executive Member
Mrs. Pooja Sondhi	- Executive Member
Mr. Vikas Garg	- Executive Member
Mr. Piyush Moona	- Executive Member

Further the Board has reconstituted the composition of ALCO vide its meeting dated 10th May, 2013 which comprises of:

Mr. Vishal Kumar Gupta	- Investor Nominee Director
Mr. Sanjeev Goel	- Promoter Director
Mr. Y. L. Madan	- Independent Director
Mr. Jagjit Singh	- Executive Member
Mrs. Vandita Kaul	- Executive Member
Mr. Sudhindra Sharma	- Executive Member
Mrs. Pooja Sondhi	- Executive Member
Mr. Vikas Garg	- Executive Member
Mr. Piyush Moona	- Executive Member

The Company vide its Board meeting dated 07th February, 2014 again reconstituted the

composition of ALCO which Comprise of:

Mr. Vishal Kumar Gupta	- Investor Nominee Director
Mr. Sanjeev Goel	- Promoter Director
Mr. Y. L. Madan	- Independent Director
Mr. Virender Kataria	- Executive Member
Mr. Sudhindra Sharma	- Executive Member
Mrs. Pooja Sondhi	- Executive Member
Mr. Vikas Garg	- Executive Member
Mr. Piyush Moona	- Executive Member

Further the board also recommended that in the absence of Mr. Virender Kataria, Mr. Sudhir Menon shall attend the meeting.

During the year 2013-14, Twelve (12) committee Meetings held which are as under:-

1) 2nd May, 2013	2) 29th May, 2013	3) 21st Jun, 2013	4) 16th Jul, 2013
5) 22nd Aug, 2013	6) 30th Sep, 2013	7) 29th Oct, 2013	8) 25th Nov, 2013
9) 18th Dec, 2013	10) 27th Jan, 2014	11) 19th Feb, 2014	12) 19th Mar, 2014

##### b) Term of Reference

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.

## 5) Treasury Committee

### a) Composition of Committee

During the year FY 2013-14 the treasury Committee was comprised of the following members:

Mr. Sanjeev Goel	- Promoter Director Chairman of the Committee
Mr. Praveen Sethia	- Independent Director
Mr. Robindra Gupta	- Independent Director
Mr. S. K. Goel	- Independent Director

Further on 07th February, 2014, the Board of Directors reconstituted the committee and declares it as a Non Board level committee and renamed it as Treasury Executive Committee. The Composition as on 31st March, 2014:

Mr. Sanjeev Goel	- Promoter Director Chairman of the Committee
Mr. Sudhindra Sharma	- Executive Member
Mr. Piyush Moona	- Executive Member

During the period under review, 2(two) Treasury committee meeting held on 15.02.2014 and 24.03.2014.

### b) Term of Reference

The objective of the Committee is to assist 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.

## 6. Risk Management Committee

### a) Composition of Committee

The Risk committee was comprised of Mr. Sanjeev Goel, Mr. Praveen Sethia, Mr. Jagjit Singh and Mr. Vikas Garg. Further on 07th February, 2014 the Board of directors reconstituted the

composition of the committee which comprises of the following as on 31st march, 2014:

Mr. Sanjeev Goel	- Promoter Director
Mr. Y.L Madan	- Independent Director
Mr. Praveen Sethia	- Independent Director
Mr. Vishal Kumar Gupta	- Independent Director
Mr. Sudhindra Sharma	- Executive Member
Mr. Vikas Garg	- Executive Member

During the year, 4(Four) Committee meeting held on 10th June, 2013, 6th August, 2013, 21st October, 2013 and 10th March, 2014.

### b) Term of Reference

The specific responsibilities of the Committee are:

- 1) Formulation of policies, procedures and practices to identify, evaluate, address and monitor risk.
- 2) Ensure business growth plans are supported by effective risk infrastructure.
- 3) Risk practices and conditions adopted are appropriate for the business environment.
- 4) Formal sub-committee of the Board of organization.
- 5) Assist Board in discharge of its duties & responsibilities in this regard.

## 7. Independent Directors Committee:

### a) Composition of Committee

During the year 2013-14, the Board of directors constituted Independent Directors committee on 25th September, 2013 which comprises of:

Mr. Praveen Sethia	- Independent Director (Chairman of the committee)
Mr. Rakesh Kumar Joshi	- Independent Director
Mr. Y.L. Madan	- Independent Director

During the period under review 2013-14, 1(one) meeting held on 25th September, 2013.

**b) Term of Reference**

The committee was formed in pursuant to open offer triggered by Acquirers of the Intec Capital Limited and in terms of Regulation 26(6) read with regulation 26(7) of SEBI, SAST, 2011 as amended upto date and the objective was to give written reasoned recommendations on open offer to the shareholders of Intec Capital Limited.

**8. Operation Review Committee****a) Composition of Committee**

During the year 2013-14, the Board of directors constituted operation review committee on 07th January, 2014, which comprises of:

Mr. Sanjeev Goel	- Promoter Director
Mr. Rakesh Kumar Joshi	- Independent Director
Mr. Vishal Kumar Gupta	- Independent Director

**b) Term of Reference**

The committee was constituted in terms of shareholders agreement entered by the company. The objective of the committee was to review the monthly performance of the business.

**9. Corporate Social Responsibility and Governance Committee****a) Composition of Committee**

The Board of Directors on their meeting held on 07th February, 2014, constituted the committee

which comprises of the following members:

Mr. Sanjeev Goel	- Promoter Director (Chairman of the Committee)
Mr. Y. L. Madan	- Independent Director
Mr. Rakesh Kumar Joshi	- Independent Director
Mr. Vishal Kumar Gupta	- Investor Nominee Director

**b) Term of Reference**

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 07th February, 2014, have approved the constitution of the CSR Committee and the role of the committee defined as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.

**3) General Body Meetings****a) Details of location and time of holding the last three AGM:**

Financial Year	Venue	Date	Time	Special Resolution passed
2012-2013	B.C. Pal Memorial Auditorium, A-81, Chitranjan Park, New Delhi-110019	25th September, 2013	4.00 p.m	Yes
2011-2012	B.C. Pal Memorial Auditorium, A-81, Chitranjan Park, New Delhi-110019	20th September, 2012	10.00 a.m	Yes
2010-2011	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110 003	14th September, 2011	10.00 a.m	Yes

The Chairman of the Audit Committee was present at all the above AGMs.

**b) Passing of Resolution by Postal Ballot:**

In connection with the alterations made in the Article of Association during the FY 2013-14, Company has passed special resolution through postal ballot on 02nd of May, 2013 and further on for Allotment of Equity shares on Preferential allotment basis the Company has passed special resolution on 07th November, 2013.

Mr. Ujjwal Sharma & Co., Practicing Company Secretary was appointed as scrutinizer for postal ballot process.

**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 2013-14 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).

- **Details of non-compliance by the Company, penalties and strictures imposed on 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.

- **Means of Communication**

The Company has timely disclosed the corporate financial performance such as Quarterly/ Half Yearly/ Annual Results in the newspapers as well 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), and 'Jansatta' (Hindi). The Financial Results are also uploaded on Company's website i.e. [www.inteccapital.com](http://www.inteccapital.com).

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

a) **General Shareholder Information**

**Company Registration Detail**

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899DL1994PLC057410.

i. **20th Annual General Meeting**

Date : Wednesday the 24th September, 2014  
 Time : 11:00 AM  
 Venue : B. C. Pal Memorial, A-81, Chittranjan Park, New Delhi-110 019  
 Financial Year : 01st April, 2013 to 31st March, 2014

ii. **Date of Book Closure**

The Register of Members & Share Transfer Books of the Company will remain closed from 23rd September, 2014 to 24th September, 2014 (both days inclusive) for the purpose of 20th Annual General Meeting (AGM) of the Company to be held on Wednesday the 24th September, 2014.

**iii. Dividend Payment Date**

The Company shall declare Final dividend on its 20th Annual General Meeting to be held 24th September, 2014 subject to shareholders approval and will be disbursing the same on 01st October, 2014, in case approval is obtained.

**iv. Listing on Stock Exchanges**

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

<b>Name of the Stock Exchanges</b>	<b>Address of the Stock Exchange</b>	<b>Stock Code</b>
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	526871
Delhi Stock Exchange Limited	DSE House,3/1, Asaf Ali Road, New Delhi -110 002	109199

The Annual Listing fees for the Year 2014-15 have been paid to the Delhi Stock Exchange Limited and BSE Limited.

**v. Payment of Depository Fees**

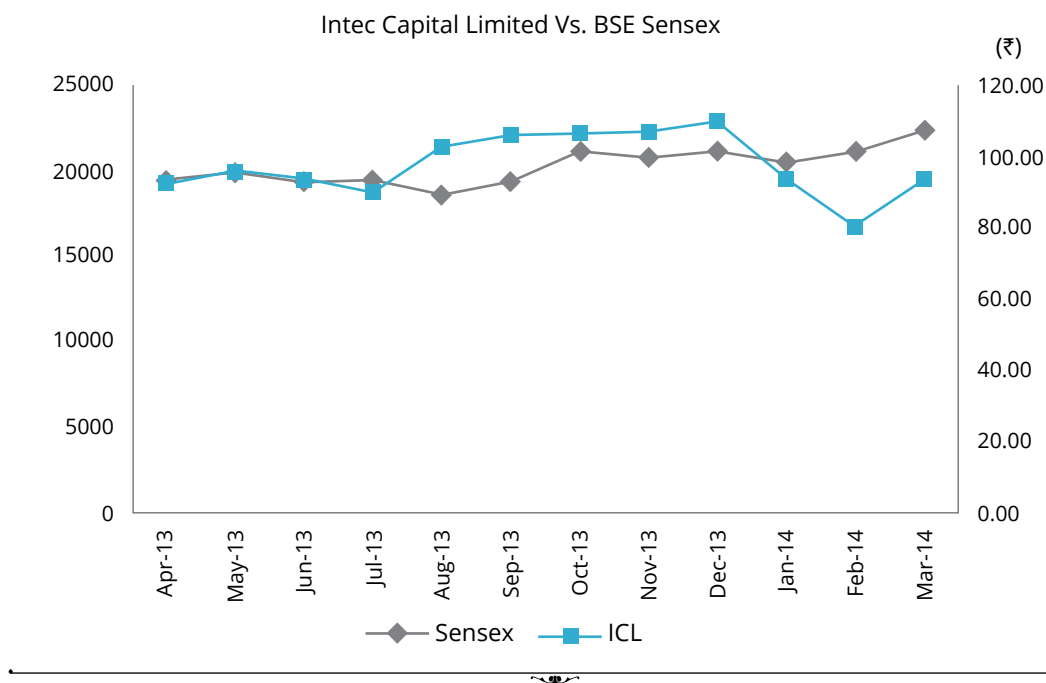
The Annual Custody/Issuer fee for the year 2014-15 has been be paid by the Company to NSDL and CDSL.

**vi. Market Price Data**

High/Low market price of the Equity shares of face value of ₹ 10/- each of the Company traded on Bombay Stock Exchange Limited with comparative indices during the period 01st April, 2013 to 31st March, 2014 is furnished below:

<b>Month</b>	<b>Intec Capital Limited</b>		<b>BSE Sensex</b>	
	<b>High Price (₹)</b>	<b>Low Price (₹)</b>	<b>High Price</b>	<b>Low Price</b>
April - 2013	94.90	72.00	19622.68	18144.22
May - 2013	96.00	77.25	20443.62	19568.49
June - 2013	100.00	89.05	19860.19	18467.16
July - 2013	96.10	62.60	20351.06	19126.82
August - 2013	103.00	90.00	19569.20	17448.71
September - 2013	107.10	103.00	20739.69	18166.17
October - 2013	107.00	105.00	21205.44	19583.97
November - 2013	106.90	95.15	21321.53	20137.67
December - 2013	115.00	101.05	21483.74	20568.70
January - 2014	111.00	80.05	21409.66	20343.78
February - 2014	105.00	70.30	21140.51	19963.12
March - 2014	119.00	81.00	22467.21	20940.39

## vii. Performance of closing share price of the Company in comparison to BSE Sensex:



## ix. 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-110 019  
Phone: 91-11-29961281(6 Lines)  
Fax: 91-11-29961284  
E-mail: beetalrta@gmail.com

## x. Share Transfer System

Share transfers are processed and share certificates duly endorsed are returned within a period of seven days from the

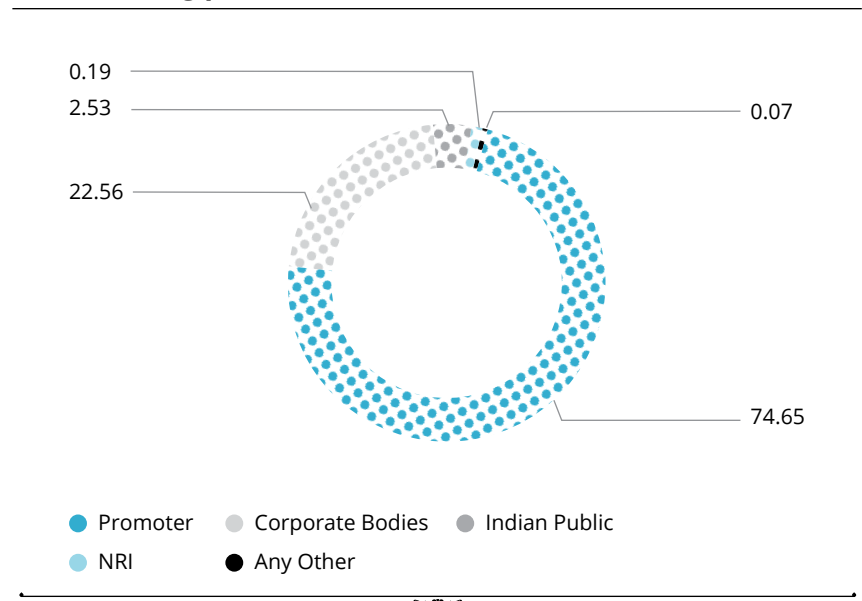
date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/Company Secretary is placed at every Board meeting / Stakeholders Relationship Committee (earlier Shareholders'/Investors' Grievance Committee). The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

## Distribution of Shareholding and Shareholding pattern as on 31st March, 2014

S. N.	Category	No. of Shares held	Percentage of Share holding
A.	Promoters' Shareholding:		
1.	Promoters		
a.	Indian Promoters	10,064,522	54.80
b.	Foreign Promoters	3,646,142	19.85
	<b>Sub-Total</b>	<b>13,710,664</b>	<b>74.65</b>
B.	Non- Promoters Holding:		
1.	Institutional Investors		
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)		
c.	FII's		
	<b>Sub-Total</b>	<b>Nil</b>	<b>Nil</b>
C.	2. Others:		
a.	Corporate Bodies	4,142,617	22.56
b.	Indian Public	477,299	2.60
c.	NRIs/OCBs	35,670	0.19
	<b>Sub-Total</b>	<b>4,655,586</b>	<b>25.35</b>
	<b>Grand Total</b>	<b>18,366,250</b>	<b>100.00</b>

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

### Shareholding pattern as on 31st March 2014 (%)



## xii. Distribution of Shareholding as on 31st March, 2014

Shareholding of Nominal Value	Shareholders		Paid-up Value	
	Number	% to total	Amount In ₹	% to total
Upto - 5,000	1,057	79.89	1,991,370.00	1.0843
5,001 - 10,000	143	10.81	1,051,620.00	0.5726
10,001 - 20,000	69	5.22	920,930.00	0.5014
20,001 - 30,000	11	0.83	280,550.00	0.1528
30,001 - 40,000	5	0.38	177,990.00	0.0969
40,001 - 50,000	4	0.30	186,760.00	0.1017
50,001 - 100,000	6	0.45	465,510.00	0.2535
100,001 & Above	28	2.12	178,587,770.00	97.2369
<b>Total</b>	<b>1,323</b>	<b>100.00</b>	<b>183,662,500</b>	<b>100.00</b>

## Dematerialization of Shares

309,607 (1.69%) and 12,891,682 (70.19%) 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, 2014 and 5,164,961 (28.12%) Equity Shares are held in Physical form, out of 18,366,250 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.

## 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, 2014.

## xiii. Plant Locations

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

## xiv. Address for Correspondence

Mr. Puneet Sehgal  
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

## xv. Adoption of Mandatory and Non-Mandatory Requirements of Clause 49

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

## xvi. Remuneration Committee

The Company has, Nomination and Remuneration Committee' meeting the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

**xvii. Training of Board Members**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

**xviii. Whistle Blower policy**

The Company in its Board Meeting held on 07th August, 2014 has adopted whistle blower/Vigil Mechanism in terms of Section 177(9) of the Companies Act, 2013 and

other applicable provisions as amended from time to time read with clause 49(II) (F) of the revised Listing Agreement as enforced by the SEBI and Stock Exchanges

The Company promotes ethical behavior in all its business activities and the same would be uploaded on the website of the Company on or before 30th September, 2014.

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as maybe notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

For Intec Capital Limited

Date: 7th August, 2014

Place: New Delhi

**Sanjeev Goel**

*Managing Director*

**E-Voting Facility to Members**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote through e-Voting Services provided by Central Depositories Services Limited (CDSL).

Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN of the Company: L74899DL1994PLC057410

Nominal Capital: 500,000,000/-

To  
The Members  
**Intec Capital Limited**  
701, Manjusha,  
57, Nehru Place,  
New Delhi – 110019

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, 2014. 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 record produced explanations and information furnished. We certify that the Company has complied with the conditions, provisions of the Clause 49 of the Listing Agreement.

For Krishna Kumar Sharma & Co.  
*(Company Secretaries)*

**(CS Krishna Kumar Sharma)**

*Proprietor*

CP NO.7747

Place: New Delhi

Date: 06/08/2013

# 3

CHAPTER

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## FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

To the Members of

## INTEC CAPITAL LIMITED

### Report on the financial statements

We have audited the accompanying financial statements of Intec Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, 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 appears from our examination of those books;
  - (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act to the extent applicable; and
  - (v) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration Number: 116231W

**Manish Gupta**

*Partner*

Place: Gurgaon

Date: 28 May 2014

Membership No: 095037

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. covered in the register maintained under Section 301 of the Act.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in three years. Accordingly, as informed to us, the Company had carried out a physical verification of all its fixed assets during the previous year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- ii. The Company is a financing company. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
- iii. (a) During the current and previous year, the Company has granted unsecured loans aggregating to ₹ 1,053 lacs to a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year and the year-end balance (including interest accrued) for such unsecured loans amounts to ₹ 1,154 lacs. As informed to us, the Company has not granted any other loan, secured or unsecured, to other companies, firms or parties covered in the register maintained under Section 301 of the Act.
- (b) According to the information and explanations given to us, including that the loan has been given by the Company to its wholly owned subsidiary, we are of the opinion that the rate of interest and other terms and conditions of the loan, are prima facie, not prejudicial to the interest of the Company.
- (c) The above mentioned loans are repayable (including interest) after a period of five years from the dates of disbursement. Hence, no amounts have become due as at the year end. Thus, paragraph 4(iii)(d) of the Order is not applicable.
- (d) The Company has not taken any loans, secured or unsecured, from companies, firms or parties
- 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 during the year. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any material weakness in the internal control system during the course of the audit.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of an arrangement referred to in para (v)(a) above and exceeding the value of ₹ 5 lacs pertains to services obtained by the Company, which are for the Company's specialized requirements for which suitable alternative market prices are not available. However, on the basis of information and explanations provided, the same appear to be reasonable.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Act for any of the services rendered by the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service-tax and other material statutory have generally been regularly deposited with the appropriate authorities. As explained to us, the

Company did not have any dues on account of Sales tax, Wealth tax, Investor Education and Protection Fund, Customs duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable, other than dues for Service tax amounting to ₹ 11 lacs. As explained to us, this amount was accrued by the Company only at year end, not envisaged earlier considering the nature of income, and paid off subsequent to year end (along with applicable interest).

- (b) According to the information and explanations given to us, there are no dues of Income-tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Customs duty and Excise duty.
- x. The Company does not have any accumulated losses at the end of the financial year end and has not incurred cash losses in the current and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institution. The Company did not have any outstanding dues to any debenture holders.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanation given to us, 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 on an overall examination of the Balance Sheet of the Company as at 31 March 2014, we are of the opinion that funds raised on short-term basis have not been used for long term investment purposes.
- xviii. The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under Section 301 of the Act.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration Number: 116231W

**Manish Gupta**

*Partner*

Place: Gurgaon

Date: 28 May 2014

Membership No: 095037

# BALANCE SHEET

as at 31st March, 2014

Particulars	Note No.	(₹ in lacs)	
		As at 31st March, 2014	As at 31st March, 2013
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,836.63	2,219.98
Reserves and surplus	2.2	13,863.39	10,264.55
		<b>15,700.02</b>	<b>12,484.53</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	19,272.09	14,990.62
Deferred tax liabilities (net)	2.29	-	45.18
Other long-term liabilities	2.4	3,193.74	2,451.51
Long-term provisions	2.5	1,937.97	274.14
		<b>24,403.80</b>	<b>17,761.45</b>
<b>Current liabilities</b>			
Short-term borrowings	2.6	22,282.91	23,744.66
Trade payables	2.7	100.08	88.03
Other current liabilities	2.8	10,663.17	7,355.33
Short-term provisions	2.9	1,137.58	643.66
		<b>34,183.74</b>	<b>31,831.68</b>
<b>Total</b>		<b>74,287.56</b>	<b>62,077.66</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	2.10		
- Tangible		190.00	185.29
- Intangible		63.48	312.89
Non-current Investments	2.11	34.14	34.14
Deferred tax assets (net)	2.29	792.27	-
Long-term loans and advances	2.12	37,306.99	32,194.25
Other non-current assets	2.13	971.36	1,143.63
		<b>39,358.24</b>	<b>33,870.20</b>
<b>Current assets</b>			
Cash and bank balances	2.14	3,688.53	2,485.20
Short-term loans and advances	2.15	30,387.29	25,613.29
Other current assets	2.16	853.50	108.97
		<b>34,929.32</b>	<b>28,207.46</b>
<b>Total</b>		<b>74,287.56</b>	<b>62,077.66</b>
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of Intec Capital Limited**

**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2014

Particulars	Note No.	(₹ in lacs)	
		For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Revenue</b>			
Revenue from operations	2.17	15,510.55	11,928.27
Other income	2.18	55.14	32.21
<b>Total revenue</b>		<b>15,565.69</b>	<b>11,960.48</b>
<b>Expenses</b>			
Employee benefits expense	2.19	1,750.39	1,360.73
Finance costs	2.20	7,812.59	7,308.70
Depreciation and amortisation	2.10	59.88	31.09
Other expenses	2.21	3,285.01	1,253.34
<b>Total expenses</b>		<b>12,907.87</b>	<b>9,953.86</b>
<b>Profit before tax</b>		<b>2,657.82</b>	<b>2,006.62</b>
<b>Tax expense</b>			
- Current tax		1,613.27	666.26
- Deferred tax (credit)/ charge (refer note 2.35)		(837.45)	28.09
- Current tax for earlier years		65.54	-
		<b>841.36</b>	<b>694.35</b>
<b>Profit for the year</b>		<b>1,816.46</b>	<b>1,312.27</b>
<b>Earning per equity share (par value of ₹ 10 per share)</b>			
- Basic	2.22	12.47	10.16
- Diluted	2.22	10.70	10.07
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of  
Intec Capital Limited**

**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# CASH FLOW STATEMENT

for the year ended 31st March, 2014

Particulars	(₹ in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>2,657.82</b>	<b>2,006.62</b>
Adjustments for:		
Depreciation and amortisation	59.88	31.09
Provision no longer required written back	(708.49)	(8.10)
Provision for sub-standard and doubtful assets	1,556.37	68.60
Recovery from sub-standard and doubtful assets	-	(2.25)
Provision for standard assets	263.11	60.65
Loss on sale of fixed assets (net)/ assets discarded	1.09	6.69
Bad and doubtful debts written off	17.55	1.04
<b>Operating profit before working capital changes</b>	<b>3,847.33</b>	<b>2,164.34</b>
<b>Movement in working capital:</b>		
Increase in loans and advances	(9,190.48)	(17,628.66)
Increase in current and non current assets	(572.26)	(187.68)
Increase in trade payables, current and non current liabilities	1,238.91	121.12
Decrease/(Increase) in other bank balances	(125.28)	317.97
Increase in short-term and long-term provisions	15.02	5.80
Cash from operations	(4,786.76)	(15,207.11)
Taxes paid	(1,394.63)	(505.29)
<b>Net cash from operating activities (A)</b>	<b>(6,181.39)</b>	<b>(15,712.40)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(68.85)	(64.93)
Proceeds from sale of fixed assets	0.73	1.02
Fixed deposits (free from lien)	(3.74)	(46.06)
<b>Net cash from investing activities(B)</b>	<b>(71.86)</b>	<b>(109.97)</b>

(₹ in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Cash flow from/ (used in) financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	1,770.92	4,329.08
Dividend paid (including tax thereon)	(86.25)	(74.34)
Proceeds from commercial papers issued by banks	3,500.00	-
Repayment of commercial papers	(2,500.00)	-
Net repayment of cash credits account	(2,461.75)	6,792.91
Net proceeds from secured loans	7,904.56	1,455.15
Net repayment of unsecured loans	(799.92)	3,034.15
<b>Net cash from/ (used in) financing activities (C)</b>	<b>7,327.56</b>	<b>15,536.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,074.31</b>	<b>(285.42)</b>
Cash and cash equivalents at the beginning of the year	755.40	1,040.82
<b>Cash and cash equivalents at the end of the year</b>	<b>1,829.71</b>	<b>755.40</b>
a. The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements', notified by the Companies (Accounting Standards) Rules, 2006, issued by the Central Government.		
b. The notes referred to above form an integral part of the financial statements		
<b>Cash and cash equivalents at the end of the year (refer note 2.14)</b>	<b>1,829.71</b>	<b>755.40</b>
Add:-		
Other bank balances (refer note 2.14)	2,567.18	2,719.67
<b>Total cash and bank balances (including long term deposit)</b>	<b>4,396.89</b>	<b>3,475.07</b>
Less:		
Deposits with banks (maturity over 12 months)	(708.36)	(989.87)
<b>Cash and bank balances at the end of the year</b>	<b>3,688.53</b>	<b>2,485.20</b>

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of  
Intec Capital Limited**

**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# NOTES

to financial statements for the year ended 31st March, 2014

## Note : 1 Background

Intec Capital Limited ('the Company') incorporated in India on 15th February, 1994, is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. B-14.00731 dated 4th May, 1998 in the name of Intec Securities Limited. Subsequently, due to change in name of the Company, the Company received a revised Certificate of Registration ('CoR') in the name of Intec Capital Limited on 4th November, 2009 under Section 45-1A of the Reserve Bank of India Act, 1934. It is a systemically important non-deposit taking Non-Banking Financial Company (NBFC-ND-SI). The Company is primarily engaged in the business of providing machinery loans to Small and Medium Enterprises ('SME') customers. Subsequent to year end, the Company has been registered as an Asset Finance Company ('AFC'), as defined by the RBI.

## Note : 2 Significant accounting policies

### (a) Basis of preparation of financial statements:

The financial statements have been prepared and presented under the historical cost convention on a going concern basis, on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles ('GAAP'), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') and the presentation requirements of the Companies Act, 1956 as adopted consistently by the Company and guidelines issued by the RBI, as applicable to the Company.

The Company complies with the prudential norms relating to income recognition, accounting principles, asset classification and the minimum provisioning for standard, Substandard and doubtful debts, specified in the directions issued by the RBI in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ('Prudential Norms'), as applicable to it.

### (b) Current / non-current classification of assets / liabilities

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

### (c) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any changes in estimates are recognised prospectively.

# NOTES to financial statements for the year ended 31st March, 2014

## (d) Revenue Recognition

- (i) Interest income on loans is accounted for by applying the Internal Rate of Return (IRR), implicit in the agreement, on the diminishing balance of the financed amount, over the period of the agreement so as to provide a constant periodic rate of return on the net amount outstanding on the contracts.
- (ii) Future accrual of interest is suspended for accounts that are contractually delinquent for more than 180 days, after setting-off of collateral amounts. Suspended income on such accounts is recognised as and when collected. Reversal of income not collected for these assets are being netted-off against income as required by the Prudential Norms.
- (iii) 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.
- (iv) Processing fees and other servicing fees and servicing fees on assignment of loans in respect of loans agreement is recognized as income on accrual basis.
- (v) Dividend income on investments is accounted for as and when the right to receive the same is established.
- (vi) Profit/ loss on sale of loan assets through direct assignment/ securitization are recognized over the residual life of loan/ pass through certificates in terms of RBI guidelines. Loss arising on account of direct assignment/ securitisation is recognized upfront.
- (vii) Interest income on fixed deposits recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (viii) Income on account of overdue interest, bouncing charges received, foreclosure charges and penal charges is recognized on receipt basis.

## (e) Fixed assets, intangibles and related depreciation/ amortisation/ impairment

- a. Fixed assets are stated at cost less accumulated

depreciation. Cost of acquisition is inclusive of freight, taxes and other incidental expenses incurred to put the asset to the intended use.

- b. Acquired intangible assets are recorded at the consideration paid for their acquisition. In respect of internally generated assets, the expenditure incurred by the Company in form of salaries of full time employees and professional services billings from outsourced vendors which are directly attributed or allocated on a reasonable and consistent basis, for creating, producing and making the asset ready for its intended use, being enduring in nature, is capitalised.
- c. The Company follows the straight-line method for computing the depreciation charge. Assets costing ₹ 5,000 or less are depreciated fully in the year of purchase. Other fixed assets are depreciated on a straight line basis over their estimated economic useful lives as estimated by the management, except leasehold improvements, which are being amortised over the lease period. Such rates are higher than the corresponding depreciation rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/ sold during the year.

Till the previous year, the Company was depreciating its assets in accordance with the rates as per Schedule XIV of the Companies Act. During the year ended 31st March, 2014, the Company revised the estimated useful life of fixed assets. Accordingly, depreciation on fixed assets for the year has been provided on the basis of revised estimated useful lives.

The management's revised estimate of the useful lives of the various fixed assets are as follows:

Asset description	Useful life (in years)
Computers and peripherals	6
Furniture and Fixtures	16
Vehicles	11
Air conditioners	10
Office equipment	10
Electrical installations	8

# NOTES

to financial statements for the year ended 31st March, 2014

As a result of the change in estimated useful lives, depreciation for the year is higher by ₹18.67 lacs and consequently, profit before tax for the year and reserves and surplus and net fixed assets as at the year-end are lower by that amount.

- d. Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds its recoverable amount. The impairment loss to be expensed is determined as the excess of the carrying value over the higher of the asset's net sales price or the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

## (f) Investment

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current/non-current classification scheme of revised Schedule VI.

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.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures, etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

## (g) Sale of asset portfolios by way of assignment/ securitization

The Company undertakes sale of its loan portfolios by way of securitization/ assignment out of its loan portfolio. The assigned/ securitized portfolio is de-recognised from the books of the Company in situations where the Company relinquishes its contractual rights over the underlying loan receivables and all risks and rewards are transferred to assignee/ buyer.

The Company is maintaining minimum holding period criteria and minimum retention requirements as prescribed by RBI vide its circular number RBI/2012-13/170/DNBS.PD.No.301/3.10.01/2012-13, issued on 21st August, 2012.

## (h) Employee Benefits

The Company has various schemes of retirement benefits, namely provident fund, gratuity and leave encashment.

### (a) Short term employee benefits:

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

### (b) Other long term employee benefits:

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service or en-cashed at the time of retirement / termination of employment subject to restriction on the maximum number of accumulation. The company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

### (c) Defined contribution plan:

Contributions towards Provident Fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the expense is actually incurred.

# NOTES to financial statements for the year ended 31st March, 2014

## (d) Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan. The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company's contribution to gratuity fund in respect of its employees is managed by a trust, which invests the funds with Life Insurance Corporation of India ('LIC'). The present value of obligations under such defined benefit plans are based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity period approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement

of any defined benefit plan are recognised when the curtailment or settlement occurs.

## (i) Provision for standard, sub-standard and doubtful assets

Provision for standard and sub-standard and doubtful assets is recognised in accordance with prudential norms and guidelines issued by Reserve Bank of India from time to time. Further, specific provisions are also created based on the management's best estimate of the recoverability of non-performing assets.

In accordance with Para 10 of Prudential Norms, the Company has separately shown provision for loans under short term/ long term provisions (as applicable) without netting off from loans.

During the current year, the Company re-evaluated the percentages at which provision for standard and non-performing assets was being recognised hitherto. As a result, the Board of Directors considered it appropriate to make provisions at higher percentages of loan assets depending on the outstanding age, as compared to the percentages being used hitherto. Such change has resulted in an incremental provision of ₹ 1,519.13 lacs, and consequently, profit before tax for the year and reserves and surplus are lower by that amount.

Following table provides provisioning percentages applied by the Company for standard, sub-standard and non-performing assets for the year ended 31st March, 2014 and 31st March, 2013:

Classification	Provisioning percentage as at 31st March, 2014	Provisioning percentage as at 31st March, 2013
Standard assets	0.50%	0.25%
Sub-standard assets (other than restructured assets)		
• Up to 3 months	50%	10%
• 3 to 6 months	75%	10%
• After 6 months	100%	10%
Sub-standard-assets (restructured assets)		
• At inception	30%	10%
• At the time of NPA	60%	10%
• After 3 month of NPA	100%	10%
Doubtful assets	100%	100%

# NOTES

to financial statements for the year ended 31st March, 2014

## (j) Current and deferred tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The current charge for income tax is based on estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income-tax laws applicable for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the notified tax rates. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to represent the amount that is reasonably/ virtually certain to be realised.

## (k) Provision, contingent liabilities and contingent assets

The Company recognises a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is

no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## (l) Earnings per share

Basic earnings per equity share is computed by dividing net profit/ loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares except where results are anti-dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at the fair value.

## (m) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

## (n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term fixed deposits/ investments with an original maturity of three month or less.

# NOTES

 to financial statements for the year ended 31st March, 2014

## Note : 2.1 Share Capital

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised share capital</b>		
<b>Equity shares:</b>		
35,000,000 (previous year: 35,000,000) equity shares of ₹ 10 each	3,500.00	3,500.00
<b>Preference Shares:-</b>		
1,500,000 (previous year: 1,500,000) preference shares of ₹ 100 each	1,500.00	1,500.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity shares:</b>		
18,366,250 (previous year: 13,458,630) equity shares of ₹10 each fully paid up	1,836.63	1,345.86
<b>Preference Shares:</b>		
Nil (previous year: 600,000) 5% convertible preference share of ₹100 each	-	600.00
Nil (previous year: 274,122) 0.001% compulsorily convertible preference share of ₹100 each	-	274.12
<b>Total</b>	<b>1,836.63</b>	<b>2,219.98</b>

### Note:

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

Particulars	(₹ in lacs)			
	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	13,458,630	1,345.86	12,792,428	1,279.24
Add: issued during the year	1,618,154	161.82	666,202	66.62
Add: preference shares converted into equity shares	3,289,466	328.95	-	-
<b>Balance as at the end of the year</b>	<b>18,366,250</b>	<b>1,836.63</b>	<b>13,458,630</b>	<b>1,345.86</b>
<b>Preference shares</b>				
Balance at the beginning of the year	874,122	874.12	-	-
Add: issued during the year	-	-	874,122	874.12
Less: preference shares converted into equity shares	874,122	874.12	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>	<b>874,122</b>	<b>874.12</b>

# NOTES

to financial statements for the year ended 31st March, 2014

## (b) Terms/ rights, preferences and restrictions attached to each class of shares

### Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 per share (previous year ₹ 10 per share). All equity shares are entitled to receive dividends as declared from time to time. The voting rights of an equity shareholder on a poll (not by show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

### Preference Shares:

The Company had raised ₹ 600 lacs through the issue of fully paid-up 5% convertible preference shares (CPS) having face value of ₹ 100 each for cash, to be converted into equity shares, at a premium, if any, at such price and on such terms and condition as the board may in absolute discretion decide in accordance with SEBI (ICDR) Regulations, 2009 within the period of 18 months. The 5% convertible preference shares shall carry fixed rate of dividend at 5% per annum. During the current year, these convertible preference shares were converted into equity shares of ₹ 10 each at a premium of ₹ 99.44 per equity share, which was determined in accordance with SEBI (ICDR) Regulations, 2009.

CPS holders has no right to receive notice of, and to be present, either in person or by proxy, at any general meeting of the Company. CPS holders has a right of five percent dividend.

Further, the Company had raised ₹ 2,999.99 lacs through the issue of 274,122 fully paid-up compulsorily convertible preference shares (CCPS) having face value of ₹ 100 each for cash at a premium of ₹ 994.4 per CCPS. The CCPS are to be converted into equity shares, at premium, if any, at such price and on such terms and condition as the Board may in its absolute discretion decide in accordance with SEBI (ICDR) Regulations, 2009 within the period of six month from the date of allotment, provided that the pricing of such shares allotted on preferential basis shall not be lower than the price determined in accordance with SEBI (ICDR) Regulations, 2009.

CCPS holders had the right to receive notice of, and to be present, either in person or by proxy, at any general meeting of the Company as well as the same rights as the rights of a holder of equity shares, including with respect to dividend but no voting rights. Coupon rate on the CCPS shall be 0.001% per annum. For the avoidance of doubt, the preference shareholders' of CCPS shall be entitled to a total amount of dividend which is equivalent to the total dividend payable on the converted shares held by such shareholder. All dividend payable on the CCPS shall accrue from the completion date and shall be payable on the conversion date. During the current year, all compulsorily convertible preference shares of ₹ 100 each were converted into 10 equity shares of ₹ 10 each at a premium of ₹ 99.44 per equity share, determined in accordance with SEBI (ICDR) Regulations, 2009.

# NOTES

 to financial statements for the year ended 31st March, 2014

**(c) Detail of shareholders holding more than 5% of the aggregate shares in the Company:**

(₹ in lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	% age of share holding	Number of shares	% age of share holding
<b>Equity Shares:</b>				
Pantec Devices Private Limited	4,497,264	24.49	1,428,100	10.61
Pantec Consultant Private Limited	1,453,771	7.92	1,340,467	9.96
Modern Credit Private Limited	-	-	1,155,000	8.58
Host Buildwell Private Limited	104,167	0.57	862,480	6.41
Edini Steels Private limited	855,440	4.66	855,440	6.36
Land Mark Buildmart Private Limited	104,167	0.57	858,400	6.38
Polym Agencies Private Limited	674,380	3.67	785,280	5.83
Starvision Services Private Limited	647,680	3.53	758,128	5.63
Escrow Account-India Business Excellence Fund-II	700,000	3.81	750,000	5.57
India Business Excellence Fund-II	2,284,356	12.44	666,202	4.95
India Business Excellence Fund-IIA	3,646,142	19.85	-	-
<b>0.001% Compulsorily Convertible Preference Share</b>				
India Business Excellence Fund-IIA	-	-	274,122	100.00
<b>5% Convertible Preference Share:</b>				
Pantec Consultant Private Limited	-	-	124,000	20.67
Pantec Devices Private Limited	-	-	124,000	20.67
Intec Worldwide Private Limited	-	-	124,000	20.67
Host Buildwell Private Limited	-	-	114,000	19.00
Land Mark Buildmart Private Limited	-	-	114,000	19.00

# NOTES

 to financial statements for the year ended 31st March, 2014

## Note : 2.2 Reserves and surplus

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Securities premium account</b>		
Balance as at the beginning of the year	6,689.57	3,301.23
Add: Premium on issue of equity shares during the year	1,609.09	662.47
Add: Premium on conversion of preference shares during the year	545.18	2,725.87
<b>Balance as at the end of the year</b>	<b>8,843.84</b>	<b>6,689.57</b>
<b>Statutory reserve as per Section 45-IC of the RBI Act, 1934 #</b>		
Balance as at the beginning of the year	788.15	525.70
Add: Amount transferred during the year	363.29	262.45
<b>Balance as at the end of the year</b>	<b>1,151.44</b>	<b>788.15</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	2,786.83	1,823.26
Add: Profit for the year	1,816.46	1,312.27
Less: Adjustment of goodwill relating to earlier years ##	251.85	-
Profit available for appropriation	<b>4,351.44</b>	<b>3,135.53</b>
Less: Appropriations		
Proposed equity dividend	71.42	64.02
Preference dividend	31.18	10.19
Tax on proposed dividend	17.44	12.04
Transfer to reserve under Section 45-IC of the RBI Act, 1934	363.29	262.45
<b>Balance as at the end of the year</b>	<b>3,868.11</b>	<b>2,786.83</b>
<b>Total reserves and surplus</b>	<b>13,863.39</b>	<b>10,264.55</b>

# Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer a sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred ₹ 363.29 lacs (previous year ₹ 262.45 lacs), being twenty percent of net profits for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

## During an earlier year, Unitel Credit Private Limited (transferor company) had amalgamated with the Company. The difference between the amount of shares issued to the shareholders' of the transferor company and the amount of share capital of the transferor company amounted to ₹ 251.85 lacs, arising out of this amalgamation, earlier inadvertently included in goodwill, has now been adjusted to the opening reserves and surplus in the Statement of Profit and Loss in the current year, as required by Accounting Standard-14, Accounting for Amalgamations.

# NOTES

 to financial statements for the year ended 31st March, 2014

## Note : 2.3 Borrowings

Particulars	(₹ in lacs)			
	Short-term portion		Long-term portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Secured</b>				
<b>Term Loan:</b>				
- from banks	5,406.83	2,862.56	13,991.02	6,842.58
- from other parties	1,411.84	1,292.59	1,835.90	3,743.30
<b>Unsecured</b>				
Other loans (corporate bodies)	862.00	702.35	3,445.17	4,404.74
	<b>7,680.67</b>	<b>4,857.50</b>	<b>19,272.09</b>	<b>14,990.62</b>
Less: Amount shown under other current liabilities (refer to note 2.8)	7,680.67	4,857.50	-	-
<b>Total</b>	-	-	<b>19,272.09</b>	<b>14,990.62</b>

### Disclosures with respect to year ended 31st March, 2014:

#### (a) Details for maturity and security:

Particulars	(₹ in lacs)			
	Maturity pattern			
	0-1 years	1-2 years	2-3 years	3-5 years
<b>(i) Secured by hypothecation of loan receivables (also refer to note (b) below)</b>				
for loans taken from banks# (Remaining installments payable - 16 to 53 )	3,369.68	4,089.51	3,655.42	3,808.95
for loans taken from other parties# (Remaining installments payable - 19 to 53 )	1,104.31	793.01	222.00	315.50
<b>(ii) Secured by hypothecation of loan receivables and fixed deposits (also refer to note (b) below)</b>				
for loans taken from banks# (Remaining installments payable - 19 to 42 )	2,037.15	1,746.23	558.67	132.25
for loans taken from other parties# (Remaining installments payable - 32 )	300.00	300.00	200.00	-
<b>(iii) Secured by hypothecation of car</b>				
for loans taken from other parties# (Remaining installments payable - 20 )	7.53	5.39	-	-
<b>(iv) Unsecured loans (corporate bodies)##</b>	862.00	1,340.93	684.04	1,420.20

# repayable on equitable monthly installments

## repayable at the time of maturity along with interest accrued

# NOTES

 to financial statements for the year ended 31st March, 2014

**(b) Nature of guarantees for loans taken:**

Loans guaranteed by directors, other parties for note (a) (i) & (ii) above:

- loan of ₹ 9,517.65 lacs secured by personal guarantee of managing director.
- loan of ₹ 4,946.93 lacs secured by personal guarantees of managing director and relative of managing director.
- loan of ₹ 1,349.94 lacs secured by personal guarantee of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited (subsidiary of the Company) .
- loan of ₹ 883.33 lacs secured by personal guarantees of managing director, relative of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director).

**(c) Rate of interest (range):**

Interest rates applicable on above secured loans are ranges between 8.75%- 12.75% per annum.

Interest rates applicable on above unsecured loans are ranges between 6.25% -10 % per annum.

**Disclosures with respect to year ended 31st March, 2013:**
**(a) Details for maturity and security:**

Particulars	Maturity pattern			
	0-1 years	1-2 years	2-3 years	3-5 years
(₹ in lacs)				
<b>(i) Secured by hypothecation of loan receivables</b>				
for loans taken from banks# (Remaining installments payable - 30 to 45 )	963.73	1,379.86	1,021.38	875.00
for loans taken from other parties# (Remaining installments payable - 4 to 54 )	833.82	1,195.64	793.01	574.50
<b>(ii) Secured by hypothecation of loan receivables and fixed deposits</b>				
for loans taken from banks# (Remaining installments payable - 22 to 45 )	1,898.83	1,795.36	1,479.30	291.67
for loans taken from other parties# (Remaining installments payable - 36 to 44 )	449.95	470.06	497.18	200.00
<b>(iii) Secured by hypothecation of car</b>				
for loans taken from other party# (Remaining installments payable - 9 to 20)	8.82	7.53	5.39	-
<b>(iv) Unsecured loans (corporate bodies)##</b>	702.35	1,134.60	1,400.30	1,869.84

# repayable on equitable monthly installments

## repayable at the time of maturity along with interest accrued

# NOTES

 to financial statements for the year ended 31st March, 2014

## (b) Nature of guarantees for loans taken:

Loans guaranteed by directors, other parties for note (a) (i) & (ii) above:

- loan of ₹ 3,538.55 lacs secured by personal guarantee of managing director.

- loan of ₹ 8,434.95 lacs secured by personal guarantees of managing director and relative of managing director.

## (c) Rate of interest (range):

Interest rates applicable on above secured loans are ranges between 8.75%- 13.00% per annum.

Interest rates applicable on above unsecured loans are ranges between 6.25% -10 % per annum.

## Note : 2.4 Other long-term liabilities

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Others</b>		
Collateral amount for cases assigned/ securitised	2,904.64	2,282.00
Interest accrued but not due on unsecured loans	286.67	169.51
Lease equalisation reserve	2.43	-
<b>Total</b>	<b>3,193.74</b>	<b>2,451.51</b>

## Note : 2.5 Long-term provisions

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note 2.25)	0.50	-
Provision for leave encashment	20.70	-
<b>Others:</b>		
Contingent provision against standard assets	301.55	136.86
Provision for substandard and doubtful assets	1,615.22	137.28
<b>Total</b>	<b>1,937.97</b>	<b>274.14</b>

## Note : 2.6 Short-term borrowings

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Secured</b>		
Loans repayable on demand from banks	17,777.84	22,237.61
Working capital demand loan from banks	3,505.07	1,507.05
Commercial paper from bank	1,000.00	-
<b>Total</b>	<b>22,282.91</b>	<b>23,744.66</b>

## (a) Nature of security:

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 and immovable properties - Belonging to managing director and relative of managing director.

## NOTES to financial statements for the year ended 31st March, 2014

(c) Personal guarantees of managing director and relative of managing director.

(d) Corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited (subsidiary of the Company).

### (b) Rate of interest (range):

Interest rates applicable on above loans ranges between 9.25%- 13.25% per annum (previous 8.75%-14% per annum).

### (c) Commercial papers

These are issued for a period of 84 days and will be repaid on 22nd April, 2014 (rate of interest - 8.50% per annum).

### Note : 2.7 Trade payables

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Payable to micro, small and medium enterprises*	-	-
Payable to others	100.08	88.03
<b>Total</b>	<b>100.08</b>	<b>88.03</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the confirmations received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31st March, 2014 and 31st March, 2013.

### Note : 2.8 Other current liabilities

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Current maturities of long-term debt</b> (refer to note a,b,c of note 2.3)	-	-
<b>Secured</b>		
Term loans		
- from banks	5,406.83	2,862.56
- from other parties	1,411.84	1,292.59
<b>Unsecured</b>		
Other loans (corporate bodies)	862.00	702.35
<b>Interest accrued but not due on:</b>		
- Term loan from banks	41.43	21.74
- Term loan from other parties	17.77	30.98
- Unsecured loans	72.91	92.54
Interest accrued and due on term loan from banks	89.04	45.43
<b>Other payables</b>		
Payable to employees #	296.72	167.11
Amount payable for servicing of assigned/ securitised portfolio	630.03	188.31
Payable to customers	481.42	499.53
Unclaimed dividend	10.64	9.07
Loans pending disbursement	966.58	1,022.84
Collateral for assigned/ securitised cases	240.82	356.44
Lease equalisation reserve	8.91	-
Other statutory dues payable	103.30	54.44
Payable for purchase of capital goods	4.15	-
Other payables	18.78	9.40
<b>Total</b>	<b>10,663.17</b>	<b>7,355.33</b>

# includes ₹ 73.31 lacs (previous year ₹ Nil) payable to managing director.

# NOTES to financial statements for the year ended 31st March, 2014

## Note : 2.9 Short-term provisions

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 2.25)	0.12	12.19
Provision for leave encashment	5.86	-
<b>Others</b>		
Provision against standard assets	169.31	70.90
Provision for taxation (net of taxes paid of ₹ 2,491.41 lacs, previous year ₹ 1,102.08 lacs)	763.82	474.32
Proposed dividend - equity	71.42	64.02
Proposed dividend - preference	31.18	10.19
Tax on proposed dividend	17.44	12.04
Provision for sub-standard assets	78.43	-
<b>Total</b>	<b>1,137.58</b>	<b>643.66</b>

## Note : 2.10 Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April, 2013	Additions	Deductions/ adjustments	As at 31st March, 2014	As at 1st April, 2013	Depreciation/ amortisation	Deductions/ adjustments #	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
<b>Tangible assets</b>										
Vehicles	82.97	-	-	82.97	32.90	7.67	-	40.57	42.40	50.07
Office equipment	13.59	12.00	1.29	24.30	1.37	1.57	0.31	2.63	21.67	12.22
Data processing equipments	89.04	33.84	2.14	120.74	32.52	14.77	2.01	45.28	75.46	56.52
Furniture and fixtures	18.22	2.80	-	21.02	3.99	1.21	-	5.20	15.82	14.22
Leasehold improvements	40.21	-	-	40.21	11.54	18.68	-	30.22	9.99	28.67
Electric installations	9.31	3.30	0.44	12.17	1.31	1.38	0.05	2.64	9.53	8.01
Air conditioners	12.87	1.23	0.49	13.61	2.11	1.36	0.17	3.30	10.31	10.75
Office equipment - mobile	-	1.51	-	1.51	-	1.51	-	1.51	-	-
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
<b>Total (Tangible assets)</b>	<b>271.03</b>	<b>54.68</b>	<b>4.36</b>	<b>321.35</b>	<b>85.74</b>	<b>48.15</b>	<b>2.54</b>	<b>131.35</b>	<b>190.00</b>	<b>185.28</b>
<b>Intangible assets</b>										
Goodwill #	251.85	-	251.85	-	-	-	-	-	-	251.85
Computer software	66.48	14.18	-	80.66	5.45	11.72	-	17.17	63.48	61.03
<b>Total (Intangible assets)</b>	<b>317.83</b>	<b>14.18</b>	<b>251.85</b>	<b>80.16</b>	<b>5.45</b>	<b>11.72</b>	<b>-</b>	<b>17.17</b>	<b>63.48</b>	<b>312.89</b>
<b>Total</b>	<b>588.86</b>	<b>68.85</b>	<b>256.21</b>	<b>402.50</b>	<b>91.19</b>	<b>59.88</b>	<b>2.54</b>	<b>148.52</b>	<b>253.48</b>	<b>498.17</b>

# refer to explanation given in note 2.2 for goodwill adjustment.

# NOTES

 to financial statements for the year ended 31st March, 2014

Previous year

Particulars	(₹ in lacs)									
	Gross block				Accumulated depreciation				Net block	
	As at 1st April, 2012	Additions	Deductions/ adjustments #	As at 31st March, 2013	As at 1st April, 2012	Depreciation/ amortisation	Deductions/ adjustments #	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
<b>Tangible assets</b>										
Vehicles	82.97	-	-	82.97	25.23	7.67	-	32.90	50.06	57.73
Office equipment	13.04	3.58	3.03	13.59	1.34	0.79	0.76	1.37	12.22	11.70
Computer & peripherals	76.13	14.30	1.39	89.04	20.96	12.46	0.90	32.52	56.52	55.17
Furniture and fixtures	55.26	4.91	1.74	58.43	12.79	3.45	0.70	15.54	42.90	42.47
Electric installations	8.21	1.75	0.65	9.31	1.17	0.42	0.29	1.31	8.01	7.04
Air conditioners	16.93	1.81	5.88	12.86	3.57	0.86	2.32	2.11	10.75	13.36
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
<b>Total (Tangible assets)</b>	<b>257.36</b>	<b>26.35</b>	<b>12.69</b>	<b>271.02</b>	<b>65.06</b>	<b>25.65</b>	<b>4.97</b>	<b>85.75</b>	<b>185.28</b>	<b>192.29</b>
<b>Intangible assets</b>										
Goodwill #	251.85	-	-	251.85	-	-	-	-	251.85	251.85
Computer software	-	66.48	-	66.48	-	5.45	-	5.45	61.03	-
<b>Total (Intangible assets)</b>	<b>251.85</b>	<b>66.48</b>	<b>-</b>	<b>318.33</b>	<b>-</b>	<b>5.45</b>	<b>-</b>	<b>5.45</b>	<b>312.88</b>	<b>251.85</b>
<b>Total</b>	<b>509.21</b>	<b>92.83</b>	<b>12.69</b>	<b>589.35</b>	<b>65.06</b>	<b>31.10</b>	<b>4.97</b>	<b>91.20</b>	<b>498.16</b>	<b>444.14</b>

## Note : 2.11 Non-current Investments

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Non-trade investments (valued at cost)</b>		
<b>Unquoted investment in equity shares of subsidiary company</b>		
250,000 (previous year 250,000) equity shares of ₹ 10 each of Amulet Technologies Limited	25.00	25.00
<b>Unquoted investment in equity shares of associate companies</b>		
89,890 (previous year 89,890) equity shares of ₹ 10 each of Pantec Devices Private Limited	1.16	1.16
<b>Unquoted investment in equity shares of other companies</b>		
31,830 (previous year 31,830) equity shares of ₹ 10 each of Pantec Consultants Private Limited	1.01	1.01
36,390 (previous year 36,390) equity shares of ₹ 10 each of Intec Worldwide Private Limited	0.86	0.86
43,500 (previous year 43,500) equity shares of ₹ 10 each of Polym Agency Private Limited	1.11	1.11
225,730 (previous year 225,730) equity shares of ₹ 10 each of Intec Share & Stock Brokers Limited	2.26	2.26
34,000 (previous year 34,000) equity shares of ₹ 10 each of FIMA Infotech Private Limited	2.30	2.30
44,000 (previous year 44,000) equity shares of ₹ 10 each of Starvision Services Private Limited	0.44	0.44
<b>Total</b>	<b>34.14</b>	<b>34.14</b>

## NOTES to financial statements for the year ended 31st March, 2014

### Note : 2.12 Long-term loans and advances

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Loans and advances to related parties (unsecured, considered good)</b>		
- Loan to Amulet Technologies Limited (subsidiary company)	1,052.77	1,042.74
<b>Other loans and advances</b>		
<b>Loans</b>		
Secured, considered good*	58,974.65	53,892.22
Less: Collateral money received from borrowers	25,250.51	23,769.64
Unsecured, considered good	723.02	741.98
Doubtful	1,615.22	137.28
<b>Advances (unsecured, considered good)</b>		
Security deposits	68.64	51.62
Prepaid expenses	99.27	79.44
Income taxes recoverable [net of provision of ₹ 235.62 lacs (previous year ₹ 235.62 lacs)]	23.93	18.61
<b>Total</b>	<b>37,306.99</b>	<b>32,194.25</b>

\* Secured by hypothecation of specific assets.

### Note : 2.13 Other non-current assets (unsecured, considered good)

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Others</b>		
Deposits with maturity over twelve months from balance sheet date	708.36	989.87
Interest accrued but not due on unsecured loans	263.00	153.76
<b>Total</b>	<b>971.36</b>	<b>1,143.63</b>

# includes ₹101.09 lacs (previous year ₹ 88.31 lacs) with respect to interest accrued but not due on loans given to subsidiary company.

# NOTES

 to financial statements for the year ended 31st March, 2014

## Note : 2.14 Cash and bank balances

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Cash and cash equivalents:</b>		
Cash in hand	23.64	25.73
Cheques, drafts in hand	18.70	-
<b>Balances with banks:</b>		
- In current accounts	326.53	662.89
- In unpaid dividend account	10.64	9.07
- On deposit accounts (Bank balances available on demand/deposits with original maturity of 3 months or less)	1,450.20	57.71
	<b>1,829.71</b>	<b>755.40</b>
<b>Other bank balances</b>		
- Deposits with maturity within twelve months from balance sheet date	1,858.82	1,729.80
- Deposits with maturity over twelve months from balance sheet date	708.36	989.87
<b>Total cash and bank balances</b>	<b>4,396.89</b>	<b>3,475.07</b>
Less: Deposits with maturity over twelve months from balance sheet date (refer note 2.13)	(708.36)	(989.87)
<b>Total</b>	<b>3,688.53</b>	<b>2,485.20</b>

## Note : 2.15 Short-term loans and advances

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Other loans and advances</b>		
<b>Loans</b>		
Secured, considered good*	32,946.14	29,103.81
Less: collateral money received from borrowers	3,627.79	4,421.80
Unsecured, considered good	805.21	759.03
Doubtful	78.43	-
<b>Advances (unsecured, considered good)</b>		
Advances to employees	6.55	6.10
Prepaid expenses	126.84	82.71
Other advances	39.31	78.19
Unamortised discount on commercial papers	6.04	-
Advance to vendors	6.56	5.25
<b>Total</b>	<b>30,387.29</b>	<b>25,613.29</b>

\* Secured by hypothecation of specific assets.

# NOTES

 to financial statements for the year ended 31st March, 2014

## Note : 2.16 Other current assets (unsecured, considered good)

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Interest accrued but not due on secured loans	811.35	-
Other receivables	42.15	108.97
<b>Total</b>	<b>853.50</b>	<b>108.97</b>

## Note : 2.17 Revenue from operation

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Interest Income</b>		
Interest on loans (refer to note 2.35)	13,321.79	10,028.68
Interest on fixed deposit with banks (refer to note 2.35)	182.79	234.69
Interest spread on securitisation / assignment	85.95	108.69
<b>Other financial services income</b>		
Loan processing fee	645.61	654.26
Servicing fee on assignment of loans	111.00	20.42
Income on preclosure of loans	351.89	352.67
Other service fees	103.03	104.25
Provisions/ liabilities no longer required written back	708.49	422.36
Recovery from sub-standard and doubtful assets	-	2.25
<b>Total</b>	<b>15,510.55</b>	<b>11,928.27</b>

## Note : 2.18 Other income

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Interest on fixed deposit with banks	3.48	24.27
Miscellaneous income	51.66	7.94
<b>Total</b>	<b>55.14</b>	<b>32.21</b>

## Note : 2.19 Employee benefit expense \*

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Salaries and wages	1,620.38	1,228.20
Contribution to provident and other funds	71.93	98.65
Staff welfare expenses	58.08	33.88
<b>Total</b>	<b>1,750.39</b>	<b>1,360.73</b>

\*refer to note 2.35

# NOTES

 to financial statements for the year ended 31st March, 2014

## Note : 2.20 Finance costs

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Interest expense</b>		
Interest on term loan:		
- from banks	1,881.31	1,224.19
- from other parties	557.46	814.17
Interest on loans repayable on demand from banks	2,421.96	2,344.90
Interest on other loans (corporate bodies)	377.61	198.81
Interest on collateral money received from borrowers	2,261.65	2,531.43
Discount on commercial paper	60.91	-
<b>Other borrowing cost</b>		
Processing fees and other bank charges	251.69	195.20
<b>Total</b>	<b>7,812.59</b>	<b>7,308.70</b>

## Note : 2.21 Other expenses\*

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Electricity and water	26.26	23.03
Rent (refer note 2.24)	175.30	133.39
Legal and professional	468.61	359.13
Rates and taxes	157.41	7.48
Collection charges	139.10	287.98
Repair and maintenance - others	54.66	38.65
Staff recruitment and training	43.35	21.54
Communications	51.46	39.26
Travelling and conveyance	172.70	111.38
Business promotion expenses	33.61	45.27
Contingent provision for standard assets	263.11	60.65
Provision for substandard and doubtful debts	1,556.37	60.50
Miscellaneous expenses	143.07	65.08
<b>Total</b>	<b>3,285.01</b>	<b>1,253.34</b>

\*refer to note 2.35

# NOTES to financial statements for the year ended 31st March, 2014

## Note : 2.22 Earnings per share (EPS)

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Profit after tax as per the Statement of Profit and Loss (A)	1,816.46	1,312.27
Less: Dividends on preference Shares and tax thereon	36.47	11.84
Net profit attributable to equity shareholders for calculation of basic earning per share (B)	<b>1,779.99</b>	<b>1,300.43</b>
<b>Calculation of weighted average number of equity shares</b>		
Number of equity shares outstanding at the beginning of the year	13,458,630	12,792,428
Add: Shares issued/ converted during the year:		
- equity shares issued on 26th March, 2013	-	666,202
- equity shares converted on 24th July, 2013	208,334	-
- equity shares issued on 7th February, 2014	1,618,154	-
- equity shares converted on 7th February, 2014	3,081,132	-
Number of equity shares outstanding at the end of the year	<b>18,366,250</b>	<b>13,458,630</b>
Nominal value of equity share	10	10
Weighted average number of equity shares outstanding during the year (C)	14,270,811	12,801,554
Effect of dilutive potential equity shares	2,698,803	223,804
Weighted average number of equity shares for calculation of diluted earning per share (D)	<b>16,969,615</b>	<b>13,025,358</b>
<b>Basic earning per share (B/C)</b>	12.47	10.16
<b>Dilutive potential equity shares (A/D)</b>	10.70	10.07

## Note : 2.23 Auditor's remuneration (excluding service tax)

Particulars	(₹ in lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
As auditor		
-Statutory audit	9.00	2.00
-Tax audit	0.75	0.50
-Limited reviews	4.50	-
-Other services	1.70	1.80
-Reimbursement of expenses	1.00	-
<b>Total</b>	<b>16.95</b>	<b>4.30</b>

## NOTES to financial statements for the year ended 31st March, 2014

### Note : 2.24 Operating leases

The Company's significant leasing arrangements are in respect of operating leases for premises (commercial premises, offices etc.). The leasing arrangements include non-cancellable leases generally ranging from 3-6 years and are usually renewable by mutual consent on mutually terms. The aggregate lease rentals payable are charged to Statement of Profit and Loss.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follow:-

Particulars	(₹ in lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Payable within one year	41.22	12.22
Payable between one and five years	12.89	1.58
Payable after five years	-	-
<b>Total</b>	<b>54.01</b>	<b>13.80</b>

During the year an amount of ₹ 175.30 lacs was recognised as an expense in the Statement of Profit and Loss in respect of operating leases (previous year: ₹133.39 lacs).

### Note : 2.25 Disclosure with respect to AS-15 Employee Benefits

#### Defined benefit plan (Gratuity):

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days (for a month of 26 days) of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, except that there is no limit on payment of gratuity.

The Company had not carried out an actuarial valuation in accordance with AS-15 "Employee Benefits" during the year ended 31st March, 2013. In the current year, valuation of gratuity is carried out by actuary as per AS-15. Differential charge of current service cost pertaining to year ended 31st March, 2013 is recorded as prior period expense in the current year. Disclosures with respect to changes in defined benefit obligation, funded status, expense for the year with respect to year ended 31st March, 2013 are made based on the report received from LIC.

The following table sets out the status of the gratuity plan as required under AS-15:

	(₹ in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A) Reconciliation of benefit obligations and plan assets</b>		
Opening defined benefit obligation	42.75	22.15
Current service cost	18.21	13.05
Interest cost	3.97	1.78
Actuarial losses/ (gains)	(15.30)	(7.50)
Benefits paid	-	-
Settlement loss/ (gain)	-	-
<b>Closing defined benefit obligation</b>	<b>49.63</b>	<b>29.48</b>
<b>Change in the fair value of plan assets</b>		
Opening fair value of plan assets	26.71	9.86

# NOTES

 to financial statements for the year ended 31st March, 2014

	(₹ in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Expected return on plan assets		2.40
Actuarial gains/ (losses)	0.55	-
Contributions paid by employer	19.35	15.32
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>49.01</b>	<b>26.71</b>
<b>B) Reconciliation of present value of the obligations and the fair value of the plan assets</b>		
Present value of funded obligations	49.63	29.48
Fair value of plan assets	49.01	26.71
<b>Net asset/ (liability) to be recognised in Balance Sheet</b>	<b>(0.62)</b>	<b>(2.77)#</b>
<b>C) Gratuity cost for the year:</b>		
Current service cost	18.21	13.05
Interest cost	3.97	1.77
Expected return/ (loss) on plan assets	(2.40)	(1.53)
Settlement loss/ (gain)	-	-
Net actuarial losses/ (gain) recognised in year	(15.85)	(7.50)
Prior period charge for current cost	3.85	-
Net gratuity cost/ (income) to be recognised in Statement of Profit and Loss	<b>7.78</b>	<b>5.79</b>

# As at 31st March, 2013, a liability of ₹ 12.00 lacs was recognized in the books representing premium payable to LIC.

### Experience adjustments\*:

	(₹ in lacs)	
Particulars	31st March, 2014	31st March, 2013
Experience gain/ (loss) adjustments on plan liabilities	16.39	7.50
Experience gain/ (loss) adjustments on plan assets	0.54	-

\* data for prior years is not available since no actuarial valuation had been carried out till 31st March, 2013.

### Investment details of the plan assets

100% of the plan assets are with the Insurer Managed funds.

Assumptions	31st March, 2014	31st March, 2013
Discount rate	9.1%	9.3%
Expected rate of return on plan assets	8.75%	9%
Salary escalation rate	10%	10%

### Economic assumptions

The principal assumptions are the discount rate and salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

# NOTES

 to financial statements for the year ended 31st March, 2014

## Demographic assumptions

Particulars	31st March, 2014		31st March, 2013	
(1) Retirement Age	60 years		60 years	
(2) Mortality: - Published rates under the LIC (2006-08) mortality tables.				
(3) Leaving service	Uniform Management		Uniform Management	
	Ages	Withdrawal Rate	Ages	Withdrawal Rate
	20-29 years	7.5%	20-29 years	7.5%
	30-40 years	7.5%	30-40 years	7.5%
	41-60 years	7.5%	41-60 years	7.5%

## Note : 2.26 Contingent liabilities

- (i) **Corporate guarantee on assignment of loans:** The Company had given a corporate guarantee for assignment of loans to HDFC Bank amounting to ₹ 124.90 lacs in the year ended 31st March, 2013. No guarantee is outstanding as at 31st March, 2014.
- (ii) **Collateral given for assignment/ securitisation transactions:** The cash collateral as at 31st March, 2014 amounts to ₹ 326.96 lacs (equivalent to 8% of pool provided) given by the Company for covering shortfalls in the recovery of instalments in the pool. Cash collateral as at 31st March, 2013 amounted to ₹ 233.00 lacs and 142.78 lacs, given to HDFC Bank and Bank of Maharashtra, respectively.

## Note : 2.27 Segment Reporting:

The Company's business activity falls within single primary/ secondary business segment viz., loan and 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.

## Note : 2.28 Related party relationships and transactions

### a) Related parties and nature of related parties where control exists

#### Subsidiary company

Amulet Technologies Limited

### b) Related parties and nature of related party with whom transactions have taken place

#### Key Management Personnel

Sanjeev Goel (Managing Director)

#### Relative of Key Management Personnel

Ritika Goel

#### Enterprises over which key Management Personnel and / or his relative exercises significant influence

Bubble Infosolutions Private Limited

#### Enterprises over which relative of key management exercises significant influence

Intec Infonet Private Limited

MKG Information system Private Limited (upto 4th December, 2012)

FIMA Consultants Limited (upto 3rd December, 2012)

# NOTES to financial statements for the year ended 31st March, 2014

## c) Transactions with related parties

(₹ in lacs)

Nature of Transaction	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Enterprises over which key Management Personnel and / or his relative exercises significant influence		Enterprise over which relative of key management personnel having significant influence	
	Year ended 31st March		Year ended 31st March		Year ended 31st March		Year ended 31st March		Year ended 31st March	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Remuneration</b>										
Sanjeev Goel	-	-	133.80	66.00	-	-	-	-	-	-
<b>Interest on loans given</b>										
-Amulet Technologies Limited	97.45	88.24	-	-	-	-	-	-	-	-
-MKG Information Private Limited	-	-	-	-	-	-	-	-	-	35.64
-FIMA Consultants Limited	-	-	-	-	-	-	-	-	-	27.10
<b>Loan given</b>										
-Amulet Technologies Limited	10.03	93.15	-	-	-	-	-	-	-	-
-MKG Information Private Limited	-	-	-	-	-	-	-	-	-	775.00
-FIMA Consultants Limited	-	-	-	-	-	-	-	-	-	275.00
<b>Purchase of Assets</b>										
-Intec Infonet Private Limited										
<b>Maintenance charges paid</b>										
-Intec Infonet Private Limited	-	-	-	-	-	-	-	-	2.40	1.75
<b>Personnel Guarantee given</b>										
-Sanjeev Goel	-	-	10,000.00	7,565.00	-	-	-	-	-	-
-Ritika Goel	-	-	-	1,000.00	3,000.00	-	-	-	-	-
<b>Corporate guarantee given</b>										
Amulet Technologies Limited	41,500.00	30,500.00	-	-	-	-	-	-	-	-
-Bubble Infosolutions Private Limited	-	-	-	-	-	-	42,500.00	30,500.00	-	-

# NOTES

 to financial statements for the year ended 31st March, 2014

## d) Year end balances

	(Amounts in ₹ lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Payables</b>		
Intec Infonet Private Limited	-	0.12
<b>Receivables</b>		
Amulet Technologies Limited	1,153.86	1,056.12
<b>Key management personnel</b>		
Sanjeev Goel	73.31	-
<b>Personnel Guarantee</b>		
Sanjeev Goel	16,697.85	11,973.50
Ritika Goel	5,830.26	8,434.95
<b>Corporate guarantee</b>		
Amulet Technologies Limited	22,632.85	23,744.66
Bubble Infosolutions Private Limited	23,516.18	23,744.66

### Note : 2.29 Deferred tax asset (net)

Deferred tax asset and liability are being offset as they relate to taxes on income levied by the same governing taxation laws. Components of deferred tax asset (net) are as follows:

	(Amounts in ₹ lacs)			
Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Excess of depreciation allowable under Income-tax over depreciation provided in accounts	-	32.20	-	45.18
Provision for sub-standard and doubtful assets	575.67	-	-	-
Provision against standard assets	160.05	-	-	-
Impact due to differences on account of Section 43 B of the Income-tax Act, 1961	71.21	-	-	-
Others	17.54	-	-	-
<b>Total</b>	<b>824.47</b>	<b>32.20</b>	<b>-</b>	<b>45.18</b>
<b>Deferred tax asset / (liability) (net)</b>	<b>792.27</b>	<b>-</b>	<b>-</b>	<b>(45.18)</b>

**Note:** In the previous year, the Company had inadvertently recognized a net deferred tax liability of ₹ 45.18 lacs, instead of net deferred tax asset of ₹ 94.25 lacs. The resultant impact of ₹ 139.43 lacs has been recorded in the current year. Also, refer to note 2.35.

## NOTES to financial statements for the year ended 31st March, 2014

### 2.30 (a) Disclosures relating to Securitisation in terms of the notification issued by the Reserve Bank of India vide its circular numbered RBI/ 2012-13/170 DNBS. PD. No.301/3.10.01/ 2012-13

S.No	Particulars	No. /Amount in ₹ crores
1.	Number of SPVs sponsored by the NBFC for securitisation transactions	1
2.	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	40.87
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet	
	a) Off-balance sheet exposure	
	* First loss	-
	* Others	-
	b) On-balance sheet exposure	
	* First loss	3.27
	* Others	2.04
4.	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposure	
	i Exposure to own securitisations	
	* First loss	-
	* Others	-
	ii Exposure to third party securitisations	
	* First loss	-
	* Others	-
	Amount of exposures to securitisation transactions other than MRR	
	b) On-balance sheet exposure	
	i Exposure to own securitisations	
	* First loss	-
	* Others	-
	ii Exposure to third party securitisations	
	* First loss	-
	* Others	-

No securitization deal was undertaken during the year ended 31st March, 2013.

#### (b) Assignment Deal:

The Company has entered into an assignment deal during the year ended 31st March, 2013 with Dhanlaxmi Bank for loans amounting to ₹ 3,839 lacs. The assignment deal has been entered into in accordance with the guidelines for direct assignment, issued by the Reserve Bank of India vide its circular numbered RBI/ 2012-13/170 DNBS. PD. No.301/3.10.01/ 2012-13. The On Balance Sheet exposure of minimum retention requirement was 10% of the total loan contract amounting to ₹ 383 lacs.



## NOTES to financial statements for the year ended 31st March, 2014

### 2.32 Disclosures as required in terms of Para 10 of the Prudential Norms

#### i. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

Items	As at 31st March, 2014	As at 31st March, 2013
CRAR (%)	22.63	23.33
CRAR - Tier I capital (%)	21.93	22.93
CRAR - Tier II capital (%)	0.70	0.39

#### ii. Statement on exposure to real estate sector

Category	(Amounts in ₹ lacs)	
	As at 31st March, 2014	As at 31st March, 2013
a) Direct exposure		
(i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (individual housing loans up to ₹15 lacs may be shown separately)	4,570.17	4,561.94
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc). Exposure would also include non fund-based (NFB) limits (including agricultural land);	3,683.42	4,721.03
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential,	-	-
b. Commercial Real Estate.	-	-
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing finance Companies (HFCs).		

# NOTES

 to financial statements for the year ended 31st March, 2014

### iii. Statement on Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities as at 31st March, 2014

(Amount in ₹ lacs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	1,543.68	466.87	392.77	19,052.82	6,364.07	10,049.82	3,941.20	-	41,811.23
Market Borrowings	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances #	5,445.04	2,554.52	2,544.43	7,717.05	12,774.55	33,495.15	2,799.75	(204.44)*	67,126.06
Investments	-	-	-	-	-	-	-	34.14	34.14

# Advances comprise of lending assets (principal portion), net of provision for non-performing assets

\* Negative assets balance is on account of excess of collateral money to be refunded to customers over balance of loans' principal.

#### Maturity pattern of certain items of assets and liabilities as at 31st March, 2013

(Amount in ₹ lacs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	364.05	287.40	288.10	24,160.67	1,574.17	5,496.75	1,345.83	-	33,516.97
Market Borrowings	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances #	4,542.33	3,317.84	3,687.04	9,446.35	15,757.12	37,318.67	6,009.35	(513.67)*	79,565.03
Investments	-	-	-	-	-	-	-	34.14	34.14

# In the previous year, the maturity pattern of advances was made on the basis of future installments (including interest), instead of principal portion. It is not possible to ascertain the principal portion for the previous year.

\* Negative assets balance is on account of excess of collateral money to be refunded to customers over balance of loans' principal.

# NOTES

 to financial statements for the year ended 31st March, 2014

## 2.33 Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial Companies (Non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2007.

(Amount in ₹ lacs)

Particulars	As at		As at	
	31st March, 2014		31st March, 2013	
<b>1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>				
(a) Debentures:				
Secured	-	-	-	-
Unsecured (Other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loan	22,793.83	-	14,839.18	-
(d) Inter corporate loans and borrowings	4,380.08	-	5,199.63	-
(e) Commercial paper (net of un-amortised discount on issue)	993.96	-	-	-
(f) Other loans :				
Working capital demand loans from banks	3,505.07	-	1,507.05	-
Cash credit/overdraft from banks	17,777.85	-	22,237.61	-
<b>Total</b>	<b>49,450.79</b>	<b>-</b>	<b>43,783.47</b>	<b>-</b>

Assets side:	Amount outstanding	
	As at 31st March, 2014	As at 31st March, 2013
<b>2 Break-up of loans and advances including bills receivables {other than those included in (4) below}:</b>		
(a) Secured #	64,279.29	54,804.60
(b) Unsecured #	2,846.77	2,769.90
<b>Total</b>	<b>67,126.06</b>	<b>57,574.50</b>

# Comprises of trade receivables, loans (including interest accrued) which are disclosed net of provision for non-performing assets

# NOTES

 to financial statements for the year ended 31st March, 2014

3 Break-up of leased assets and stock on hire and hypothecation loans counting towards other assets counting towards AFC activities	As at 31st March, 2014	As at 31st March, 2013
<b>(i) Lease assets including lease rentals under sundry debtors:</b>	-	-
(a) Financial lease	-	-
(b) Operating lease	-	-
<b>(ii) Stock on hire including hire charges, under sundry debtors:</b>	-	-
(a) Assets on hire	-	-
(b) Repossessed stock	-	-
<b>(iii) Other Loans counting towards AFC activities:</b>	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>Total</b>		
<b>4 Break-up of investments</b>	<b>Amount outstanding</b>	<b>Amount outstanding</b>
<b>Current investments:</b>	-	-
<b>1 Quoted:</b>	-	-
(i) Shares:	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
<b>2 Unquoted:</b>	-	-
(i) Shares:	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-

# NOTES

 to financial statements for the year ended 31st March, 2014

4 Break-up of investments (Contd.)	Amount outstanding	Amount outstanding
<b>Long term investments:</b>	-	-
<b>1 Quoted:</b>	-	-
(i) Shares:	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
<b>2 Unquoted:</b>	-	-
(i) Shares:	-	-
(a) Equity	34.14	34.14
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-

## 5 Borrower group wise classification of all assets financed as in (2) and (3) above :

Category	Amount net of provisions As at 31st March, 2014			Amount net of provisions As at 31st March, 2013		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties:						
(a) Subsidiaries	-	1,052.77	1,052.77	-	1,043.00	1,043.00
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	64,279.29	1,794.00	66,073.29	54,804.60	1,726.90	56,531.50
<b>Total</b>	<b>64,279.29</b>	<b>2,846.77</b>	<b>67,126.06</b>	<b>54,804.60</b>	<b>2,769.90</b>	<b>57,574.50</b>

## NOTES to financial statements for the year ended 31st March, 2014

### 6 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31st March, 2014		As at 31st March, 2013	
	Market Value/ Break-up or Fair Value or NAV	Book value (net of Provisions)	Market value/ Break-up or Fair value or NAV	Book value (net of Provisions)
1 Related Parties:				
(a) Subsidiaries	-	25.00	-	25.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	1.16	-	1.16
2 Other than related parties	-	7.97	-	7.97
<b>Total</b>	-	<b>34.14</b>	-	<b>34.14</b>

7 Other information	Amount outstanding	Amount outstanding
(i) Gross Non-Performing Assets#		
(a) Related parties	-	-
(b) Other than related parties	1,680.94	261.19
(ii) Net Non-Performing Assets #		
(a) Related parties	-	-
(b) Other than related parties	412.75	123.91
(iii) Assets acquired in satisfaction of debts (net of provisions)	-	-

# excludes gross restructured and net restructured assets amounting to ₹ 1,952.36 lacs and ₹ 1,418.19 lacs respectively.

**Note : 2.34** The Company has reclassified certain amounts reported in the Balance sheet as at 31st March, 2013 for better presentation of the financial statements and to better align with Revised schedule VI of the Companies Act, 1956. The following table shows the amounts reported in the Balance Sheet as at 31st March, 2014 and the manner these amounts appeared in the financial statements for the previous year:

		(Amounts in ₹ lacs)	
Balance Sheet schedule	Caption name	31st March, 2013 (As per groupings of 31st March, 2014)	31st March, 2013 (As per groupings of 31st March, 2013)
Long term borrowings	Other loans (corporate bodies)	4,404.74	4,574.25
Other long-term liabilities	Interest accrued but not due on unsecured loans	169.51	-
		<b>4,574.25</b>	<b>4,574.25</b>
Other long-term liabilities	Collateral amount of cases assigned (refer note 1)	2,282.00	-
		<b>2,282.00</b>	-
Long-term provisions	Provision against standard assets	136.86	207.76
Short-term provisions	Provision against standard assets	70.90	-

# NOTES

 to financial statements for the year ended 31st March, 2014

(Amounts in ₹ lacs)

Balance Sheet schedule	Caption name	31st March, 2013 (As per groupings of 31st March, 2014)	31st March, 2013 (As per groupings of 31st March, 2013)
		<b>207.76</b>	<b>207.76</b>
Trade Payable	Payable to other third parties	88.03	-
Other current Liabilities	Expenses payable	-	88.03
	Loans pending disbursement (refer note 1)	1,022.84	-
	Advance received from customers (refer note 1)	439.77	-
	Collateral amount for cases assigned/ securitised by the Company (refer note 1)	356.43	-
		<b>1,819.05</b>	<b>88.03</b>
Short-term provisions	Provision for taxation (refer note 2)	474.32	1,576.39
		<b>474.32</b>	<b>1,576.39</b>
Long-term loans and advances	Income taxes recoverable (refer note 2)	18.61	1,120.68
		<b>18.61</b>	<b>1,120.68</b>
Other noncurrent assets	Deposits with banks (maturity over 12 months)	989.87	-
Cash and Bank Balances	Deposits with banks (maturity over 12 months)	-	989.87
		<b>989.87</b>	<b>989.87</b>
Other current assets	Interest accrued but not due on loans	153.76	-
Loans and advances	Unsecured loans	-	153.76
		<b>153.76</b>	<b>153.76</b>
<b>Current assets</b>			
Trade receivables	Others (Overdue EMI's & Charges)	-	1,111.90
Short-term loans and advances	Other loans and advances	1,076.08	-
Other current assets	Other receivables	108.97	-
		<b>1,111.90</b>	<b>1,111.90</b>
Statement of Profit and Loss	Caption name	31st March, 2013 (As per groupings of 31st March, 2014)	31st March, 2013 (As per audited groupings of 31st March, 2013)
Revenue from operations – Interest on loans		10,028.68	10,159.27
Interest Income	Interest on fixed deposit with banks	234.69	-
	Interest spread on securitisation / assignment	108.69	-
Revenue from operations	Other financial services income	1,556.21	-
	Fee based income	-	1,111.17
	Reversal of provision on sub-standard and doubtful assets	-	8.10
Other income	Interest on fixed deposit with banks	24.27	258.95
	Miscellaneous income	7.94	6.46
	Bad debts recovered	-	2.25
	<b>Total (refer to note 3 and 4)</b>	<b>11,960.48</b>	<b>11,546.27</b>

# NOTES

 to financial statements for the year ended 31st March, 2014

**Note:-**

- 1 These amounts were earlier netted off from loan and advances.
- 2 In the current year, with respect to assessment years in which there is a net tax payable after adjusting the amount of taxes paid, in the published financials the amount of advance tax was shown in other current assets.
- 3 An amount of ₹ 422.31 lacs, representing reversal of interest on collateral amounts have now been re-classed to other financial services income. In the earlier years, this amount was netted off from finance cost.
- 4 Reversal of provision for substandard and doubtful amounting to ₹ 8.1 lacs were grouped in other income have now been netted off with provision for sub-standard assets and doubtful assets in the current year.
- 5 In the current year, with respect to assessment years' in which there is a net tax payable/ net advance tax after adjusting the amount of taxes paid/provision for tax, such net amount has now been disclosed under 'provision for tax'/ advance tax. However in the previous year the gross provision and advance tax were disclosed separately

**Note : 2.35 Prior period items**

Particulars	(Amounts in ₹ lacs)	
	31st March, 2014	31st March, 2013
<b>Income</b>		
Interest income on loans	760.03	-
Deferred tax credit	139.43	-
<b>Sub-total (A)</b>	<b>899.46</b>	-
<b>Expenses</b>		
Other expenses	3.89	1.87
Interest on fixed deposits (reversal)	20.94	-
Provision for substandard and doubtful debts	73.69	-
Rates and taxes	78.86	-
Salaries and wages	22.81	34.72
Business Promotion Expenses	-	0.29
Electricity and water	-	0.9
Legal and professional	2.10	4.25
Staff recruitment and training	-	0.83
<b>Sub-total (B)</b>	<b>202.29</b>	<b>42.85</b>

**Note : 2.36** Previous year accounts were audited by another firm of chartered accountants.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of  
Intec Capital Limited**
**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**INTEC CAPITAL LIMITED**

We have audited the accompanying Consolidated Financial Statements of Intec Capital Limited ('the Company') and its subsidiary, Amulet Technologies Limited (hereinafter collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the financial statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31 March 2014;
- 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.

## Other Matter

We did not audit the financial statements of the Subsidiary, Amulet Technologies Limited, whose financial statements reflect total assets (net) of ₹ 1,177 lacs (1.59% of total assets) (previous year: ₹ 1,080 lacs) (1.74% of total assets) as at 31 March 2014, total revenue of ₹ Nil (previous year: ₹ Nil). These financial statements have been audited by another auditor whose report has been furnished to us by the management, and our opinion, insofar as it relates to the amounts included in respect of the entity, is based solely on the report of another auditor. Our opinion is not qualified in respect of this matter.

For **B S R & Associates LLP**  
Chartered Accountants  
Firm Registration Number: 116231W

Place: Gurgaon  
Date: 28 May 2014

**Manish Gupta**  
Partner  
Membership No: 095037

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in three years. Accordingly, as informed to us, the Company had carried out a physical verification of all its fixed assets during the previous year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- ii. The Company is a financing company. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
- iii. (a) During the current and previous year, the Company has granted unsecured loans aggregating to ₹ 1,053 lacs to a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year and the year-end balance (including interest accrued) for such unsecured loans amounts to ₹ 1,154 lacs. As informed to us, the Company has not granted any other loan, secured or unsecured, to other companies, firms or parties covered in the register maintained under Section 301 of the Act.
- (b) According to the information and explanations given to us, including that the loan has been given by the Company to its wholly owned subsidiary, we are of the opinion that the rate of interest and other terms and conditions of the loan, are prima facie, not prejudicial to the interest of the Company.
- (c) The above mentioned loans are repayable (including interest) after a period of five years from the dates of disbursement. Hence, no amounts have become due as at the year end. Thus, paragraph 4(iii)(d) of the Order is not applicable.
- (d) The Company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under Section 301 of the Act.
- 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 during the year. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any material weakness in the internal control system during the course of the audit.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of an arrangement referred to in para (v)(a) above and exceeding the value of ₹ 5 lakhs pertains to services obtained by the Company, which are for the Company's specialized requirements for which suitable alternative market prices are not available. However, on the basis of information and explanations provided, the same appear to be reasonable.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Act for any of the services rendered by the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax,

Service-tax and other material statutory have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Investor Education and Protection Fund, Customs duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable, other than dues for Service tax amounting to ₹ 11 lacs. As explained to us, this amount was accrued by the Company only at year end, not envisaged earlier considering the nature of income, and paid off subsequent to year end (along with applicable interest).

- (b) According to the information and explanations given to us, there are no dues of Income-tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Customs duty and Excise duty.
- x. The Company does not have any accumulated losses at the end of the financial year end and has not incurred cash losses in the current and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institution. The Company did not have any outstanding dues to any debenture holders.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanation given to us, 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 on an overall examination of the Balance Sheet of the Company as at 31 March 2014, we are of the opinion that funds raised on short-term basis have not been used for long term investment purposes.
- xviii. The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under Section 301 of the Act.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Associates LLP**  
Chartered Accountants  
Firm Registration Number: 116231W

**Manish Gupta**  
Partner

Place: Gurgaon  
Date: 28 May 2014

Membership No: 095037

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2014

Particulars	Note No.	(₹ in lacs)	
		As at 31st March, 2014	As at 31st March, 2013
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,836.63	2,219.98
Reserves and surplus	2.2	13,647.39	10,263.40
		<b>15,484.02</b>	<b>12,483.38</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	19,272.09	14,990.62
Deferred tax liabilities (net)	2.28	-	45.18
Other long-term liabilities	2.4	3,193.74	2,451.51
Long-term provisions	2.5	1,935.33	271.51
		<b>24,401.16</b>	<b>17,758.82</b>
<b>Current liabilities</b>			
Short-term borrowings	2.6	22,282.91	23,744.66
Trade payables	2.7	100.08	88.03
Other current liabilities	2.8	10,666.00	7,358.14
Short-term provisions	2.9	1,137.58	643.65
		<b>34,186.57</b>	<b>31,834.48</b>
<b>Total</b>		<b>74,071.75</b>	<b>62,076.68</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	2.10		
- Tangible		1,073.99	1,069.28
- Intangible		63.48	312.89
- Capital work in progress		76.63	193.68
Non-current Investments	2.11	9.14	9.14
Deferred tax assets (net)	2.28	792.27	-
Long-term loans and advances	2.12	36,254.22	31,151.51
Other non-current assets	2.13	870.28	1,130.24
		<b>39,140.01</b>	<b>33,866.74</b>
<b>Current assets</b>			
Cash and bank balances	2.14	3,689.25	2,485.98
Short-term loans and advances	2.15	30,388.99	25,614.99
Other current assets	2.16	853.50	108.97
		<b>34,931.74</b>	<b>28,209.94</b>
<b>Total</b>		<b>74,071.75</b>	<b>62,076.68</b>
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of Intec Capital Limited**

**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2014

(₹ in lacs)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Revenue</b>			
Revenue from operations	2.17	15,413.10	11,928.27
Other income	2.18	55.14	32.21
<b>Total revenue</b>		<b>15,468.24</b>	<b>11,960.48</b>
<b>Expenses</b>			
Employee benefits expense	2.19	1,750.39	1,360.73
Finance costs	2.20	7,812.59	7,308.70
Depreciation and amortisation	2.10	59.88	31.09
Other expenses	2.21	3,402.43	1,251.10
<b>Total expenses</b>		<b>13,025.29</b>	<b>9,951.62</b>
<b>Profit before tax</b>		<b>2,442.95</b>	<b>2,008.86</b>
<b>Tax expense</b>			
- Current tax		1,613.27	666.26
- Deferred tax (credit)/ charge (also refer to note 2.30)		(837.45)	28.09
- Current tax for earlier years		65.54	-
		<b>841.36</b>	<b>694.35</b>
<b>Profit for the year</b>		<b>1,601.59</b>	<b>1,314.51</b>
<b>Earning per equity share (par value of ₹ 10 per share)</b>			
- Basic	2.22	10.97	10.18
- Diluted	2.22	9.44	10.09
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of Intec Capital Limited**

**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended  
31st March, 2014

Particulars	(₹ in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>2,442.95</b>	<b>2,008.86</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	59.88	31.09
Provision no longer required written back	(708.49)	(8.10)
Provision on sub-standard and doubtful debts	1,556.37	68.60
Recovery from non-performing assets	-	(2.25)
Provision for standard assets	263.11	58.01
Loss on sale of fixed assets (net)/ assets discarded	1.09	6.69
Bad and doubtful debts written off	17.55	1.04
Capital work in progress written off	117.05	-
<b>Operating profit before working capital changes</b>	<b>3,749.51</b>	<b>2,163.93</b>
<b>Movement in working capital:</b>		
Increase in loans and advances	(9,180.43)	(17,524.39)
Increase in current and non current assets	(484.55)	(187.68)
Increase in trade payables, current and non current liabilities	1238.91	109.55
Increase in short-term and long-term provisions	15.02	5.80
Increase in other bank balances	(125.28)	317.97
<b>Cash from operations</b>	<b>(4,786.82)</b>	<b>(15,114.82)</b>
Taxes paid	(1,394.63)	(505.29)
<b>Net cash from operating activities (A)</b>	<b>(6,181.45)</b>	<b>(15,620.10)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(68.85)	(181.98)
Proceeds from sale of fixed assets	0.73	1.02
Fixed deposits (free from lien)	(3.74)	(46.06)
<b>Net cash from investing activities(B)</b>	<b>(71.86)</b>	<b>(227.02)</b>

(₹ in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Cash flow from/ (used in) financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	1,770.92	4,329.08
Dividend paid (including tax thereon)	(86.25)	(74.34)
Proceeds from commercial papers issued by banks	3,500.00	-
Repayment of commercial papers	(2,500.00)	-
Net repayment of cash credits account	(2,461.75)	6,792.91
Net proceeds from secured loans	7904.56	1,455.15
Net repayment of unsecured loans	(799.92)	3,034.15
<b>Net cash from/ (used in) financing activities (C)</b>	<b>7,327.56</b>	<b>15,536.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,074.25</b>	<b>(285.42)</b>
Cash and cash equivalents at the beginning of the year	756.18	1,040.82
<b>Cash and cash equivalents at the end of the year</b>	<b>1,830.43</b>	<b>755.40</b>
a.The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements', notified by the Companies (Accounting Standards) Rules, 2006, issued by the Central Government.		
b.The notes referred to above form an integral part of the financial statements		
<b>Cash and cash equivalents at the end of the year (refer note 2.14)</b>	<b>1,830.43</b>	<b>756.18</b>
Add:-		
Other bank balances (refer note 2.14)	2,567.18	2,719.67
<b>Total cash and bank balances (including long term deposit)</b>	<b>4,397.61</b>	<b>3,475.85</b>
Less:		
Deposits with banks (maturity over 12 months)	(708.36)	(989.87)
<b>Cash and bank balances at the end of the year</b>	<b>3,689.25</b>	<b>2,485.98</b>

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W

**Manish Gupta**

Partner

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of  
Intec Capital Limited**

**Sanjeev Goel**

Managing Director

DIN:00028702

**Puneet Sehgal**

Company Secretary

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

Director

DIN:00963735

**Sudhindra Sharma**

Head - F&A

Place: New Delhi

Date: 28th May, 2014

# NOTES

to consolidated financial statements for the year ended 31st March, 2014

## Note : 1 Background

Intec Capital Limited ('the Company') incorporated in India on February 15th, 1994, is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. B-14.00731 dated May 4th, 1998. The Company is primarily engaged in the business of providing machinery loans to Small and Medium Enterprises ('SME') customers.

Subsequent to year end, the Company has been registered as an Asset Finance Company ('AFC'), as defined by RBI.

Amulet Technologies Limited ('the subsidiary') incorporated in India on March 27th, 2012, is registered with Ministry of corporate affairs having main objective of providing consultancy, advisory and all related services in the area of Information technology. However, it is yet to commence business.

## Note : 2 Significant accounting policies

### (a) Basis of preparation of Consolidated Financial Statements:

The consolidated financial statements have been prepared and presented under the historical cost convention on a going concern basis, on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles ('GAAP'), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') and the presentation requirements of the Companies Act, 1956 as adopted consistently by the Group and guidelines issued by the RBI, as applicable to the Group.

The Group comprises the Company, being a Non-banking finance company, accordingly complies with the prudential norms relating to income recognition, accounting principles, asset classification and the minimum provisioning for standard, sub-standard and doubtful debts, specified in the directions issued by the RBI in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ('Prudential Norms'), as applicable to it.

### Principles of Consolidation:

Intec Capital Limited (the Holding Company) and its subsidiary (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" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Holding Company and its subsidiary company 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.
- (ii) 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.
- (iii) 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 consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- (iv) 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

### (b) Current / non-current classification of assets / liabilities

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted

# NOTES to consolidated financial statements for the year ended 31st March, 2014

from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

## Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the Group's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

## Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

## (c) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates used in preparing the accompanying consolidated financial statements. Any changes in estimates are recognised prospectively.

## (d) Revenue Recognition

- (i) Interest income on loans is accounted for by applying the Internal Rate of Return (IRR), implicit in the agreement, on the diminishing balance of the financed amount, over the period of the agreement so as to provide a constant periodic rate of return on the net amount outstanding on the contracts.

- (ii) Future accrual of interest is suspended for accounts that are contractually delinquent for more than 180 days, after setting-off of collateral amounts. Suspended income on such accounts is recognised as and when collected. Reversal of income not collected for these assets are being netted-off against income as required by the Prudential Norms.

- (iii) 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.

- (iv) Processing fee in respect of loans agreement is recognized as income on accrual basis.

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

- (vi) Profit/ loss on sale of loan assets through direct assignment/ securitization are recognized over the residual life of loan/ pass through certificates in terms of RBI guidelines. Loss arising on account of direct assignment/ securitisation is recognized upfront.

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

- (viii) Income on account of overdue interest and penal charges is recognized on receipt basis.

## (e) Fixed assets, intangibles and related depreciation/ amortisation/ impairment

- a. Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, taxes and other incidental expenses incurred to put the asset to the intended use.
- b. Acquired intangible assets are recorded at the consideration paid for their acquisition. In respect of internally generated assets, the expenditure incurred by the Group in form of salaries of full time employees and professional services billings from outsourced vendors which are directly attributed or allocated on a reasonable and consistent basis, for creating, producing and making the asset ready for its intended use, being

# NOTES

to consolidated financial statements for the year ended 31st March, 2014

enduring in nature, is capitalised.

- c. Policy for assets under construction: Fixed assets under construction and cost of assets not put to use before year end are disclosed as capital work-in-progress.
- d. Straight-line method for computing the depreciation charge is followed. Assets costing ₹ 5,000 or less are depreciated fully in the year of purchase. Other fixed assets are depreciated on a straight line basis over their estimated economic useful lives as estimated by the management, except leasehold improvements, which are being amortised over the lease period. Such rates are higher than the corresponding depreciation rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/ sold during the year.

Till the previous year, the Group was depreciating its assets in accordance with the rates as per Schedule XIV of the Companies Act. During the year ended 31st March, 2014, the Group revised the estimated useful life of fixed assets. Accordingly, depreciation on fixed assets for the year has been provided on the basis of revised estimated useful lives.

The management's revised estimates of the useful lives of the various fixed assets are as follows:

Asset description	Useful life (in years)
Computers and peripherals	6
Furniture and Fixtures	16
Vehicles	11
Air conditioners	10
Office equipment	10
Electrical installations	8

As a result of the change in estimated useful lives, depreciation for the year is higher by ₹ 18.67 lacs and consequently, profit before tax for the year and reserves and surplus and net fixed assets as at the year end are lower by that amount.

- e. Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired.

Impairment occurs where the carrying value exceeds its recoverable amount. The impairment loss to be expensed is determined as the excess of the carrying value over the higher of the asset's net sales price or the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

## (f) Investment

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current/non-current classification scheme of revised Schedule VI.

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.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures, etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Consolidated Statement of Profit and Loss.

## (g) Sale of asset portfolios by way of assignment/ securitization

The Company undertakes sale of its loan portfolios by way of securitization/ assignment out of its loan portfolio. The assigned/ securitized portfolio is de-recognised from the books of the Company in situations where the Company relinquishes its contractual rights over the underlying loan receivables

# NOTES to consolidated financial statements for the year ended 31st March, 2014

and all risks and rewards are transferred to assignee/ buyer.

The Company is maintaining minimum holding period criteria and minimum retention requirements as prescribed by RBI vide its circular number RBI/2012-13/170/DNBS.PD.No.301/3.10.01/2012-13, issued on 21st August, 2012.

## (h) Employee Benefits

The Group has various schemes of retirement benefits, namely provident fund, gratuity and leave encashment.

### (a) Short term employee benefits:

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

### (b) Other long term employee benefits:

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service or en-cashed at the time of retirement / termination of employment subject to restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

### (c) Defined contribution plan:

Contributions towards Provident Fund are considered as defined contribution plan and the contributions are charged to the Consolidated Statement of Profit and Loss for the year when the expense is actually incurred.

### (d) Defined benefit plans:

The Group's gratuity scheme is a defined benefit plan. The Group pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Group's contribution to gratuity fund in respect of its employees is managed by a trust, which invests the funds with Life Insurance Corporation of India ('LIC'). The present value of obligations under

such defined benefit plans are based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity period approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

## (i) Provision for standard, sub-standard and doubtful assets

Provision for standard and substandard and doubtful assets is recognised in accordance with prudential norms and guidelines issued by Reserve Bank of India from time to time. Further, specific provisions are also created based on the management's best estimate of the recoverability of non-performing assets.

In accordance with Para 10 of Prudential Norms, the Group has separately shown provision for loans under short term/ long term provisions (as applicable) without netting off from loans.

During the current year, the Company re-evaluated the percentages at which provision for standard and non-performing assets was being recognised hitherto. As a result, the Board of Directors considered it appropriate to make provisions at higher percentages of loan assets depending on the outstanding age, as compared to the percentages being used hitherto. Such change has resulted in an incremental provision of ₹ 1,519.13 lacs (including prior period impact on restructured assets), and consequently, profit before tax for the year and reserves and surplus are lower by that amount.

## NOTES to consolidated financial statements for the year ended 31st March, 2014

Following table provides provisioning percentages applied by the Company for standard, sub-standard and non-performing assets for the year ended 31st March, 2014 and 31st March, 2013:

Classification	Provisioning percentage as at 31st March, 2014	Provisioning percentage as at 31st March, 2013
Standard assets	0.50%	0.25%
Sub-standard assets (other than restructured assets)		
• Up to 3 months	50%	10%
• 3 to 6 months	75%	10%
• After 6 months	100%	10%
Sub-standard-assets (restructured assets)		
• At inception	30%	10%
• At the time of NPA	60%	10%
• After 3 month of NPA	100%	10%
Doubtful assets	100%	100%

### (j) Current and deferred tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The current charge for income tax is based on estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income-tax laws applicable for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the notified tax rates. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to represent the amount that is reasonably/ virtually certain to be realised.

### (k) Provision, contingent liabilities and contingent assets

The Group recognises a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

Contingent assets are not recognised in the Consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## (l) Earnings per share

Basic earnings per equity share is computed by dividing net profit/ loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares except where results are anti-dilutive. The dilutive

potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at the fair value.

## (m) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term.

## (n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term fixed deposits/ investments with an original maturity of three month or less.

## Note : 2.1 Share Capital

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised share capital</b>		
<b>Equity shares:</b>		
35,000,000 (previous year: 35,000,000) equity shares of ₹ 10 each	3,500.00	3,500.00
<b>Preference Shares:</b>		
1,500,000 (previous year: 1,500,000) preference shares of ₹ 100 each	1,500.00	1,500.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity shares:</b>		
18,366,250 (previous year: 13,458,630) equity shares of ₹ 10 each fully paid up	1,836.63	1,345.86
<b>Preference Shares:</b>		
Nil (previous year: 600,000) 5% convertible preference share of ₹ 100 each	-	600.00
Nil (previous year: 274,122) 0.001% compulsorily convertible preference share of ₹ 100 each	-	274.12
	<b>1,836.63</b>	<b>2,219.98</b>

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014
**Note:****(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year**

(₹ in lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	13,458,630	1,345.86	12,792,428	1,279.24
Add: Issued during the year	1,618,154	161.82	666,202	66.62
Add: Preference shares converted into equity shares	3,289,466	328.95	-	-
<b>Balance as at the end of the year</b>	<b>18,366,250</b>	<b>1,836.63</b>	<b>13,458,630</b>	<b>1,345.86</b>
<b>Preference shares</b>				
Balance at the beginning of the year	874,122	874.12	-	-
Add: Issued during the year	-	-	874,122	874.12
Less: Preference shares converted into equity shares	874,122	874.12	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>	<b>874,122</b>	<b>874.12</b>

**(b) Terms/ rights, preferences and restrictions attached to each class of shares****Equity Shares**

The Company has only one class of equity shares having par value of ₹ 10 per share (previous year ₹ 10 per share). All equity shares are entitled to receive dividends as declared from time to time. The voting rights of an equity shareholder on a poll (not by show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

**Preference shares:**

The Company had raised ₹ 600 lacs through the issue of fully paid-up 5% convertible preference shares (CPS) having face value of ₹ 100 each for cash, to be converted into equity shares, at a premium, if any, at such price and on such terms and condition as the board may in absolute discretion decide in accordance with SEBI (ICDR) Regulations, 2009 within the period of 18 months. The 5% convertible preference shares shall carry fixed rate of dividend at 5% per annum. During the current year, these convertible preference shares were converted into equity shares of ₹ 10 each at a premium

of ₹ 99.44 per equity share, which was determined in accordance with SEBI (ICDR) Regulations, 2009.

CPS holders has no right to receive notice of, and to be present, either in person or by proxy, at any general meeting of the Company. CPS holders has a right of five percent dividend.

Further, the Company had raised ₹ 2,999.99 lacs through the issue of 274,122 fully paid-up compulsorily convertible preference shares (CCPS) having face value of ₹ 100 each for cash at a premium of ₹ 994.4 per CCPS. The CCPS are to be converted into equity shares, at premium, if any, at such price and on such terms and condition as the Board may in its absolute discretion decide in accordance with SEBI (ICDR) Regulations, 2009 within the period of six month from the date of allotment, provided that the pricing of such shares allotted on preferential basis shall not be lower than the price determined in accordance with SEBI (ICDR) Regulations, 2009.

CCPS holders had the right to receive notice of, and to be present, either in person or by proxy, at any general meeting of the Company as well as the same rights as the rights of a holder of equity shares, including

## NOTES to consolidated financial statements for the year ended 31st March, 2014

with respect to dividend but no voting rights. Coupon rate on the CCPS shall be 0.001% per annum. For the avoidance of doubt, the preference shareholders' of CCPS shall be entitled to a total amount of dividend which is equivalent to the total dividend payable on the converted shares held by such shareholder. All dividend payable on the CCPS shall accrue from the completion

date and shall be payable on the conversion date. During the current year, all compulsorily convertible preference shares of ₹ 100 each were converted into 10 equity shares of ₹ 10 each at a premium of ₹ 99.44 per equity share, determined in accordance with SEBI (ICDR) Regulations, 2009.

### (c) Detail of shareholders holding more than 5% of the aggregate shares in the Company:

(₹ in lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	% age of share holding	Number of shares	% age of share holding
<b>Equity Shares:</b>				
Pantec Devices Private Limited	4,497,264	24.49	1,428,100	10.61
Pantec Consultant Private Limited	1,453,771	7.92	1,340,467	9.96
Modern Credit Private Limited	-	-	1,155,000	8.58
Host Buildwell Private Limited	104,167	0.57	862,480	6.41
Edini Steels Private limited	855,440	4.66	855,440	6.36
Land Mark Buildmart Private Limited	104,167	0.57	858,400	6.38
Polym Agencies Private Limited	674,380	3.67	785,280	5.83
Starvision Services Private Limited	647,680	3.53	758,128	5.63
Escrow Account-India Business Excellence Fund-II	700,000	3.81	750,000	5.57
India Business Excellence Fund-II	2,284,356	12.44	666,202	4.95
India Business Excellence Fund-IIA	3,646,142	19.85	-	-
<b>0.001% Compulsorily Convertible Preference Share</b>				
India Business Excellence Fund-IIA	-	-	274,122	100.00
<b>5% Convertible Preference Share</b>				
Pantec Consultant Private Limited	-	-	124,000	20.67
Pantec Devices Private Limited	-	-	124,000	20.67
Intec Worldwide Private Limited	-	-	124,000	20.67
Host Buildwell Private Limited	-	-	114,000	19.00
Land Mark Buildmart Private Limited	-	-	114,000	19.00

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.2 Reserves and surplus

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Securities premium account</b>		
Balance as at the beginning of the year	6,689.57	3,301.23
Add: Premium on issue of equity shares during the year	1,609.09	662.47
Add: Premium on conversion of preference shares during the year	545.18	2,725.87
<b>Balance as at the end of the year</b>	<b>8,843.84</b>	<b>6,689.57</b>
<b>Statutory reserve as per Section 45-IC of the RBI Act, 1934 #</b>		
Balance as at the beginning of the year	788.16	525.70
Add: Amount transferred during the year	363.29	262.45
<b>Balance as at the end of the year</b>	<b>1,151.45</b>	<b>788.15</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	2,785.69	1,819.87
Add: Profit for the year	1,601.59	1,314.51
Less: Adjustment of goodwill relating to earlier years ##	251.85	-
Less: Appropriations		
Proposed equity dividend	71.42	64.02
Preference dividend	31.18	10.19
Tax on proposed dividend	17.44	12.04
Transfer to reserve under Section 45-IC of the RBI Act, 1934	363.29	262.45
<b>Balance as at the end of the year</b>	<b>3,652.10</b>	<b>2,785.68</b>
<b>Total reserves and surplus</b>	<b>13,647.39</b>	<b>10,263.40</b>

# Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer a sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred ₹ 363.29 lacs (previous year ₹ 262.45 lacs), being twenty percent of net profits for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

## During an earlier year, Unitel Credit Private Limited (transferor company) had amalgamated with the Company. The difference between the amount of shares issued to the shareholders' of the transferor company and the amount of share capital of the transferor company amounted to ₹ 251.85 lacs, arising out of this amalgamation, earlier inadvertently included in goodwill, has now been adjusted to the opening reserves and surplus in the Statement of Profit and Loss in the current year, as required by Accounting Standard-14, Accounting for Amalgamations.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.3 Borrowings

Particulars	(₹ in lacs)			
	Short-term portion		Long-term portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Secured</b>				
Term Loan:				
- from banks	5,406.83	2,862.56	13,991.02	6,842.58
- from other parties	1,411.84	1,292.59	1,835.90	3,743.30
<b>Unsecured</b>				
Other loans (corporate bodies)	862.00	702.35	3,445.17	4,404.74
	<b>7,680.67</b>	<b>4,857.50</b>	<b>19,272.09</b>	<b>14,990.62</b>
Less: Amount shown under other current liabilities (refer to note 2.8)	7,680.67	4,857.50	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>19,272.09</b>	<b>14,990.62</b>

### Disclosures with respect to year ended 31st March, 2014:

#### (a) Details for maturity and security:

Particulars	(₹ in lacs)			
	Maturity pattern			
	0-1 years	1-2 years	2-3 years	3-5 years
<b>(i) Secured by hypothecation of loan receivables (also refer to note (b) below)</b>				
for loans taken from banks# (Remaining installments payable - 16 to 53 )	3,369.68	4,089.51	3,655.42	3,808.95
for loans taken from other parties# (Remaining installments payable - 19 to 53 )	1,104.31	793.01	222.00	315.50
<b>(ii) Secured by hypothecation of loan receivables and fixed deposits (also refer to note (b) below)</b>				
for loans taken from banks# (Remaining installments payable - 19 to 42 )	2,037.15	1,746.23	558.66	132.25
for loans taken from other parties# (Remaining installments payable - 32 )	300.00	300.00	200.00	-
<b>(iii) Secured by hypothecation of car</b>				
for loans taken from banks#	-	-	-	-
for loans taken from other parties# (Remaining installments payable - 20 )	7.53	5.39	-	-
<b>(iv) Unsecured loans (corporate bodies)##</b>	862.00	1,340.93	684.04	1,420.20

# repayable on equitable monthly installments

## repayable at the time of maturity along with interest accrued

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

**(b) Nature of guarantees for loans taken:**

Loans guaranteed by directors, other parties for i & ii:

- loan of ₹ 9,517.65 lacs secured by personal guarantee of managing director.
- loan of ₹ 4,946.93 lacs secured by personal guarantees of managing director and relative of managing director.
- loan of ₹ 1,349.94 lacs secured by personal guarantee of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited (subsidiary of the Company) .
- loan of ₹ 883.33 lacs secured by personal guarantees of managing director, relative of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director).

**(c) Rate of interest (range):**

Interest rates applicable on above secured loans are ranges between 8.75%- 12.75% per annum.

Interest rates applicable on above unsecured loans are ranges between 6.25% -10 % per annum.

**Disclosures with respect to year ended 31st March, 2013:**
**(a) Details for maturity and security:**

Particulars	Maturity pattern			
	0-1 years	1-2 years	2-3 years	3-5 years
(₹ in lacs)				
<b>(i) Secured by hypothecation of loan receivables</b>				
for loans taken from banks# (Remaining installments payable - 30 to 45 )	963.73	1,379.86	1,021.39	875.00
for loans taken from other parties# (Remaining installments payable - 4 to 54 )	833.82	1,195.64	793.00	574.50
<b>(ii) Secured by hypothecation of loan receivables and fixed deposits</b>				
for loans taken from banks# (Remaining installments payable - 22 to 45 )	1,898.83	1,795.36	1,479.30	291.67
for loans taken from other parties# (Remaining installments payable - 36 to 44 )	449.95	470.06	497.18	200.00
<b>(iii) Secured by hypothecation of car</b>				
for loans taken from banks#	-	-	-	-
for loans taken from other party# (Remaining installments payable - 9 to 20)	8.82	7.53	5.39	-
<b>(iv) Unsecured loans (corporate bodies)##</b>	702.35	1,134.60	1,400.30	1,869.84

# repayable on equitable monthly installments

## repayable at the time of maturity along with interest accrued

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## (b) Nature of guarantees for loans taken:

Loans guaranteed by directors, other parties for note (a) (i) & (ii) above:

- loan of ₹ 3,538.55 lacs secured by personal guarantee of managing director.
- loan of ₹ 8,434.95 lacs secured by personal guarantees of managing director and relative of managing director.

## (c) Rate of interest (range):

Interest rates applicable on above secured loans are ranges between 8.75%- 13.00% per annum.

Interest rates applicable on above unsecured loans are ranges between 6.25% -10 % per annum.

## Note : 2.4 Other long-term liabilities

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Others</b>		
Collateral amount for cases assigned/ securitised	2,904.64	2,282.00
Interest accrued but not due on unsecured loans	286.67	169.51
Lease equalisation reserve	2.43	-
<b>Total</b>	<b>3,193.74</b>	<b>2,451.51</b>

## Note : 2.5 Long-term provisions

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note 2.24)	0.50	-
Provision for leave encashment	20.70	-
<b>Others:</b>		
Contingent provision against standard assets	298.91	134.23
Provision for substandard and doubtful debts	1,615.22	137.28
<b>Total</b>	<b>1,935.33</b>	<b>271.51</b>

## Note : 2.6 Short-term borrowings

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Secured</b>		
Loans repayable on demand from banks	17,777.84	22,237.61
Working capital demand loan from banks	3,505.07	1,507.05
Commercial paper from bank	1,000.00	-
<b>Total</b>	<b>22,282.91</b>	<b>23,744.66</b>

## (a) Nature of security:

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 and immovable properties - Belonging to managing director and relative of managing director.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

(c) Personal guarantees of managing director and relative of managing director.

(d) Corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited (subsidiary of the Company).

**(b) Rate of interest (range):**

Interest rates applicable on above loans ranges between 9.25%- 13.25% per annum (previous 8.75%-14% per annum).

**(c) Commercial papers**

These are issued for a period of 84 days and will be repaid on 22nd April, 2014 (rate of interest - 8.50% per annum).

**Note : 2.7 Trade payables**

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Payable to micro, small and medium enterprises*	-	-
Payable to others	100.08	88.03
<b>Total</b>	<b>100.08</b>	<b>88.03</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the confirmations received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31st March, 2014 and 31st March, 2013.

**Note : 2.8 Other current liabilities**

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Current maturities of long-term debt</b> (refer to note a,b,c of note 2.3)	-	-
<b>Secured</b>		
Term loans		
- from banks	5,406.83	2,862.56
- from other parties	1,411.84	1,292.59
<b>Unsecured</b>		
Other loans (corporate bodies)	862.00	702.35
<b>Interest accrued but not due on:</b>		
- Term loan from banks	41.43	21.74
- Term loan from other parties	17.77	30.98
- Unsecured loans	72.91	92.54
Interest accrued and due on term loan from banks	89.04	45.43
<b>Other payables</b>		
Payable to employees #	298.61	167.11
Amount payable for servicing of assigned/ securitised portfolio	630.03	188.31
Payable to customers	481.42	499.53
Unclaimed dividend	10.64	9.07
Loans pending disbursement	966.58	1,022.84
Collateral for assigned/ securitised cases	240.82	356.44
Lease equalisation reserve	8.91	-
Other statutory dues payable	103.30	54.44
Payable for purchase of capital goods	4.15	-
Other payables	19.72	12.21
<b>Total</b>	<b>10,666.00</b>	<b>7,358.14</b>

# includes ₹ 75.20 lacs (previous year ₹ Nil) payable to managing director.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.9 Short-term provisions

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 2.24)	0.12	12.19
Provision for leave encashment	5.86	-
<b>Others</b>		
Provision against standard assets	169.31	70.89
Provision for taxation (net of taxes paid of ₹ 2,491.41 lacs, previous year ₹ 1,102.08 lacs)	763.82	474.32
Proposed dividend - equity	71.42	64.02
Proposed dividend - preference	31.18	10.19
Tax on proposed dividend	17.44	12.04
Provision for sub-standard assets	78.43	-
<b>Total</b>	<b>1,137.58</b>	<b>643.65</b>

## Note : 2.10 Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April, 2013	Additions	Deductions/ adjustments	As at 31st March, 2014	As at 1st April, 2013	Depreciation/ amortisation	Deductions/ adjustments #	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
<b>Tangible assets</b>										
Vehicles	82.97	-	-	82.97	32.90	7.67	-	40.57	42.40	50.07
Office equipment	13.59	12.00	1.29	24.30	1.37	1.57	0.31	2.63	21.67	12.22
Data processing equipments	89.04	33.84	2.14	120.74	32.52	14.77	2.01	45.28	75.46	56.52
Furniture and fixtures	18.22	2.80	-	21.02	3.99	1.21	-	5.20	15.82	14.22
Leasehold improvements	40.21	-	-	40.21	11.54	18.68	-	30.22	9.99	28.67
Electric installations	9.31	3.30	0.44	12.17	1.31	1.38	0.05	2.64	9.53	8.01
Air conditioners	12.87	1.23	0.49	13.61	2.11	1.36	0.17	3.30	10.31	10.75
Office equipment - mobile	-	1.51	-	1.51	-	1.51	-	1.51	-	-
Land	888.81	-	-	888.81	-	-	-	-	888.81	888.81
<b>Total (Tangible assets)</b>	<b>1,155.02</b>	<b>54.68</b>	<b>4.36</b>	<b>1,205.34</b>	<b>85.74</b>	<b>48.15</b>	<b>2.54</b>	<b>131.35</b>	<b>1,073.99</b>	<b>1,069.27</b>
<b>Intangible assets</b>										
Goodwill #	251.85	-	251.85	-	-	-	-	-	-	251.85
Computer software	66.48	14.18	-	80.66	5.45	11.72	-	17.17	63.48	61.03
Capital work in progress	193.68	-	117.05	76.63	-	-	-	-	76.63	193.68
<b>Total (Intangible assets)</b>	<b>512.01</b>	<b>14.18</b>	<b>368.90</b>	<b>157.28</b>	<b>5.45</b>	<b>11.72</b>	<b>-</b>	<b>17.17</b>	<b>140.11</b>	<b>506.56</b>
<b>Total</b>	<b>1,667.03</b>	<b>68.85</b>	<b>373.26</b>	<b>1,363.62</b>	<b>91.19</b>	<b>60.38</b>	<b>2.54</b>	<b>148.52</b>	<b>1,214.10</b>	<b>1,575.84</b>

# refer to explanation given in note 2.2 for goodwill adjustment.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

Previous year

Particulars	(₹ in lacs)									
	Gross block				Accumulated depreciation				Net block	
	As at 1st April, 2012	Additions	Deductions/ adjustments #	As at 31st March, 2014 3	As at 1st April, 2012	Depreciation/ amortisation	Deductions/ adjustments #	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
<b>Tangible assets</b>										
Vehicles	82.97	-	-	82.97	25.23	7.67	-	32.90	50.06	57.73
Office equipment	13.04	3.58	3.03	13.59	1.34	0.79	0.76	1.37	12.22	11.70
Computer & peripherals	76.13	14.30	1.39	89.04	20.96	12.46	0.90	32.52	56.52	55.17
Furniture and fixtures	55.26	4.91	1.74	58.43	12.79	3.45	0.70	15.54	42.90	42.47
Electric installations	8.21	1.75	0.65	9.31	1.17	0.42	0.29	1.31	8.01	7.04
Air conditioners	16.93	1.81	5.88	12.86	3.57	0.86	2.32	2.11	10.75	13.36
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
<b>Total (Tangible assets)</b>	<b>257.36</b>	<b>26.35</b>	<b>12.69</b>	<b>271.02</b>	<b>65.06</b>	<b>25.65</b>	<b>4.97</b>	<b>85.75</b>	<b>185.28</b>	<b>192.29</b>
<b>Intangible assets</b>										
Goodwill #	251.85	-	-	251.85	-	-	-	-	251.85	251.85
Computer software	-	66.48	-	66.48	-	5.45	-	5.45	61.03	-
<b>Total (Intangible assets)</b>	<b>251.85</b>	<b>66.48</b>	<b>-</b>	<b>318.33</b>	<b>-</b>	<b>5.45</b>	<b>-</b>	<b>5.45</b>	<b>312.88</b>	<b>251.85</b>
<b>Total</b>	<b>509.21</b>	<b>92.83</b>	<b>12.69</b>	<b>589.35</b>	<b>65.06</b>	<b>31.10</b>	<b>4.97</b>	<b>91.20</b>	<b>498.16</b>	<b>444.14</b>

## Note : 2.11 Non-current Investments

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Non-trade investments (valued at cost)</b>		
<b>Unquoted investment in equity shares of subsidiary company</b>		
89,890 (previous year 89,890) equity shares of ₹ 10 each of Pantec Devices Private Limited	1.16	1.16
<b>Unquoted investment in equity shares of other companies</b>		
31,830 (previous year 31,830) equity shares of ₹ 10 each of Pantec Consultants Private Limited	1.01	1.01
36,390 (previous year 36,390) equity shares of ₹ 10 each of Intec Worldwide Private Limited	0.86	0.86
43,500 (previous year 43,500) equity shares of ₹ 10 each of Polym Agency Private Limited	1.11	1.11
225,730 (previous year 225,730) equity shares of ₹ 10 each of Intec Share & Stock Brokers Limited	2.26	2.26
34,000 (previous year 34,000) equity shares of ₹ 10 each of FIMA Infotech Private Limited	2.30	2.30
44,000 (previous year 44,000) equity shares of ₹ 10 each of Starvision Services Private Limited	0.44	0.44
<b>Total</b>	<b>9.14</b>	<b>9.14</b>

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.12 Long-term loans and advances

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Other loans and advances</b>		
<b>Loans</b>		
Secured, considered good*	58,974.65	53,892.22
Less: Collateral money received from borrowers	25,250.51	23,769.64
Unsecured, considered good	723.02	741.98
Doubtful	1,615.22	137.28
<b>Advances (unsecured, considered good)</b>		
Security deposits	68.64	51.62
Prepaid expenses	99.27	79.44
Income taxes recoverable [net of provision of ₹ 235.62 lacs (previous year ₹ 235.62 lacs)]	23.93	18.61
<b>Total</b>	<b>36,254.22</b>	<b>31,151.51</b>

\* Secured by hypothecation of specific assets.

## Note : 2.13 Other non-current assets (unsecured, considered good)

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Others</b>		
Deposits with maturity over twelve months from balance sheet date (refer note 2.14)	708.38	989.87
Interest accrued but not due on unsecured loans	161.90	140.37
<b>Total</b>	<b>870.28</b>	<b>1,130.24</b>

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.14 Cash and bank balances

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Cash and cash equivalents:</b>		
Cash in hand	24.28	26.38
Cheques, drafts in hand	18.70	-
<b>Balances with banks:</b>		
- In current accounts	326.61	663.02
- In unpaid dividend account	10.64	9.07
- On deposit accounts (Bank balances available on demand/deposits with original maturity of 3 months or less)	1,450.20	57.71
	<b>1,830.43</b>	<b>756.18</b>
<b>Other bank balances</b>		
- Deposits with maturity within twelve months from balance sheet date	1,858.82	1,729.80
- Deposits with maturity over twelve months from balance sheet date	708.36	989.87
<b>Total cash and bank balances</b>	<b>4,397.61</b>	<b>3,475.85</b>
Less: Deposits with maturity over twelve months from balance sheet date (refer note 2.13)	(708.36)	(989.87)
<b>Total</b>	<b>3,689.25</b>	<b>2,485.98</b>

## Note : 2.15 Short-term loans and advances

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Other loans and advances</b>		
<b>Loans</b>		
Secured, considered good*	32,946.14	29,103.81
Less: Collateral money received from borrowers	3,627.79	4,421.80
Unsecured, considered good	805.21	759.03
Doubtful	78.43	-
<b>Advances (unsecured, considered good)</b>		
Advances to employees	6.55	6.10
Prepaid expenses	126.84	82.71
Other advances	39.31	78.19
Unamortised discount on commercial papers	6.04	-
Advance to vendors	8.26	6.95
<b>Total</b>	<b>30,388.99</b>	<b>25,614.99</b>

\* Secured by hypothecation of specific assets.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.16 Other current assets (unsecured, considered good)

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Interest accrued but not due on secured loans	811.35	-
Other receivables	42.15	108.97
<b>Total</b>	<b>853.50</b>	<b>108.97</b>

## Note : 2.17 Revenue from operation

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Interest Income</b>		
Interest on loans (refer to note 2.30)	13,224.34	10,028.68
Interest on fixed deposit with banks (refer to note 2.30)	182.79	234.69
Interest spread on securitisation / assignment	85.95	108.69
<b>Other financial services income</b>		
Loan processing fee	645.61	654.26
Servicing fee on assignment of loans	111.00	20.42
Income on preclosure of loans	351.89	352.67
Other service fees	103.03	104.25
Provisions/ liabilities no longer required written back	708.49	422.36
Recovery from sub-standard and doubtful assets	-	2.25
<b>Total</b>	<b>15,413.10</b>	<b>11,928.27</b>

## Note : 2.18 Other income

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Interest on fixed deposit with banks	3.48	24.27
Miscellaneous income	51.66	7.94
<b>Total</b>	<b>55.14</b>	<b>32.21</b>

## Note : 2.19 Employee benefit expense\*

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Salaries and wages	1,620.38	1,228.20
Contribution to provident and other funds	71.93	98.65
Staff welfare expenses	58.08	33.88
<b>Total</b>	<b>1,750.39</b>	<b>1,360.73</b>

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.20 Finance costs

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Interest expense</b>		
Interest on term loan:		
- from banks	1,881.31	1,224.19
- from other parties	557.46	814.17
Interest on loans repayable on demand from banks	2,421.96	2,344.90
Interest on other loans (corporate bodies)	377.61	198.81
Interest on collateral money received from borrowers	2,261.65	2,531.43
Discount on commercial paper	60.91	-
<b>Other borrowing cost</b>		
Processing fees and other bank charges	251.69	195.20
<b>Total</b>	<b>7,812.59</b>	<b>7,308.70</b>

## Note : 2.21 Other expenses\*

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Electricity and water	26.26	23.03
Rent (refer note 2.23)	175.30	133.39
Legal and professional	468.95	359.34
Rates and taxes	157.42	7.60
Collection charges	139.10	287.98
Repair and maintenance - others	54.66	38.65
Staff recruitment and training	43.35	21.54
Communications	51.46	39.26
Travelling and conveyance	172.70	111.38
Business promotion expenses	33.61	45.27
Contingent provision for standard assets	263.11	58.01
Provision for non-performing assets	1,556.37	60.50
Miscellaneous expenses	143.09	65.15
Capital work in progress written off	117.05	-
<b>Total</b>	<b>3,402.43</b>	<b>1,251.10</b>

\*refer to note 2.30

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.22 Earnings per share (EPS)

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Profit after tax as per the Statement of Profit and Loss (A)	1,601.59	1,314.51
Less: Dividends on preference shares and tax thereon	36.47	11.84
Net profit attributable to equity shareholders for calculation of basic earning per share (B)	1,565.12	1,302.67
<b>Calculation of weighted average number of equity shares</b>		
Number of equity shares outstanding at the beginning of the year	13,458,630	12,792,428
Add: Issued/ converted during the year:		
- equity shares issued on 26th March, 2013	-	666,202
- equity shares converted on 24th July, 2013	208,334	-
- equity shares issued on 7th February, 2014	1,618,154.00	-
- equity shares converted on 7th February, 2014	3,081,132.28	-
Number of equity shares outstanding at the end of the year	<b>18,366,250</b>	<b>13,458,630</b>
Weighted average number of equity shares outstanding during the year (C)	14,270,811	12,801,554
Effect of dilutive potential equity shares	2,698,803	223,804
Weighted average number of equity shares for calculation of diluted earning per share (D)	<b>16,969,614</b>	<b>13,025,358</b>
<b>Basic earning per share (B/C)</b>	10.97	10.18
<b>Dilutive potential equity shares (A/D)</b>	9.44	10.09

## Note : 2.23 Operating leases

The Group's significant leasing arrangements are in respect of operating leases for premises (commercial premises, offices etc.). The leasing arrangements include non-cancellable leases generally ranging from 3-6 years and are usually renewable by mutual consent on mutually terms. The aggregate lease rentals payable are charged to Consolidated Statement of Profit and Loss.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follow:

Particulars	(₹ in lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Payable within one year	41.22	12.22
Payable between one and five years	12.89	1.58
Payable after five years	-	-
<b>Total</b>	<b>54.01</b>	<b>13.80</b>

During the year an amount of ₹ 175.30 lacs was recognised as an expense in the Statement of Profit and Loss in respect of operating leases (previous year: ₹133.39 lacs).

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.24 Disclosure with respect to AS-15 Employee Benefits

### Defined benefit plan (Gratuity):

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days (for a month of 26 days) of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, except that there is no limit on payment of gratuity.

The Group had not carried out an actuarial valuation in accordance with AS-15 "Employee Benefits" during the year ended 31st March, 2013. In the current year, valuation of gratuity is carried out by actuary as per AS-15. Differential charge of current service cost pertaining to year ended 31st March, 2013 is recorded as prior period expense in the current year. Disclosures with respect to changes in defined benefit obligation, funded status, expense for the year with respect to year ended 31st March, 2013 are made based on the report received from LIC.

	(₹ in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A) Reconciliation of benefit obligations and plan assets</b>		
Opening defined benefit obligation	42.75	22.15
Current service cost	18.21	13.05
Interest cost	3.97	1.78
Actuarial losses/ (gains)	(15.30)	(7.50)
Benefits paid	-	-
Settlement loss/ (gain)	-	-
<b>Closing defined benefit obligation</b>	<b>49.63</b>	<b>29.48</b>
<b>Change in the fair value of plan assets</b>		
Opening fair value of plan assets	26.71	9.86
Expected return on plan assets	2.40	1.53
Actuarial gains/ (losses)	0.55	-
Contributions paid by employer	19.35	15.32
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>49.01</b>	<b>26.71</b>
<b>B) Reconciliation of present value of the obligations and the fair value of the plan assets</b>		
Present value of funded obligations	49.63	29.48
Fair value of plan assets	49.01	26.71
<b>Net asset/ (liability) to be recognised in Balance Sheet</b>	<b>(0.62)</b>	<b>(2.77)#</b>
<b>C) Gratuity cost for the year:</b>		
Current service cost	18.21	13.05
Interest cost	3.97	1.77
Expected return/ (loss) on plan assets	(2.40)	(1.53)
Settlement loss/ (gain)	-	-
Net actuarial losses/ (gain) recognised in year	(15.85)	(7.50)
Prior period charge for current cost	3.85	-
<b>Net gratuity cost/ (income) to be recognised in Statement of Profit and Loss</b>	<b>7.78</b>	<b>5.79</b>

# As at 31st March, 2013, a liability of ₹ 12.00 lacs was recognized in the books representing premium payable to LIC.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Experience adjustments\*:

Particulars	₹ in lacs	
	31st March, 2014	31st March, 2013
Experience gain/ (loss) adjustments on plan liabilities	16.39	7.50
Experience gain/ (loss) adjustments on plan assets	0.54	-

\* data for prior years is not available since no actuarial valuation had been carried out till 31st March, 2013.

## Investment details of the plan assets

100% of the plan assets are with the Insurer Managed funds.

Assumptions	31st March, 2014	31st March, 2013
Discount rate	9.1%	9.3%
Expected rate of return on plan assets	8.75%	9%
Salary escalation rate	10%	10%

## Economic assumptions

The principal assumptions are the discount rate and salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

## Demographic assumptions

Particulars	31st March, 2014		31st March, 2013	
	Ages	Withdrawal Rate	Ages	Withdrawal Rate
(1) Retirement Age	60 years		60 years	
(2) Mortality: - Published rates under the LIC (2006-08) mortality tables.				
(3) Leaving service	<b>Uniform Management</b>		<b>Uniform Management</b>	
	Ages	Withdrawal Rate	Ages	Withdrawal Rate
	20-29 years	7.5%	20-29 years	7.5%
	30-40 years	7.5%	30-40 years	7.5%
	41-60 years	7.5%	41-60 years	7.5%

## Note : 2.25 Contingent liabilities

- (i) **Corporate guarantee on assignment of loans:** The Company had given a corporate guarantee for assignment of loans to HDFC Bank amounting to ₹ 124.90 lacs in the year ended 31st March, 2013. No guarantee is outstanding as at 31st March, 2014.
- (ii) **Collateral given for assignment/ securitisation transactions:** The cash collateral as at 31st March, 2014 amounts to ₹ 326.96 lacs (equivalent to 8% of pool provided) given by the group for covering shortfalls in the recovery of instalments in the pool. Cash collateral as at 31st March, 2013 amounted to ₹ 233.00 lacs and 142.78 lacs, given to HDFC Bank and Bank of Maharashtra, respectively

## Note : 2.26 Segment Reporting:

The Group's business activity primarily falls within single primary/ secondary business segment viz., loan and 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 consolidated financial statements for the year ended 31st March, 2014

## Note : 2.27 Related party relationships and transactions

### a) Related parties and nature of related party with whom transactions have taken place

#### Key Management Personnel

Sanjeev Goel (Managing Director)

#### Relative of Key Management Personnel

Ritika Goel

#### Enterprises over which key Management Personnel and / or his relative exercises significant influence

Bubble Infosolutions Private Limited

#### Enterprises over which relative of key management exercises significant influence

Intec Infonet Private Limited

MKG Information system Private Limited (upto 4th December, 2012)

FIMA Consultants Limited (upto 3rd December, 2012)

### b) Transactions with related parties

(₹ in lacs)

Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Enterprises over which key Management Personnel and / or his relative exercises significant influence		Enterprise over which relative of key management personnel having significant influence	
	Year ended 31st March		Year ended 31st March		Year ended 31st March		Year ended 31st March	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Remuneration</b>								
-Sanjeev Goel	133.80	66.00	-	-	-	-	-	-
<b>Interest on loans given</b>								
-MKG Information Private Limited	-	-	-	-	-	-	-	35.64
-FIMA Consultants Limited	-	-	-	-	-	-	-	27.10
<b>Loan given</b>								
-MKG Information Private Limited	-	-	-	-	-	-	-	775.00
-FIMA Consultants Limited	-	-	-	-	-	-	-	275.00
<b>Purchase of Assets</b>								
-Intec Infonet Private Limited	-	-	-	-	-	-	0.72	4.26
<b>Maintenance charges paid</b>								
-Intec Infonet Private Limited	-	-	-	-	-	-	2.40	1.75
<b>Personnel Guarantee given</b>								
-Sanjeev Goel	10,000.00	7,565.00	-	-	-	-	-	-
-Ritika Goel	-	-	1,000.00	3,000.00	-	-	-	-
<b>Corporate guarantee given</b>								
-Bubble Infosolutions Private Limited	-	-	-	-	42,500.00	30,500.00	-	-

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## d) Year end balances

	(Amounts in ₹ lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Payables</b>		
Intec Infonet Private Limited	-	0.12
<b>Key management personnel</b>		
Sanjeev Goel	75.20	-
<b>Personnel Guarantee</b>		
Sanjeev Goel	16,697.85	11,973.50
Ritika Goel	5,830.26	8,434.95
<b>Corporate guarantee</b>		
Bubble Infosolutions Private Limited	23,516.18	23,744.66

### Note : 2.28 Deferred tax asset (net)

Deferred tax asset and liability are being offset as they relate to taxes on income levied by the same governing taxation laws. Components of deferred tax asset (net) are as follows:

	(Amounts in ₹ lacs)			
Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Excess of depreciation allowable under Income-tax over depreciation provided in accounts	-	32.20	-	45.18
Provision for sub-standard and doubtful assets	575.67	-	-	-
Provision against standard assets	160.05	-	-	-
Impact due to differences on account of Section 43 B of the Income-tax Act, 1961	71.21	-	-	-
Others	17.54	-	-	-
<b>Total</b>	<b>824.47</b>	<b>32.20</b>	<b>-</b>	<b>45.18</b>
<b>Deferred tax asset / (liability) (net)</b>	<b>792.27</b>	<b>-</b>	<b>-</b>	<b>(45.18)</b>

**Note:** In the previous year, the Company had inadvertently recognized a net deferred tax liabilities of ₹ 45.18 lacs, instead of net deferred tax asset of ₹ 94.25 lacs. The resultant impact of ₹ 139.43 lacs has been recorded in the current year. Also, refer to note 2.31

## NOTES to consolidated financial statements for the year ended 31st March, 2014

**2.29** The group has reclassified certain amounts reported in the Consolidated Balance sheet as at 31st March, 2013 for better presentation of the consolidated financial statements and to better align with the Revised schedule VI of the Companies Act, 1956. The following table shows the amounts reported in the Consolidated Balance Sheet as at 31st March, 2014 and the manner these amounts appeared in the consolidated financial statements for the previous year:

		(Amounts in ₹ lacs)	
Balance Sheet schedule	Caption name	31st March, 2013 (As per groupings of 31st March, 2014)	31st March, 2013 (As per groupings of 31st March, 2013)
Long term borrowings	Other loans (corporate bodies)	4,404.74	4,574.25
Other long-term liabilities	Interest accrued but not due on unsecured loans	169.51	-
		<b>4,574.25</b>	<b>4,574.25</b>
Other long-term liabilities	Collateral amount of cases assigned (refer note 1)	2,282.00	-
		<b>2,282.00</b>	-
Long-term provisions	Provision against standard assets	134.23	205.12
Short-term provisions	Provision against standard assets	70.89	-
		<b>205.12</b>	<b>205.12</b>
Trade Payable	Payable to other third parties	88.03	-
Other current Liabilities	Expenses payable	-	88.03
	Loans pending disbursement (refer note 1)	1,022.84	-
	Advance received from customers (refer note 1)	439.77	-
	Collateral amount for cases assigned/ securitised by the Group (refer note 1)	356.43	-
		<b>1,819.05</b>	<b>88.03</b>
Short-term provisions	Provision for taxation (refer note 2)	474.32	1,576.27
		<b>474.32</b>	<b>1,576.27</b>
Long-term loans and advances	Income taxes recoverable (refer note 2)	18.61	1,120.68
		<b>18.61</b>	<b>1,120.68</b>
Other noncurrent assets	Deposits with banks (maturity over 12 months)	989.87	-
	Interest accrued but not due on loans	153.76	-
Cash and Bank Balances	Deposits with banks (maturity over 12 months)	-	989.87
		<b>1,143.63</b>	<b>989.87</b>

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

<b>Current assets</b>			
Trade receivables	Others (Overdue EMI's & Charges)	-	1,111.90
Short-term loans and advances	Other loans and advances	1,076.08	-
Other current assets	Other receivables	35.82	-
		<b>1,111.90</b>	<b>1,111.90</b>
<b>Profit &amp; Loss schedule</b>	<b>Caption name</b>	<b>31st March, 2013 (As per groupings of 31st March, 2014)</b>	<b>31st March, 2013 (As per audited groupings of 31st March, 2013)</b>
Revenue from operations – Interest Income	Interest on loans	10,028.68	10,159.27
	Other financial services income	1,664.90	-
	Fee based income	-	1,111.17
	Reversal of provision on substandard and doubtful debts	-	8.10
	Interest on fixed deposit with banks :Lien Marked	234.69	-
Other financial services income	Interest on fixed deposit with banks :Other the Lien marked	24.27	258.95
	Miscellaneous income	7.94	6.46
	Bad debts recovered	-	2.25
	<b>Total (refer to note 3 and 4)</b>	<b>11,960.47</b>	<b>11,546.20</b>

## Note:-

- 1 These amounts were earlier netted off from loan and advances.
- 2 In the current year, with respect to assessment years in which there is a net tax payable after adjusting the amount of taxes paid, in the published financials the amount of advance tax was shown in other current assets.
- 3 An amount of ₹ 422.31 lacs, representing reversal of interest on collateral amounts have now been re-classed to other financial services income. In the earlier years, this amount was netted off from finance cost.
- 4 Reversal of provision for substandard and doubtful amounting to ₹ 8.1 lacs were grouped in other income have now been netted off with provision for sub-standard assets and doubtful assets in the current year.
- 5 In the current year, with respect to assessment years' in which there is a net tax payable/ net advance tax after adjusting the amount of taxes paid/provision for tax, such net amount has now been disclosed under 'provision for tax'/ advance tax. However in the previous year the gross provision and advance tax were disclosed separately.

# NOTES

 to consolidated financial statements for the year ended 31st March, 2014

## Note : 2.30 Prior period items

Particulars	(Amounts in ₹ lacs)	
	31st March, 2014	31st March, 2013
<b>Income</b>		
Interest income on loans	760.03	-
Deferred Tax credit	139.43	-
<b>Sub total (A)</b>	<b>899.46</b>	<b>-</b>
<b>Expenses</b>		
Other expenses	3.89	1.87
Interest on fixed deposits(Reversal)	20.94	-
Provision for substandard and doubtful debts	73.69	-
Capital Work In progress written off	117.05	-
Rates and taxes	78.86	-
Salaries and wages	22.81	34.72
Business Promotion Expenses	-	0.29
Electricity and water	-	0.9
Legal and professional	2.10	4.25
Staff recruitment and training	-	0.83
<b>Sub-total (B)</b>	<b>319.64</b>	<b>42.85</b>

**Note : 2.31** Previous year accounts were audited by another firm of chartered accountants.

As per our report of even date attached

**For B S R & Associates LLP**

*Chartered Accountants*

Firm registration number: 116231W

**Manish Gupta**

*Partner*

Membership No.: 095037

Place: New Delhi

Date: 28th May, 2014

**For and on behalf of the Board of Directors of  
Intec Capital Limited**

**Sanjeev Goel**

*Managing Director*

DIN:00028702

**Puneet Sehgal**

*Company Secretary*

Place: New Delhi

Date: 28th May, 2014

**S.K. Goel**

*Director*

DIN:00963735

**Sudhindra Sharma**

*Head - F&A*

Place: New Delhi

Date: 28th May, 2014

# STATEMENT PURSUANT TO SECTION 212 of the Companies Act, 1956, relating to subsidiary company

(Amounts in ₹ lacs)	
Particulars	Name of Subsidiary Company
	Amulet Technologies Limited
The Financial year of the Subsidiary ended on	31st March, 2014
Number of Shares in the Subsidiary Company held by Intec Capital Limited at the above date	
Equity (Nos.)	249,994
Extent of holding (%)	99.99%
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, 2014	(0.36)
(b) Not dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2014	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, 2014	NIL
(b) Not dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2014	NIL

## INFORMATION ON SUBSIDIARY COMPANIES PURSUANT TO DIRECTION UNDER SECTION 212 (8)

of The Companies Act, 1956

		(Amounts in ₹ lacs)	
S.No.	Name of Subsidiary Company Financial year ending on	Amulet Technologies Limited	
		31st March, 2014	31st March, 2013
1	Share Capital	25.00	25.00
2	Reserves & Surplus	(4.17)	(3.79)
3	Liabilities	1,157	1,059
4	Total Liabilities	1,178	1,080
5	Total Assets	1,178	1,080
6	Investments (excluding Investments in Subsidiary)	-	-
7	Gross Turnover	-	-
8	Profit / (Loss) before Taxation	(0.36)	(0.40)
9	Provision for Taxation	-	-
10	Profit / (Loss) after Tax	(0.36)	(0.40)
11	Proposed Dividend	-	-



Sapne Aapke, Bharosa Apno Ka

CIN: L74899DL1994PLC057410

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

Dear Members

You are cordially invited to attend the 20th Annual General Meeting of the Company to be held on Wednesday 24th September, 2014 at 11:00 a.m. at B. C. Pal Memorial, A-81, Chittranjan Park, New Delhi-110 019.

The Notice of the 20th Annual General Meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide its members the facility to cast their vote by electronic means on all the resolution as set forth in the Notice.

**On Behalf of Intec Capital Limited**

**sd/-**

**Sanjeev Goel**

*Managing Director*

Exhibits

1. Notice of 20th Annual General Meeting
2. Instructions for e- voting
3. Proxy Form
4. Attendance Slip

# NOTICE

NOTICE IS HEREBY GIVEN THAT THE 20th ANNUAL GENERAL MEETING OF THE MEMBERS OF INTEC CAPITAL LIMITED WILL BE HELD ON WEDNESDAY THE 24TH SEPTEMBER 2014 AT 11:00 AM AT B.C. PAL MEMORIAL, A-81, CHITTRANJAN 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, 2014 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. Vishal Kumar Gupta (DIN: 02368313) who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare Final Equity 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, 2014
- 4) To re-appoint M/s. B S R & Associates LLP 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

- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Dhruv Prakash (DIN 05124958) who was earlier appointed as a Non-executive Independent Director on the Board of Directors of the Company pursuant to provisions of section 149 and 152 of the Companies Act, 2013 for a five (5) consecutive years starting from 28th May 2014 and ending up to 27th May 2019

and in respect of whom company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the company to hold office for a five (5) consecutive years starting from 28th May 2014 and ending on 27th May 2019 and whose period of office shall not liable be to determination by retirement of Directors by rotation.

- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to of section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Robindra Gupta (holding DIN 00294502), Non-Executive Independent Director and who was earlier appointed as Director liable to retire by rotation pursuant to applicable provisions of Companies Act, 1956 and in respect of whom company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the company to hold office for a five (5) consecutive years starting from 7th August 2014 and ending on 6th August 2019 and whose period of office shall not liable to be determination by retirement of Directors by rotation.

- 7) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Surender Kumar Goel (holding DIN 00963735), a Non-Executive Independent Director and who was earlier appointed as Director liable to retire by rotation pursuant to applicable provisions of Companies Act, 1956 and in respect of whom company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the company to hold office for a five (5) consecutive years starting from 7th August 2014 and ending on 6th August 2019 and whose period of office shall not liable to be determination by retirement of Directors by rotation.

- 8) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and Companies Appointment and Qualifications of Directors) Rules, 2014 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Rakesh Kumar Joshi (holding DIN 02410620), a Non-Executive Independent Director and who was earlier appointed as Director liable to retire by rotation pursuant to applicable provisions of Companies Act, 1956 and in respect of whom company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the company to hold office for a five (5) consecutive years starting from 7th August 2014 and ending on 6th August 2019 and whose period of office shall not liable to be determination by retirement of Directors by rotation.

- 9) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and Companies Appointment and Qualifications of Directors) Rules, 2014 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Praveen Sethia (holding DIN 02310777), a Non-Executive Independent Director and who was earlier appointed as Director liable to retire by rotation pursuant to applicable provisions of Companies Act, 1956 and in respect of whom company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the company to hold office for a five (5) consecutive years starting from 7th August 2014 and ending on 6th August 2019 and whose period of office shall not liable to be determination by retirement of Directors by rotation.

- 10) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and Companies Appointment and Qualifications of Directors) Rules, 2014 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Y.L. Madan (holding DIN 05123237), a Non-Executive Independent Director and who was earlier appointed as Director liable to retire by rotation pursuant to applicable provisions of Companies Act, 1956 and in respect of whom company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the company to hold office for a five (5) consecutive years starting from 7th August 2014 and

ending on 6th August 2019 and whose period of office shall not liable to be determination by retirement of Directors by rotation.

- 11) To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

**“RESOLVED THAT** in supersession of the Ordinary Resolution passed at the 17th Annual General Meeting of the company held on 14th September 2011, and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the company hereby accords it’s consent to the Board of Directors of the Company (hereinafter called “the Board”, which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers including the powers conferred on the Board of Directors by this resolution, or any person(s) authorized by the Board or its Committee for such purposes) for borrowing from time to time as it may think fit, by way of loans from, or issue of bonds, debentures to bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body (ies) corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies

already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 1,500 crore (Rupees One Thousand and Five Hundred Crore).”

**RESOLVED FURTHER THAT** The Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things including executing such deeds of mortgage, charge, hypothecation, lien, promissory notes and other instruments or writing as they may think fit and containing such conditions and covenants as may be necessary for giving effect to the above resolution.

**FURTHER RESOLVED THAT** all actions taken by the Board of Directors in connection with any matter referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

For **Intec Capital Limited**

**Puneet Sehgal**

*Company Secretary*

Membership No: ACS12557

Place: New Delhi

Date: 7th August 2014

## 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 102 of the Companies Act, 2013 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 from 23rd September 2014 to 24th September 2014(both days inclusive)
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. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the dividend amount being the unpaid and unclaimed dividend pertaining to Final year 2005-2006 to the Investor Education and Protection Fund of the Central Government.
8. 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.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. 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.
11. Members attending the meeting are requested to bring their copy of Annual Report.
12. 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.
13. Additional Information with respect to appointment/re-appointment of Directors as per Clause 49 of the Listing Agreement is appended to this notice.
14. 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.
15. Electronic copy of the Annual Report for the financial period ended 31st March, 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.

16. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for the financial period ended on 31st March, 2014 will also be available on the Company's website [www.inteccapital.com](http://www.inteccapital.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com).

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 5**

Mr. Dhruv Prakash (DIN 05124958) was appointed as an Independent Director on the Board of Directors of the company on 28th May, 2014 in terms of Section 149, 150, 152 of the Companies Act, 2013 read with applicable rules thereunder.

Dhruv Prakash is a Management Consultant and Executive Coach.

In addition to over 40 years of varied industry experience, Mr. Prakash possesses an extensive background in consulting, having worked with several of India's leading businesses to manage change, coach senior management, build high performance cultures, align executive compensation, restructure organizations and conduct post-merger integration.

Prior to setting up his own practice Mr. Prakash was a Managing Director at Korn/Ferry International, where he led the talent and leadership consulting practice. Before that, he was a senior consultant at Hewitt Associates where he led several practices, Leadership consulting being one, during his tenure. Earlier, he was the chief executive officer and member of the board of DCM Financial Services, and earlier, the chief financial officer of DCM Toyota. He has also held senior positions at Escorts, HCL and Amar Dye Chem.

Mr. Prakash holds a Master's degree in business administration from the Indian Institute of Management, Ahmedabad, and a Master's degree in Chemistry from Meerut University.

Mr. Prakash has coached senior executives in a variety of organizations. He currently serves as an advisor to Helion Advisors and Space Matrix Design Consultants. Currently, he is also on the board of directors of India MartInterMesh Limited.

In terms of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 he will hold office for a five (5) consecutive years for a term starting from 28th May 2014 and ending up to 27th May 2019.

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 and Key Managerial Personnel of the Company and their relatives except Mr. Dhruv Prakash is concerned or interested, financial or otherwise, in the resolution set out at Item 5.

#### **Item No.6 to 10**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Robindra Gupta, Mr. Surender Kumar Goel, Mr. Rakesh Kumar Joshi, Mr. Praveen Sethia and Mr. Y.L. Madan as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as

independent directors, who are not liable to retire by rotation.

Mr. Robindra Gupta, Mr. Surender Kumar Goel, Mr. Rakesh Kumar Joshi, Mr. Praveen Sethia and Mr. Y.L. Madan have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as

Independent Director and they are independent of the management.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at **Item No. 6 to 10** of the Notice for approval by the shareholders

#### Details of Directors seeking Appointment/Re appointment at the General Meeting

Particulars	Mr. Vishal Kumar Gupta	Mr. Robindra Gupta	Mr. S.K. Goel	Mr. R K Joshi	Mr. Praveen Sethia	Mr. Y L Madan	Mr. Dhruv Prakash
DIN	02368313	00294502	00963735	02410620	02310777	05123237	05124958
Date of Birth	02/05/1973	05/06/1935	11/08/1945	15/10/1953	07/01/1967	24/08/1950	13/11/1951
Date of Appointment	26/03/2013	01/04/1994	13/02/1998	27/02/2002	05/04/2010	07/11/2011	28/05/2014
Years of Experience	Over 12	Over 40	Over 40	Over 30	Over 17	Over 37	Over 40
Qualification	BE and MBA	BE and Diploma of the Imperial College & F.I.C.E from London	Bachelor in Science, ASNT Level III Certification	CA and MBA	CA and CWA	M.Sc, MBA and CAIIB	MBA and M.Sc
Number of shares	NIL	NIL	NIL	NIL	18	NIL	NIL

Memberships of these Directors in the Committees of the company are provided in the Corporate Governance Report forming part of the Annual Report.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Robindra Gupta, Mr. Surender Kumar Goel, Mr. Rakesh Kumar Joshi, Mr. Praveen Sethia and Mr. Y. L. Madan all Independent directors are concerned or interested, financial or otherwise, in the resolution set out at **Item No. 6 to 10**.

#### Item No. 11

The members of the Company at their 17th Annual General Meeting of the company held on 14th September 2011, had approved by way of an Ordinary Resolution under Section 293(1)(d) read with Section 293 (1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 1,000 crore (Rupees One thousand crore) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders upto a limit of Rs 1,000 crore (Rupees One thousand crore).

Section 180 of the Companies Act, 2013 effective from 12th September, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective. Thus, the approval granted by members is valid upto 11th September, 2014.

Hence, the resolution as set out in item no.11 is being sought, by way of a special resolution, pursuant to section 180(1)(c) of the Act seeking approval of the shareholders to authorise the directors to borrow in excess of the aggregate of the paid-up capital and free reserves up to a sum not exceeding Rs.1500 crores.

The Board recommends these resolutions for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **Item No. 11**.







Sapne Aapke, Bharosa Apno Ka

CIN: L74899DL1994PLC057410

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 20th Annual General Meeting of the Company held on Wednesday the 24th day of September, 2014 at 11:00 a.m. at B.C. Pal Memorial Auditorium, A-81 Chittranjan Park, New Delhi -110019.

.....  
Signature of the Shareholder / Proxy

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



Sapne Aapke, Bharosa Apno Ka

CIN: L74899DL1994PLC057410

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

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

#### 20th Annual General Meeting - 24th September 2014

Name of Member(s):.....

Registered Address:.....

Folio No./Client Id:..... DP ID: E-mail Id:.....

I / We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name:..... Address:.....

E-mail Id:.....Signature:.....or failing him

2. Name:..... Address:.....

E-mail Id:.....Signature:.....or failing him

3. Name:..... Address:.....

E-mail Id:.....Signature:.....or failing him



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on Wednesday, 24th September, 2014 at 11.00 a.m. at B. C. Pal Memorial, A-81, Chittranjan Park, New Delhi-110 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Resolution</b>				
1.	To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2014 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.	Appoint a director in place of Mr. Vishal Kumar Gupta who retires by rotation and being eligible and appoints himself for reappointment.			
3.	To declare Final Equity 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, 2014.			
4.	To re-appoint M/s. B S R & Associates LLP 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.			
<b>Special Business</b>				
5.	To Appoint Mr. Dhruv Prakash as Non- Executive Independent Director of the company from 28th May 2014 and ending on 27th May 2019			
6.	To Appoint Mr. Robindra Gupta as an Independent Director with effect from 7th August 2014 and ending on 6th August 2019.			
7.	To Appoint Mr. S.K Goel as an Independent Director with effect from 7th August 2014 and ending on 6th August 2019.			
8.	To Appoint Mr. Rakesh Kumar Joshi as an Independent Director with effect from 7th August 2014 and ending on 6th August 2019			
9.	To Appoint Mr. Y.L Madan as an Independent Director with effect from 7th August 2014 and ending on 6th August 2019			
10.	To Appoint Mr. Praveen Sethia as an Independent Director with effect from 7th August 2014 and ending on 6th August 2019			
11.	To approve the resolution under section 180(1)(c) and any other applicable provisions of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force)			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix the  
revenue  
stamp of ₹ 1/-

Notes:

1. This Form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

## Instructions for e-voting

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 18th September 2014 at 11:00 a.m. and ends on 20th September 2014 at 06.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



