



POWER **OF RELATIONSHIPS!**

INTEC CAPITAL LIMITED | ANNUAL REPORT 2012-13

Forward Looking Statements

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

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



RELATIONSHIPS ARE ALL THERE IS. EVERYTHING IN THE UNIVERSE ONLY EXISTS BECAUSE IT IS IN RELATIONSHIP TO EVERYTHING ELSE. NOTHING EXISTS IN ISOLATION. WE HAVE TO STOP PRETENDING WE ARE INDIVIDUALS WHO CAN GO IT ALONE.

– Margaret Wheatley

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EVERY SUCCESSFUL BUSINESS IS BUILT AROUND THE POWER OF RELATIONSHIPS.

INTEC IS NO EXCEPTION.

OVER THE YEARS, INTEC HAS REINFORCED ITS STAKEHOLDER RELATIONSHIPS AROUND THE ENDURING ATTRIBUTES OF TRUST, COMMITMENT AND COLLABORATION.

THE RESULT IS REFLECTED IN OUR PERFORMANCE ON THE ONE HAND AND CUSTOMER SATISFACTION ON THE OTHER.

TRANSLATING INTO HOLISTIC AND COMPREHENSIVE SUSTAINABILITY.



TRUST

Trust represents foundation of a relationship. At Intec, this element of trust comprises an ethical commitment and transparency leading to a competitive advantage.

COMMITMENT

The core of any relationship is sustained commitment. At Intec, commitment is most visibly reflected in honouring all stakeholder obligations.

ENDURANCE

Endurance differentiates leaders. At Intec, we map diverse stakeholder needs and offer customised solutions. A relationship begins to emerge when we demonstrate this mindset consistently over time.

CO-OPERATION

A collaborative multi-stakeholder manner of working enhances organisational productivity. At Intec, we focus on enhancing value for stakeholders, which sustains the relationships and reinforces our sustainability



THE RELATIONSHIPS ECO-SYSTEM

Our customer relationships are built around trust. Our customers trust that we will transform their dreams into realities through timely and customised financing solutions.

At Intec, we have strengthened our customer service through support consistency - in prosperity and adversity - reflected in the right quantity of finance at the right price and right time.

At Intec, we build new relationships and nurture existing ones. The result is sustained relationships with customers over the long-term.

At Intec, we continuously engage with our customers, manufacturers, investors and employees. The result is a comprehensive stakeholder connect.

At Intec, we reinforce relationships through a one-shoe-fits-one approach; we customise solutions with customers and our business partners; the result is a growing business for our partners and rising dividends for our investors.

At Intec, we provide our employees with growing opportunities and an invigorating workplace environment, translating into employee delight and productivity.

The result is that at Intec, multi-stakeholder relationships represent the single biggest driver of growth and profitability.



INTEC CAPITAL LIMITED

IS A NON- BANKING FINANCE COMPANY WITH A DIFFERENCE.

THE COMPANY FOCUSES ON THE GROWING NEEDS OF SMALL AND MEDIUM ENTERPRISES ACROSS SELECT SECTORS.

SUSTAINING RELATIONSHIPS ON THE ONE HAND AND MOBILISING LOW-COST RESOURCES ON THE OTHER.

PARTNERING CUSTOMERS AND MANUFACTURERS ON THE ONE HAND AND CUSTOMISING FINANCING SOLUTIONS ON THE OTHER.

THE RESULT: INTEC CAPITAL HAS EMERGED AS ONE OF THE FASTEST-GROWING SME ASSET FINANCE COMPANIES IN INDIA TODAY.

ABOUT US

Incorporated in 1994, Intec Capital Limited is the market leader in SME financing and a leading player in the NBFC segment catering to the machinery financing requirements of the auto and engineering, printing and packaging industries in India. The Company also works closely with other growing sectors of the economy such as plastic and injection molding, healthcare and pharmaceuticals, and food processing to address financial needs of the SMEs catering to these sectors. With an experience spanning around two decades, Intec today is known for offering innovative and customer-friendly financial solutions across the SME sector.

OUR PRESENCE

Intec, headquartered in New Delhi (India) has a presence spread across 15 locations in Northern, Western and Southern India, covering more than 137 SME clusters across a broad industry spectrum.

OUR SECTORAL COVERAGE

Intec possesses a rich expertise in providing loans for the acquisition of productive industrial equipment with a focus on the following sectors:

- ▶ Auto and engineering
- ▶ Printing and packaging
- ▶ Plastic and injection moulding
- ▶ Food processing
- ▶ Pharmaceuticals, medical and healthcare

VISION

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

MISSION

To provide simple and fast acquisition solutions for machines and equipment to small and medium enterprises by proactive collaboration with manufacturers.

THE POWER OF RELATIONSHIPS TRANSLATES INTO INCREASING RETURNS





At Intec, our business foundation is underpinned by enduring multi-decade relationships with capital equipment manufacturers. This is how: at Intec, we finance capital equipment manufactured only by the reliable brands, widening the market for such companies on the one hand and facilitating the multi-year use of robust equipment by customers on the other. In turn, the profitable and extensive use of robust equipment translates into goodwill for the manufacturer, strong bottomline for the user and timely repayments to a financier like Intec, resulting in a three-way win-win solution.

At our Company, we reinforce manufacturer relationships through a first-of-its-kind CRM software called 'Imitra' that tracks in real time the leads provided by various manufacturers leading to an in-principle approval within the stipulated turnaround time of 72 hours with delays escalated to enhance accountability.

During the year under review, Intec published newsletters that profiled prominent manufacturers, engaged with business partners, outlined joint targets with manufacturing partners and participated jointly in trade exhibitions. Besides, the Company embarked on leasing equipments during the year under review, widening the market for manufacturers.

Result: The number of leads grew 32% over the previous year, highlighting the extent of faith reposed on Intec by the manufacturers.

MANUFACTURER RELATIONSHIPS

AT INTEC, TRUSTING RELATIONSHIPS CATALYSE BUSINESS GROWTH

"Intec Capital is a preferred financial partner due to quick launches and innovative schemes, a first in the Indian machine tool industry."

– Mr. B Harish, *General Manager, Marketing*, Micromatic Machine Tools Pvt. Ltd.

"Intec Capital is the first 'go to' source for machines that need to be financed due to its in-depth machine tool financing insight. But better still, Intec Capital makes me feel as if I am its only customer."

– Mr. K S Prasanna, *Director*, Pride Machine Tools Pvt. Ltd.



At Intec, we believe that the delivery of the right service at the right time and right price represents great service that leads to customer retention, a high proportion of revenues from longstanding customers.

At our Company, the core of our superior customer service lies in the ability to step into the customer's shoes and see the business requirements not from our perspective but from that of the customer's. In doing so, we have demonstrated our competence in being able to weave the proposition around customer needs and evolve what would have been just a transaction, into a solution.

We appraise customer realities that extend beyond the Balance Sheet to the evaluation of professional competencies. At Intec, we ensure disbursements within a stipulated time of 15 days. We handhold customers through the documentation process. We facilitate credit link capital subsidy for eligible customers through our credit delivery arrangement with SIDBI. We help customers counter challenging economic cycles through timely financing, insight and advice. Besides, in a business where it is imperative to stay on the customer's recall, we engage with customers on their birthdays and anniversaries.

The result: Nearly 35% of our business was generated through repeat customers in a challenging 2012-13, strengthening profitability.

CUSTOMER RELATIONSHIPS

AT INTEC, TRUSTING RELATIONSHIPS TRANSLATE INTO REPEAT BUSINESS

"Intec Capital provided us a complete solution for our financial needs. When it comes to an SME, Intec is the best business partner one can hope to work with."
– Mr. Suresh Monga Partner,
Golden Printer, Pitampura

"Intec Capital stood by us in the time of need. Our experience was so positive that we availed a third term loan from them!"
– P.R. Bantwal
Chairman & Managing Director,
Suprabha Protective Products
Pvt. Ltd., Pune



RELATIONSHIPS WITH FINANCIAL INSTITUTIONS

AT INTEC, RELATIONSHIPS STRENGTHENED NET WORTH INFUSION

At Intec, we leverage years of sectoral insight, experience and knowledge to provide enduring solutions for our customers.

Over the years, we have strengthened our standing through industry best practices. We have leveraged our understanding of the Indian economy to customise product offerings. We periodically address all regulatory and financial compliances.

At Intec, our objective is to engage with our consortium of bankers at one end and enhance our standing among rating agencies at the other. Besides, we have strengthened the inflow of 'intelligent' capital, attracting net worth from India Business Excellence Fund II & India Business Excellence Fund II A. It infused ₹37.3 crore in Intec through a combination of compulsorily convertible preference shares and equity shares, which enhanced Intec's credibility. State Bank of India, India's largest PSU bank, entered the Intec bankers' consortium, endorsing its trust in the Company's credentials. Besides, SIDBI increased Intec's funding limits and growing disbursements through credit delivery arrangements.

The result: A robust lender mix (15 banks and four financial institutions) moderated a concentration of the lenders' portfolio while private equity funding helped the Company reduce its cost of borrowing.



At Intec, we recognise that relationships with our varied stakeholders is driven through our people. The greater their motivation, the stronger the relationships they forge.

At the Company, we provide our employees with an environment that is exciting, challenging, empowering and growing. Intec's open door policy makes it possible for employees to resolve issues with speed. The senior management is always accessible for guidance.

To this enabling environment, the Company brings a rich pipeline of intellectual resources. This pipeline is recruited selectively, trained continuously, empowered judiciously and communicated to extensively. Besides, Intec nurtures talent wherein high-achieving performers are placed in positions of responsibility. The Company participates in several engagements that enhance employee visibility and learning. Besides, it enhances employee morale through events and programmes; it organised a programme on International Women's Day, where the MD addressed issues encountered by women employees. On this occasion, the Company interacted with spouses, enhancing their pride of association with the Company.

Result: Increase in the average tenure of association of the employees with the Company.

RELATIONSHIP WITH KNOWLEDGE PROVIDERS

AT INTEC, EMPLOYEE TRUST TRANSLATES INTO CORPORATE GROWTH

"Out of my total working career of a decade, my Intec years have been the most enriching due to excellent interpersonal relationships across functions."
– Piyush Moona, AVP, Treasury

"Intec's growth in five years has been exceptional with strong cross-functional teams taking the business forward."
– Kavita Upreti, DM, Operations



“ MAKING THE BEST OUT OF THE WORST ”

An overview by Mr Sanjeev Goel,
Managing Director, Intec Capital Limited

DURING THE YEAR UNDER REVIEW, INDIA REPORTED THE SLOWEST GROWTH IN A DECADE COUPLED WITH CHALLENGES LIKE SUBSTANTIAL INCREASE IN CURRENT ACCOUNT DEFICIT, CURRENCY DEVALUATION, HIGHER INTEREST RATES AND LOWER LIQUIDITY.

INTEC RESPONDED TO THIS CHALLENGING BUSINESS ENVIRONMENT BY CONTINUING TO ADDRESS THE GROWING NEEDS OF INDIA'S LARGE SME SEGMENT, IN THE PROCESS GROWING ITS ASSET SIZE, INCREASING PROFITS AND MINIMISING NPAs.

Economic scenario

India's macroeconomic scenario continued to be stressed. The country was marked by rating downgrades, currency depreciation, wider current account deficit, liquidity crunch, lowest decadal GDP growth, plunging industrial production and rising fiscal deficit.

As the Government policy slowdown became increasingly evident, the economy turned more challenging than in 2008 when stimulus packages by the Government had sustained momentum. However, it is our conviction that the strength of India's demographic profile will reassert, returning the country to higher growth. By 2020, India is set to become the world's youngest country with 64 per cent of its population in the working age group, which will increase disposable incomes and conspicuous consumption.

At Intec, it is our conviction that the only way to turn this population into our biggest asset and drive entrepreneurship, Indian SMEs need to be encouraged. There are almost 30 million MSMEs in India; if we are able to help them recruit one additional resource only, we would be able to create 30 million jobs, which can

accelerate India's economic growth. At Intec, it is our endeavour to fund timely machinery requirements, catalyse recruitment and help SMEs kick-start India's economy growth and eventually grow the contribution of India's manufacturing sector to its GDP to 25% by 2022.

Company outlook

I am pleased to state that your Company developed strengths and capabilities to grow in challenging circumstances. Intec maintained its SME segment leadership in the area of machinery financing with a substantially increased asset portfolio size. Our AUM grew from ₹616.41 crore to ₹871.2 crore in 2012-13, a growth rate of 41.30%; our PAT grew by 38.6% to ₹13.12 crore even as the national growth was fractional.

During the year under review, we strengthened our business with a capital infusion of ₹37.30 crore through private equity funding and growth capital from India Business Excellence Fund II & India Business Excellence Fund II A. The PE initiative provided Intec with enough room to grow its Balance Sheet size and equity, strengthening the long-term implications of enhanced revenues, profits and shareholder value.

During the year under review, we strengthened our business with a capital infusion of ₹37.30 crore through private equity funding.

This investment will also enable us to widen our bandwidth with national and international funding institutions in addition to governance insights and competencies, which will inevitably strengthen our credit rating and reduce fund costs. Your Company left no stone unturned in building a credible Balance Sheet with the long-term objective to inspire customer confidence, reduce funds cost and enhance competencies.

In a scenario of scarce liquidity and high fund costs, volume growth represents the only way to counter a margin squeeze. Your Company achieved growth through cautious customer selection reflected in an appraisal of promoter experience, educational background, cash flows, order book, and repayment record. Besides, the Company also focused on machine life and machine resale ability, manufacturer credibility and multiple machine use. Besides, the Company engaged in checks and balances in its decision making, minimising the chances of judgmental errors and helping build an excellent asset portfolio.

As an NBFC, we need fresh capital inflow to accelerate growth, maintain our capital-adequacy ratio and strengthen our Balance Sheet. However,

To drive offtake in a challenging market, the Company strengthened its locational presence with the objective to enhance its presence at locations where manufacturers enjoyed a strong foothold.

this became increasingly challenging with the RBI squeezing systemic liquidity to reduce cash flow and curb currency devaluation. To protect margins, the Company embarked on a host of initiatives to moderate fund costs. Your Company introduced arbitrage products like WCDL, commercial papers, LC products, among others. To reduce its dependence on any one financial institution, the Company added banks and financial institutions to its financing consortium and in doing so was able to achieve interest reduction from most lenders. Besides, at a time when securitisation became increasingly challenging, the Company assigned a part of its portfolio to a private bank.

To drive offtake in a challenging market, the Company strengthened its locational presence with the objective to enhance its presence at locations where manufacturers enjoyed a strong foothold. As Southern markets grew very rapidly, the Company commissioned three regional branches - at Chennai, Coimbatore and Bangalore - to service SME customers.

Intec's business core lies in establishing relationships with machine manufacturers. The Company's aim is to associate with an increasing number of machine manufacturers on the one hand while strengthening relationships with existing manufacturers. The Company signed several MOUs with leading manufacturers in focused sectors; it participated selectively in prominent trade exhibitions (national and international) like DRUPA, AMTEX, PrintPack, Plexpo and IMTEX to enhance sectoral recall.

Intec introduced numerous customised schemes to strengthen offtake. The Company streamlined its technology platform with that of the best in the industry to enhance productivity, performance and cost-effectiveness. During 2012-13, the Company

graduated from a manual to secure and user-friendly automated system by integrating all core functions with the central IT core application (Omnifin). This allowed the Company to introduce value-added services for customers, vendors and employees. Following the IT intervention, the Company intends to create a dedicated customer service department and a separate CRM system. An Internet voice recording system provides customers with transaction convenience. The automated loan management process (from generation of an enquiry, to the issue of the no-due certificate) accelerated workflow.

Road ahead

The ongoing slowdown provided Intec with the opportunity to consolidate and prepare for the projected economic rebound through training, strengthening processes, technology, systems and customer support. Besides, the Company selected to foster new relationships while nurturing existing ones. The Company focused on talent retention, selective recruitment for strategic positions and prepare for the good times through focused training.

Going ahead, we are bullish on the long-term prospects of the Indian economy. The slowdown cannot last long, so we need to be ready when the opportunity arises. The gap in the requirement of SME finance and availability will persist. We need to connect with more SME customers, develop new products, reduce fund costs, provide services and support to SMEs and strengthen manufacturer relationships.

Your confidence provides us with the conviction to grow relentlessly and fulfill all commitments.

Sincerely,

Sanjeev Goel

CORE BUSINESS DRIVERS

<p>FOCUS</p> <p>Intec (possessing an experience of nearly two decades) is one of the leading NBFCs within our category focused on providing financial solutions to India's SME segment, financing the procurement of equipment manufactured by prominent manufacturers.</p>	<p>CAPITAL FINANCING</p> <p>Intec also caters to the needs of first generation start-ups and emerging entrepreneurs with financing ranging from ₹5 lac to ₹50 lac.</p>	<p>FUNDING</p> <p>Intec possesses a diversified borrowing mix. The Company focuses on the procurement of low-cost funds through short-term and long-term financial instruments.</p>
<p>PROXIMITY TO CUSTOMERS</p> <p>Intec works out of 15 pan-India branches covering 137 SME clusters. The Company plans to expand this base with the establishment of five new branches in 2013-14.</p>	<p>EXPERTISE</p> <p>Intec has built a sound knowledge base in identifying the right machines by virtue of being associated with leading equipment manufacturers.</p>	<p>ASSOCIATION</p> <p>Intec has tied up with SIDBI to provide loans to SMEs and MSMEs. Under this scheme, the customer gets finance at a lower cost as well as capital subsidy from the Central Government, provided all the eligibility criteria's are fulfilled.</p>
<p>CUSTOMER FOCUS</p> <p>Intec has clearly identified five focus industries to expand its service coverage and cater to the needs of the fast-growing sectors.</p>	<p>TURNAROUND TIME</p> <p>Intec delivers the fastest credit appraisal in its industry (in-principle approval within 72 hours following the first customer interaction). On account of strong relationships with leading manufacturers, the Company has pre-appraised select fast-moving capital goods (equipment and machines), leading to faster credit approval and disbursal.</p>	<p>INTELLECTUAL CAPITAL</p> <p>Intec employs a dedicated team of 235 qualified professionals (as on 31st March, 2013) guided by an experienced management team.</p>
<p>BUSINESS PARTNERS</p> <p>The Company is associated with over 108 leading machinery manufacturers in the auto and engineering, printing and packaging and plastic and injection moulding industries, resulting in an enhanced quality of service being provided to the clients.</p>	<p>COLLATERAL</p> <p>With robust credit appraisal systems, at Intec, we take the machine as the only collateral, benefiting the SME industry.</p>	<p>RELATIONSHIPS</p> <p>Intec has forged enduring customer relationships through focused services. A professional and dedicated relationship manager services the growing needs of each customer.</p>

1

SALES MANAGEMENT

A. STRATEGIC BUSINESS GROUP

In the business of financing small and medium enterprises spread all across the country, success is derived from the ability to reach out to them or be accessible just when they require funds. Intec reached customers through 15 branches (Southern, Western and Northern India). The sales team worked closely with more than 70 vendors. The Company enjoyed an exclusive tie-up with leading equipment manufacturing companies, resulting in a ready access to finance their equipment. This vertical is dedicated in providing high-ticket loans of over ₹50 lac.

With structured credit policies and flexible assessment approach for customer appraisal, Intec is the fastest among all the SME lenders in the industry in terms of turnaround time, which in turn helps attract new customers.

The year 2012-13

- ▶ Disbursed ₹529.43 crore despite the slowdown in the economy.
- ▶ Focused on a relationship-driven approach.
- ▶ Indulged in door-to-door selling within the industrial area in a bid to effectively comb the market.
- ▶ Identified exclusive vendors for strategic business tie-ups. This business vertical traditionally has been customer-centric, which gradually shifted to become vendor-oriented during the

year resulting in larger share of the manufacturer business volume.

- ▶ Identified standard assets to incorporate a greater focus on target customers
- ▶ Strengthened processes to enhance services
- ▶ Established a tele-calling facility to generate more number of cold customer calls

Outlook

Going ahead, the Company will focus more on monitoring and increasing per person productivity against established benchmarks; commissioning branches in five more locations and focus on sales training for development of employees. The Company plans to continue working towards strengthening the existing relationship with manufacturers and also identify and empanel new manufacturers. Continuous initiatives will be taken to ensure better coordination between our branch-level teams and the manufacturer's branch level teams for increase lead flow. The opening of new branches will help us in expanding our business reach to more locations, there by increase our share of our manufacturing partners business. The Company plans to take joint targets with our leading manufacturing partners to help them boost their product sales resulting in increased business for us.

B. EMERGING ENTREPRENEUR GROUP

The Emerging Entrepreneur Group (EEG) caters to the lower ticket size loans ranging from ₹5 lac to ₹50 lac. As a means to spread out the risk, reducing the average ticket size and to move to more granular businesses, the Company created a vertical specifically to focus on the smaller ticket size business. The team's customer portfolio usually includes first time buyers or owners of SSI (small scale industries) who have great prospects to grow in the short-term. Majority of the customers within this segment are the first generation entrepreneurs, who with the help of Intec are able to graduate to the next level.

The EEG operates via a process-driven credit model, where it has a specified manufacturer list with a standard machine category for disbursements of loans. The credit process for this vertical is more asset-driven based on the industry standards, which includes specific machineries along with information regarding the asset attributes like high value, low depreciation and high life cycle. Over 90% of the assets under management qualify for the priority sector lending.

The year 2012-13

- ▶ The vertical is process-driven and buoyed by the presence of organised systems it will be able to cater to more customers once the markets improve.

- ▶ The average loan size amounted to ₹24 lac in 2012-13
- ▶ Disbursed loans worth ₹104 crore in its first full year of operation
- ▶ Launched innovative schemes to boost sales
- ▶ Empanelled regional vendors to increase penetration and expand market size.
- ▶ Increased market share of Intec in finance with the select vendors

Outlook

The Company intends to build stronger relationships by signing MOU's with leading manufacturers, with an aim to capture a larger market share of the top-15 manufacturers. The Company intends to participate in exhibitions to enhance the brand visibility of Intec and its customer reach. Going ahead, the Company also plans to reduce its auto exposure and compensate with increased funding in other focus sectors. The Company also initiated a training module on enhancing the employee's soft skills and relationship building capabilities. The Company plans to take joint targets with select manufacturers and to initiate joint marketing activities to drive business volumes.

Intec is the fastest among all the SME lenders in the industry in terms of turnaround time, which in turn helps attract new customers.

2 CREDIT MANAGEMENT

Applications per month (average)	
132	122
2012-13	2011-12

The credit management efficiency is of critical importance as the filter provides a reasonable assurance of asset quality and business profitability. A majority of our lending is made to an unorganised Indian SME population where their balance sheets do not reflect the true picture of their state of affairs.

To attain the real insight into the customer's business model, Intec assesses the category of machinery which the customer intends to use. Its credit appraisal team also identifies and understands the business model and expansion plans.

The year 2012-13

- ▶ Updated credit manual to take into account the economic changes in underwriting practices at various locations and clusters.
- ▶ Enhanced interaction with the manufacturers to develop new products with innovative schemes to boost their sales
- ▶ Conducted training led by CRISIL on appraising SME customers who do not have proper financials as well as on TAT improvement. Training was also conducted for detecting early warning signals in probable default situations
- ▶ Encouraged team members to enhance their knowledge about machines used within our identified sectors to have better understanding on the viability of the machine.
- ▶ Launched a risk containment unit, which assessed authenticity of the *pro forma* invoice and other documents submitted by the customers to

safeguard the Company's interest from fraudulent activities

- ▶ Continued to maintain TAT at three days, one of the best in the industry
- ▶ Monthly review of the delinquent cases to derive the learning from them
- ▶ Continuous upgradation of credit and underwriting processing through IT system
- ▶ Analysis of industry outlook and resetting of the exposure to each industry

Outlook

The Company has formed a robust risk management committee to formulate and analyse policies, procedures and practices to identify, evaluate, address and monitor risks. The Committee will also ensure supporting of business growth plans by creating an effective risk infrastructure. The Committee will also ensure adoption of the best risk practices in accordance with the economic environment. The Company will reinforce the credit appraisal process based on sectoral trends and the performance of sub-categories and extend the scope of risk containment unit to authenticate income and KYC documentation.

To attain the real insight into the customer's business model, Intec assesses the category of machinery which the customer intends to use.

3 COLLECTIONS MANAGEMENT

Collections efficiency	
98.60%	97.72%
2012-13	2011-12

Write-offs as a proportion of asset under management	
0.00%	0.01%
2012-13	2011-12

Receivables management represents the backbone for any lending business. At Intec, it is important for its finances to be lubricated via regular cash inflows, thereby minimising debt and enhancing margins.

The Company recognises the threat of erratic customer repayment leading to a probable asset-liability mismatch, lower profits and debt-traps. Moreover, where the funded machine represents the only collateral, it becomes imperative to invest in stringent loan recovery systems.

Over the years, the Company developed a strong collection vertical through an enhanced focus on employee training. It also established a code of conduct to be stringently followed by its collections team. The Company segregated default cases under various baskets for rigorous monitoring. Collection teams were incentivised at the individual and group levels to motivate timely collection. The team engaged with customers across the loan tenure through multiple channels. The Company contacted every customer well before the installment due date through tele-callers and field executives leading to timely inflow of installments.

- ▶ Maintained collection efficiency at 98.60% in 2012-13 as against 97.72% in 2011-12
- ▶ Despite an increase in the loan book; write-offs as a proportion of assets under management was 0.00% in 2012-13 against 0.01% in 2011-12
- ▶ Mobilised almost 97% of collections through banks, reducing the inward cash float as well as the risk of carrying cash. For the remaining 3%, Company executives collected payments or customers effected over-the-counter
- ▶ Ensured timely collection of delayed payment charges for a majority of the cases
- ▶ Moved to fast track courts for resolution under Section 138 (95% of such cases are under fast track courts) for quicker recovery. The Company works on the days-past-due (DPD) model under which payment dues beyond 90 days are transferred to the legal team for legal recourse.
- ▶ Continuously work with the stream of lawyers to reduce the time taken in Section 138 and other civil and criminal cases.
- ▶ Ensure prompt filing of and follow up of cases to ensure early resolution.

Outlook

The Company aims to reduce turnaround time and ensure timely collection of dues by adopting industry best practices in order to maintain high collection efficiency. The Company is also planning to strengthen its collection team to ensure rigorous follow ups with the customers. The Company is also planning to strengthen its legal team as well to expedite collections. The Company plans to track the complete collection process through systems, starting from awareness calling to final collection of the dues from the client.

Mobilised almost 97% of collections through banks, reducing the inward cash float as well as the risk of carrying cash.

4 TREASURY MANAGEMENT

Net interest margin		Financial partners		Capital adequacy ratio	
5.21%	5.14%	19	15	23.32%	19.45%
2012-13	2011-12	2012-13	2011-12	2012-13	2011-12

Intec's treasury function represents its lifeline and has a direct impact on its profitability. The Company's core business comprises borrowing and lending; inadequate availability of funds could impede the organisation's responsiveness to opportunities. Also, high-cost funds could affect the Company's ability to provide competitive rates to customers.

This function requires an ability to enhance operational and systemic credibility with large fund providers. Intec focuses on procuring low-cost funds through short-term and long-term financial instruments.

Diversified funding sources

Cash credit	The Company's funding needs are addressed through a consortium of eight banks (as on 31st March, 2013) with the Punjab National Bank as the lead banker
Term loans	The Company mobilised term loans from banks and financial institutions for lending resulting in superior asset-liability match
Credit delivery arrangement	The Company entered into a partnership with SIDBI whereby credit appraisals (as per SIDBI guidelines) and loan sourcing was done by Intec and loans were disbursed by SIDBI. The total amount of SIDBI disbursements in 2012-13 amounted to ₹5.64 crore
LC facility	Intec facilitates its SME customers in opening LCs backed by our guarantee, hence helping them import machineries.
Direct assignment	Pursuant to RBI fresh guidelines, the Company sold off the priority sector receivables in its book to another bank. Because of the priority sector lending benefit, the Company could avail better financial terms.

The year 2012-13

- ▶ Received private equity from India Business Excellence Fund II & India Business Excellence Fund II A worth ₹37.3 crore, representing a 16.92% stake. The Company utilised the funds to repay high-cost loans and increase disbursements. The Company also benefited with the PE investment in maintaining its credit rating and strengthening its capital adequacy.
- ▶ Maintained capital adequacy ratio at 23.32% (19.45 % in the previous year), well above the statutory requirement of 15% stipulated by the Reserve Bank of India, providing comfort to bankers and financial institutions
- ▶ Tied-up with State Bank of India for working capital lending, as well as three other new banks/institutions as its financial partners
- ▶ Received sanction for various arbitrage products like, working capital demand loan (WCDL), FCNRB-backed loans, Standby Letter of Credit (SBLC - for issuance of commercial paper). All these interest rate arbitrage products will help Intec reduce the cost of funds.
- ▶ Increased net interest margin to 5.21 % as the yield on assets increased on one hand and borrowing costs declined on the other
- ▶ The Company was able to reduce its collaterals, hence unblocking the funds kept with the banks as way of collateral, which could be deployed productively

- ▶ Implemented 100% automation for generation of monthly drawing power statement, through the new software
- ▶ Received moratorium from banks, strengthening its Balance Sheet
- ▶ Maintained its ratings at ICRA BBB & CARE BBB for enhanced credit facilities, despite a weaker economic scenario
- ▶ The Company had a comfortable liquidity position despite the tough liquidity environment in the economy

Outlook

The Company plans to work towards further strengthening its existing relationships with banks and financial institutions. The Company is planning to diversify the source of funds to reduce the dependence on only a few financial institutions by adding five or six financial institutions to its consortium during FY 2013-2014. The Company is meticulously working to reduce its cost of borrowing to lower the cost of funds to its customers.

The Company will also be launching commercial papers during the year in three tranches (subject to market conditions). The Company will be extensively utilising the arbitrage products for interest savings and plans to enter the securitisation space through securitising PSL pool (subject to regulatory framework) and explore other alternative finance products, while working closely with rating companies so as to attain better credit ratings.

The Company plans to work towards further strengthening its existing relationships with banks and financial institutions.

1

BRANDING AND BUSINESS DEVELOPMENT

The DNA of Team Intec is to consistently outperform its sectoral average. In line with this priority, the Company's branding and business development team employed a creative, yet cost-effective, 360-degree approach to enhance its brand visibility.

At the heart of these initiatives lies an indefatigable effort towards strengthening relationships with equipment manufacturers, supporting the sales function. In this regard, the Company entered into business-strengthening MOUs with leading manufacturers in the sectors of the Company's presence to attain the status of the preferred financial partner.

The Company selected to participate in prominent trade exhibitions (national and international) like DRUPA, AMTEX, PrintPack, Plexpo and Imtex that enhanced its brand recall among users. The Company appraised prospects across emerging geographies and sectors to widen its presence and mitigate portfolio risks. Besides, the Company customised products across different target groups to strengthen its share and impact.

The Company emphasised its brand recall through the prudent leveraging of advertorials in leading and regional trade publications. The Company's various newsletters connect with target audiences (internal and external) that enhance visibility. The Company intends to enhance its presence in the social media and associate with sectoral trade bodies.

Key initiatives, 2012-13

- ▶ Continued to focus on enhancing relationships with equipment manufacturers
- ▶ Signed strategic MoUs for expanding of financing for the focused sectors
- ▶ Participated in several lead generation activities comprising exhibitions and seminars directly as well as indirectly with the manufacturers. This included participation in a number of renowned national and international exhibitions. The Company also offers customised schemes and provided special on-the-spot offers during these exhibitions.
- ▶ Enhanced media presence by advertising in print media including newspapers, trade magazines along with an editorial presence.
- ▶ Revamped the website as a branding initiative
- ▶ Initiated creating of newsletter (both internal and external) to connect and maintain relationship with the employees, manufacturers and customers
- ▶ Conducted a thorough study across various locations before selecting new branch locations
- ▶ Worked with several trade associations to enhance brand visibility

Outlook

The Company will focus on strengthening relationship with manufacturers and expand its loan basket by roping in regional manufacturers and used machine dealers. The Company is looking at

increasing market share by launching special promotional offers in association with leading manufacturing partners. The Company will also aim at spreading its wings by identifying new clusters. The Company will explore opportunities for deeper penetration by identifying new industry verticals for wider asset coverage. The Company is also emphasising on developing new products and launching new services.

The Company's branding and business development team employed a creative, yet cost-effective, 360-degree approach to enhance its brand visibility.

2

OPERATIONS, CUSTOMER SERVICE AND INFORMATION TECHNOLOGY

At Intec, IT intervention accelerated organisational speed, integrated processes (origination of loan cycle and disbursement collection) and enhanced profitability. In a business where information is critical, IT plays a vital role, facilitating informed decision-making to grow the business.

Over the years, the Company has invested extensively in infrastructure, people and processes with the objective to capture, protect and transmit information with speed and accuracy. Intec's business runs on a customised ERP system, running on Omnifin software. The Company also has a centralised helpdesk system, which helps run the business seamlessly.

The tailor-made IT system has been designed keeping in mind increasing volumes and processes envisaged over the next few years.

Operations: Operations represent the backbone of the Company with the primary objective of strengthening compliances and internal policies. The Company introduced CROP (credit and operations) at 15 branches, giving the branches the authority to address loan cases. A new application kit was designed to reduce redundant paper work and enhance turnaround time. Going ahead, the Company plans to decentralise operations to reduce disbursement turnaround time.

Customer service: For the coming year, we intend to create a dedicated

customer service department, investing in separate CRM systems and other software and hardware mechanisms. We also intend to have an IVR (Internet voice recording) system giving the customers an ease at every step of their association with Intec.

The year 2012-13

- ▶ Enhanced focus on data security and reduce turnaround time
- ▶ Transited from manual to secure and user-friendly automated systems
- ▶ Launched and integrated all the core function with the central IT core application, Omnifin. The human resource function is also being looked into from a fresh perspective.
- ▶ Introduced value-added services to its customers, vendors as well as the employees by keeping them updated across the life cycle of the loan

Outlook

The Company expects to create an intranet network, helping strengthen organisational connect, launch a vendor management software and online customer relationship management system and automate the HR systems and processes. The Company will also focus on training all the employees via latest software upgradations to reduce the turnaround time. The major initiative for this department would be to reduce manual processes in each department.

The tailor-made IT system has been designed keeping in mind increasing volumes and processes envisaged over the next few years.

3 HUMAN RESOURCE MANAGEMENT

Human resources are viewed as a key factor in a company's ability to build and sustain competitive advantage and therefore play a critical role in our business enterprise. Intec's competitive advantage is driven by a challenging workplace, selective recruitment, training, performance management and attractive remuneration structure.

With a team of over 235 employees, the prime objective of the human resource function is employee development. To achieve success and profitability, the Company focuses on strengthening its intellectual capital.

Recruitment: The Company believes in hiring and retaining quality manpower for accomplishing its growth objectives with a strong focus on employee development. The Company reconciles the enthusiasm of youth with the experience of managerial talent.

Training and development: The Company has invested in professionals with good experience and education, reinforced by training (functional and behavioral). A three-day induction training was organised to usher in the new joiners.

The year 2012-13

▶ Imparted various trainings to enhance hard and soft skills along with product trainings for the Sales and Credit teams. Also, organised software and documentation trainings to increase productivity.

- ▶ Launched medical and hospitalisation policy for its employees and also increased its scope and riders during the year covering their families as well.
- ▶ Revised the induction training programme and increased its tenure to ensure better understanding of the business
- ▶ Organised a workshop for the senior management for enhancing their leadership skills.
- ▶ Organised annual offsite meet, for two days to enhance intra-organisational bonding. Business vision was shared along with a discussion on the Company's performance during the annual offsite meet.
- ▶ Evolved a personal development tool, 360 degree evaluation was done for senior leadership team
- ▶ Conducted various employee engagement activities to boost the employee morale
- ▶ Created an open door culture where the management and HR are accessible to address any employee grievance

Outlook

The Company intends to enhance its focus on performance management and talent retention, conduct quarterly performance reviews across all levels in the organisation, document robust policies and processes and maintain employee connect through regular communication and engagement

activities. Intec also plans to initiate a customised product training module for the frontline sales force. The Company is also revamping the entire process of recruitment to improve the quality of hiring so as to improve productivity within the organisation.

With a team of over 235 employees, the prime objective of the human resource function is employee development.



RISK MANAGEMENT

RISK ACCOMPANIES PROSPECTS. AS A RESPONSIBLE CORPORATE, IT IS THE ENDEAVOUR OF THE MANAGEMENT TO MINIMISE THE RISKS INHERENT IN THE BUSINESS WITH THE VIEW TO MAXIMISE RETURNS FROM BUSINESS SITUATIONS.

At the heart of Intec's risk mitigation strategy is a comprehensive and integrated risk management framework that comprises prudential norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but prudently decentralised across the Company, percolating to managers at various levels helping them mitigate risks at the transactional level. At Intec, the risk management team meets periodically to review the key risks which could impact the Company,

the de-risking initiatives and their effectiveness in an ever-evolving external environment. This prudent balance of risk and reward leading to shareholder value growth were achieved via the following initiatives:

- ▶ Obtaining and managing funds from the most reputed sources and at the lowest costs
- ▶ Building an institution with a simplified lending process and strong mechanisms for evaluating customer creditworthiness
- ▶ Effectively managing credit, liquidity and interest rate risks, among others

The key risks associated to the Company's business include credit, market (comprising of liquidity risk, interest rate risk, foreign exchange risk) and operational risk.

At the heart of Intec's risk mitigation strategy is a comprehensive and integrated risk management framework.

1

CREDIT RISK

CREDIT RISK REFERS TO THE RISK THAT A BORROWER WILL DEFAULT ON DEBT BY FAILING TO MAKE PAYMENTS WHICH IT IS OBLIGATED TO DO. THE RISK IS PRIMARILY THAT OF THE LENDER AND INCLUDE PRINCIPAL AND INTEREST LOSS, DISRUPTION TO CASH FLOWS, AND INCREASED COLLECTION COSTS. THE LOSS MAY BE COMPLETE OR PARTIAL AND CAN ARISE IN A NUMBER OF CIRCUMSTANCES.

Intec actively manages its credit exposures. Regular assessment of exposures is conducted to ensure healthy portfolio. All the focused sectors are also reviewed periodically with regards to change in the macro environment and regulatory environment.

At Intec, the Company recognises the significance of credit risk in lending business and structured credit approval processes. The Company possesses a team of qualified and experienced

personnel scrutinising proposals at various stages and analysing all relevant information which are gathered from formal and informal channels during the assessment process to arrive at proper decisions. During the year under review, various internal rating processes were formulated to ensure faster evaluation of the exposures. Delinquency levels are also monitored periodically to detect any early warning of stress signals.

2

MARKET RISK

MARKET RISK REFERS TO THE RISK OF LOSS ARISING FROM THE UNFORESEEN CHANGES IN THE EXTERNAL ENVIRONMENT. THE FINANCIAL SERVICES SECTOR IS LINKED TO THE GLOBAL AND INDIAN ECONOMIC DEVELOPMENT. ANY ECONOMIC EVENT WITH A SIGNIFICANT IMPACT ACROSS GEOGRAPHIES CAN HAVE A DIRECT OR INDIRECT IMPACT ON THE COMPANY'S FORTUNES. MANAGEMENT OF MARKET RISK INCLUDES ADDRESSING LIQUIDITY RISK, INTEREST RISK AND FOREIGN EXCHANGE RISK TO ENSURE SMOOTHNESS IN ITS OPERATIONS. THE ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO) ASSESS THE BENCHMARK RATES TO ENSURE, THERE IS NO MISMATCH BETWEEN COMPANY'S ASSETS AND LIABILITIES.

▶ Interest risk: Your Company is exposed to the interest rate risks as a result of lending to its customers for periods which may differ from the period of its funding. Therefore,

volatility in interest rates could impact the profit margins of your Company. The treasury team of your Company periodically manages the asset liability positions of the Company to mitigate

the Interest Rate risk.

▶ Liquidity risk is financial risk due to uncertain liquidity. An institution might lose liquidity if its credit rating falls, it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the institution. A firm is also exposed to liquidity risk if markets on which it depends are subject to loss of liquidity.

In order to mitigate the liquidity risk, your Company established a diversified mix of funding sources. The ALCO strategically reviews the asset liability position of the Company over

short term and long term horizons of the funding and recommend corrective measures, if any. The macro-environment is also reviewed periodically to ensure proper planning of mitigating the liquidity risk.

▶ Foreign exchange risk exposure is minimal as the Company disburses loans in INR and borrowings are also in the nature of domestic rupee debt. However, Intec provides foreign LC facility to select applicants, but the Company does not assume risks arising out of forex transactions since the currency risk is completely hedged in the futures market..

3

OPERATIONAL RISK

OPERATIONAL RISK IS THE RISK OF LOSS ARISING FROM FRAUD, UNAUTHORISED ACTIVITIES, ERRORS, OMISSIONS, INEFFICIENCIES, SYSTEMS FAILURES OR FROM SOME EXTERNAL EVENTS. OPERATIONAL RISK INCLUDES LEGAL RISKS BUT EXCLUDES REPUTATIONAL RISK AND IS EMBEDDED IN ALL FINANCIAL PRODUCTS AND ACTIVITIES.

Some of the key principles followed by Intec so as to effectively manage operational risks include are ratios of profitability and turnover for measuring operational efficiency. The Company has aligned all functions along vertical lines; key risks pertaining to these functions have been identified. For any identified risk, each functional vertical performs transaction testing to evaluate compliance levels. This method ensures swift corrective action and the implementation of findings.

This entails establishing clear reporting guidelines, defining processes, operating manuals, transactional

verification and authorisation and maintaining a strong management team with a vast experience in diverse fields.

To further enhance the operating procedures, Intec has been investing so as to keep its technological systems constantly updated across the various domain functions. It ensured an effective maker-checker system by a clearly defined authority matrix with segregated credit and operations verticals. The internal audit team conducts regular audits, covering both onsite and offsite audits of branches and other departments.



BOARD OF DIRECTORS

Mr. Sanjeev Goel
Managing Director

Mr. Sanjeev Goel is the Founder and Managing Director of Intec Capital Ltd. With over 25 years of experience, he's the main driving force behind the success of Intec Capital Ltd. Sanjeev stepped into the corporate world more than 25 years ago as a Financial Controller at Jay Bharat Maruti Ltd. His aspiration to become an entrepreneur led to the genesis of Intec Securities (now Intec Capital Limited) in 1994 with a vision to place the Company as the most preferred financial service provider for every Indian entrepreneur. His rich experience of the financial market and in SME segment, coupled with his ability to gain the confidence of stakeholders and customers and positioned the Company as one of the leading NBFCs in India. Mr. Goel is a chartered accountant and holds a master's degree in international finance from the University of Iowa.

Mr. Y. L. Madan
Director

Mr. Y L Madan has over 37 years of experience in the banking industry with an expertise in SME lending and corporate and retail financing. He possesses strong analytical skills with business wisdom to positively contribute to the organisation's growth. In the past, he was associated with the Indian Overseas Bank as an Executive Director and has also served various at senior positions during his association with Canara Bank. He has been an active member of the IBA committees on Basel II implementation and risk management and legal and banking operations also. Mr. Madan holds a master's degree in physics from Delhi University, a master's degree in finance from FMS University of Delhi. He is also a Certified Associate in Indian Institute of banking and finance (CAIB) from The Indian Institute of Bankers.

Mr. Praveen Sethia
Director

Mr. Praveen Sethia has over 17 years of rich experience in infrastructure sector with an expertise in infrastructure equipment finance, leasing and credit risk. In the past, he held various senior positions during his association with SREI and ICICI. During his tenure with SREI, he initiated leasing of medical equipment in the UK. Presently, he is also heading Infrastructure Advisors Pvt Ltd, a consulting firm engaged in business & transaction advisory and along with this he is also associated with Bharat Udyog Ltd & Valecha Engineering Ltd as an advisor for their BOT projects. Mr. Sethia is a Chartered Accountant and fellow member of The Institute of Chartered Accountants of India.

Mr. Robindra Gupta
Director

Mr. Robindra Gupta has over 40 years of experience in his field of work. In the past, he was Chairman and Managing Director of Neyveli Lignite Corporation and Fertilizer Corporation Ltd. He also held the position like Director (Projects) at National Aluminium Company, Executive Director and General Manager at NTPC. He has constructed a large number of mega projects from concept to commissioning within the best parameters of cost, quality and time starting with unit of IFFCO at Kandla. Presently, he is also a Managing Director at Sanrit Consultants Pvt Ltd. Mr. Gupta holds a Bachelor's degree in Engineering from IIT Roorkee. He also holds a diploma from the Imperial College and F.I.C.E from London.

Mr. Rakesh Kumar Joshi
Director

Mr. Rakesh Kumar Joshi has over 30 years of experience in the field of Accounts, Finance & General Administration. In the past, he has held various senior positions in Media, Engineering, Software, Telecommunication, Real Estate, Hospitality & Infrastructure industries. He also served as Alternate Director in addition to Vice President (Finance) during his association with Carl Schenck AG (German MNC). He has also served as Group Finance Controller for a large conglomerate group at the international level in Africa. Presently, he is Chief Financial Officer of an infrastructure company, which is a subsidiary of Ahluwalia Contracts(India) Limited.

Mr. Joshi is a Chartered Accountant. He also holds Diploma in Corporate Law from Indian Law Institute (Ford Foundation) & Master's in Business Administration from FMS-University of Delhi.

Mr. S K Goel
Director

Mr. S K Goel has more than 40 years of experience in the technical field and his technical expertise has come in very handy for the company as most of the enterprises funded by Intec are technology based enterprises. In the past, he has served in industries such as Power (Nuclear, Coal, Gas & Hydro), Petrochemical, Marine, Defense & Structural (Bridges and Buildings). He has held esteemed positions at Hindustan Engineering Inspection Services and ISGEC. Presently he is associated with Atlas Engineering & Inspection Services Private Limited as Director.

Mr. Goel holds a Bachelor's degree in Science. He is a certified Level III professional and is also a member of American Society for Nondestructive Testing and American Welding Society.



BOARD OF DIRECTORS

Mr. Subhash Jindal
Director

Mr. Subhash Jindal has over 40 years of experience in the field of Paper and distribution trade. With his vast experience and constant guidance in paper industry, we have started focusing on the Printing industry as one of the focus sectors to support the SMEs. In the past, he has been involved in distribution BILT & JK Paper. Presently, he is also associated with the leading Stationery Companies like Luxor, Kores, Camlin, Kangaroo and Hindustan Pencil for distribution of these products. He is also associated with AtlasAgile Consulting Private Limited as Director. Mr. Jindal holds a Bachelor's degree in Arts and is a Businessman

Mr. Vishal Kumar Gupta
Additional Director

Mr. Vishal Kumar Gupta is has been associated with Motilal Oswal Private Equity since 2008 and has over 12 years of rich financial industry experience. Prior to Motilal Oswal Private Equity, he has worked with institutions like UBS Investment Bank (New York) and HDFC Limited. Mr. Gupta holds degree in MBA from the University of Chicago and a Bachelor's degree in Mechanical Engineering from Aligarh Muslim University.

Mr. Prakash Dhoot
Additional Director

Mr. Prakash Dhoot has been associated with Motilal Oswal Private Equity since 2008 and has over 11 of experience in corporate, bank and financial services. Prior to Motilal Oswal Private Equity, he has worked with JP Morgan Chase Bank, Kotak Mahindra Bank and Sea King Infrastructure. Mr. Dhoot is a member of the Institute of Chartered Accountants of India and possesses degree MBA from Nirma Institute of Management, Ahmedabad.

MANAGEMENT TEAM



Mr Jagjit Singh
Business head

Jagjit has 21 years of experience in business development in industries like infrastructure, agriculture, banking, and financial services. He is adept at managing the affairs at the top and the bottomlines of an organisation. He is an accomplished marketer, an excellent relationship manager and a 'go giver' who can also masterfully craft clinching strategies for expanding businesses across geographical boundaries, developing new vendor and manufacturer relationships, leading the sales team, and delivering results as per established business goals. In the past, he has been associated with Kotak Mahindra Bank, ICICI Bank, Srei Infrastructure Finance Limited, Escorts Group & Ashok Leyland. Jagjit has done his masters' in business administration and also holds a bachelors' degree in technology.



Mr Virender Kataria
National sales head – Strategic business group

Virender has 15 years of experience in retail and MSME financing. He is known for his aggressive and effective sales tactics and for building and effectively managing relationships with customers, manufacturers, and vendors. In the past, he has been associated with Dhanlaxmi Bank, Reliance Capital, Srei Infrastructure Finance Limited and ICICI Bank. Virender holds a master's in financial administration and also holds masters and bachelors degree in Psychology.



Mr Sudhir Menon
National sales head – Emerging entrepreneur group

Sudhir has 13 years of experience in diverse business-related areas like sales, business development, channel management, profit centre management, loans and key account management within the financial sector. He also carries rich experience in carrying out thorough appraisals to determine the effectiveness and efficiency of policies, regulations, and procedures. In the past, he has been associated with Citi Financial Consumer Finance India Ltd and ICICI Bank. Sudhir holds masters in business administration and also holds bachelors degree in economics.

MANAGEMENT TEAM



Mr Sudhindra Sharma
Head - Finance and accounts

Sudhindra has 12 years of experience in the field of finance and accounts within the manufacturing and service sector. He has rich experience of accounting and corporate finance with a specialisation in financial analysis, budgeting and controls. He is an expert at project planning and management including executing, monitoring, and managing resources with the unique ability to work on multiple projects simultaneously in an organisational structure. In the past, he has been associated with Ingersoll Rand, BPL and Ruby Tuesday. Sudhindra is a Chartered Accountant and also holds bachelors degree in commerce.



Ms Pooja Sondhi
Head – Operations and IT

Pooja has 10 years of experience in loan operations. She has worked extensively with loans operations teams and has hands-on experience in business analysis within the retail banking and lending / financial / BSFI sectors. She also carries experience in structured financing and creating debt instruments to facilitate asset backed securitisation. In the past, she has been associated with V-Enable, India Bulls and Citi Financial Consumer Finance India Ltd. Pooja holds a masters degree in business administration and a bachelors and masters degree in commerce.



Mr Vikas Garg
Head – Credit and risk

Vikas has a decade long experience in the realm of credit and risk management with diverse fields like secretarial practices, trade finance specially export finance, corporate and retail loans and equipment financing. Vikas has comprehensive exposure and experience in managing and leading retail lending business in credit and risk management, operations and collections. He has also been deeply involved in strategy, policy and underwriting for other retail businesses like mortgages, business loans and equipment finance. He has strong exposure in risk management of SME business. His experience with various organisations in all these areas was for the entire range of assets business. In the past, he has been associated with Religare Finvest Ltd, Yes Bank Ltd, & ICICI Bank. Vikas is a CS and also hold bachelors degree in law and commerce. Vikas is also a certified associate of IIB.



Mr Sachin Bhardwaj
Head - Collections

Sachin has 16 years of experience in collections and debt management in industries like FMCG, telecom and financial services. He carries with him rich experience of implementing new procedures and policies which are being used for collections and debt management in various industries. During his previous assignments, he has been associated with organisations like, Citi Financial Consumer Finance India Ltd, Godfrey Phillips, Hindustan Coca-Cola Beverages (P) Ltd & HFCL. Sachin is a post graduate in business management and holds a bachelors degree in commerce



Mr Bhushan Tuli
Head- Branding and business development

Head of branding and business development at Intec Capital, Bhushan brings with him over 15 years of work experience in various functions such as business development, sales and operations management. Bhushan is currently responsible for identifying new products and sectors for the Company, enhancing relationships with the existing manufacturers along with creating new relations with the leading manufacturers of the various focused sectors, executing marketing plans, organising various consumer and trade promotions activities, managing customer communication processes, monitoring and doing impact analysis. In his past assignments, he has played a vital role in building and sustaining businesses. Bhushan started his career with Tata Infotech, followed by successful stints at ICICI Bank, Reliance Capital and Dhanlakshmi Bank. Bhushan is a management post graduate and has a bachelor's degree in electronic and communication engineering to his credit.



Mr Vinay Patel
Head - Leasing

Vinay Patel, a CA by qualification has been instrumental in conceptualising and harnessing the new product line 'Leasing' for Intec Capital Limited. Vinay started his professional journey with a CA firm offering statutory as well as internal audit services and advising on taxation, Accounting and secretarial matters. Post his association with the firm for three years, Vinay was employed with Goodhelthnyou.com and Tata Finance Limited in internal audit department for conducting and finalising audits. Vinay was also associated with esteemed organisations such as HDFC Bank and Reliance Capital Limited in the areas of risk management and analytics. Prior to joining Intec Capital Limited, Vinay was heading the Western Region of First Leasing Co. of India Limited. A people's person, Vinay has proven track record of growing new business offerings and nurturing long-term relationships.

CORPORATE INFORMATION

Board Members

Mr. Sanjeev Goel	Managing Director
Mr. Y. L. Madan	Director
Mr. Praveen Sethia	Director
Mr. Robindra Gupta	Director
Mr. Rakesh Kumar Joshi	Director
Mr. S.K. Goel	Director
Mr. Subhash Jindal	Director
Mr. Vishal Kumar Gupta	Additional Director
Mr. Prakash Dhoot	Additional Director

Statutory Auditors

T. K. Gupta & Associates
Chartered Accountants
4228/1, Ansari Road, Darya Ganj,
New Delhi - 110002

Company Secretary

Mr. Puneet Sehgal

Bankers

Punjab National Bank
State Bank of India
Bank of India
Bank of Maharashtra
Indian Overseas Bank
Central Bank Of India
Oriental Bank of Commerce
State Bank of Patiala
Axis Bank
ICICI Bank
HDFC Bank
South Indian Bank
Dhanlaxmi Bank
United Bank of India
Union Bank of India

Financial Institutions

SIDBI
Siemens Financial Services Pvt. Ltd.
Reliance Capital Limited
L&T Finance Limited

Registrar & Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
New Delhi-110062

Registered & Corporate Office

Intec Capital Limited
701, Manjusha Building, 57- Nehru Place,
New Delhi-110019
Ph: 011-46522200/300, Fax: 011-46522333
E mail: complianceofficer@inteccapital.com
www.inteccapital.com

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors take immense pleasure in presenting their 19th Directors' Report together with the Annual Audited Accounts for the Financial Year ended 31st March, 2013.

Financial Highlights

(₹ in lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit/(Loss) before tax	2,006.62	1,422.78
Less: Provision for Taxation		
Current Tax	666.26	467.55
Deferred Tax	28.09	8.44
Profit/(Loss) after tax	1,312.27	946.79
Add: Balance brought forward from last year	1,823.26	1,147.82
Surplus available for appropriation	3,135.53	2,094.61
Less: Appropriations		
Dividend on Equity Shares paid	–	6.75
Tax on Dividend paid		0.9
Proposed Equity Dividend	64.02	63.96
Preference Dividend	10.19	–
Tax on Proposed Dividend	12.04	10.38
Transfer to Reserve Fund u/s 45IC of RBI Act, 1934	262.45	189.36
Surplus carried to Balance Sheet	2,786.83	1,823.26

Dividend

The Board of Directors are pleased to recommend a final dividend of ₹0.50 (i.e. 5%) per Equity Share having face value of ₹10/- each on the Fully Paid-up Equity Share Capital of the Company for the Financial Year 2012-13 subject to the approval of the shareholders at the ensuing 19th Annual General Meeting.

Transfer to Reserves

During the year under review Company has transferred ₹262.45 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, 2013 stood at 23.33% as compared to 18.93% for the previous year as a percent of the aggregate risk weighted assets on the 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 and 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 coordination 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 and Protection Fund. For the Financial Year 2005-06 an amount of ₹143929.50 (Rupees One Lacs Forty Three Thousand Nine Hundred and Twenty Nine and Fifty Paise) remained unclaimed for a period of 7 years and would be transferred to Investor Education & Protection Fund by the Company during the year. Cumulatively, the amount transferred to the said fund as on March 31, 2013 was nil.

Non-Acceptance of Public Deposits

The Company has not accepted any Public Deposits or any Fixed Deposit during the year 2012-13 and hence there are no defaults in repayments of amount of principle or interest as on the date of Balance Sheet.

Subsidiary Company

We have one wholly-owned subsidiary i.e. Amulet Technologies Limited.

As per Section 212 of the Companies Act 1956, we are required to attach the Director's Report, the Balance Sheet and the 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' Report

The Auditors' Report on the financials of the Company for the year ended 31st March, 2013 does not contain any reservation, qualification or adverse remark.

Increase in Authorised Share Capital

During the year under review your Company has increased its authorised share capital from ₹30,00,00,000 (Rupees thirty crore) divided into 1,50,00,000 Equity Shares of ₹10/- each and

15,00,000 preference shares of ₹100/- each to ₹50,00,00,000 (Rupees fifty crore) divided into 3,50,00,000 (three crore and fifty lacs) Equity Shares of ₹10/- each and 15,00,000 (fifteen lacs) preference shares of ₹100/- each.

Issue and Allotment of Equity Shares, 5% Convertible Preference Shares and Compulsorily Convertible Preference Shares on Preferential Allotment basis

On November 27th 2012 the Company has allotted 6,00,000 (Six lacs), 5% Convertible Preference shares of ₹100/- each for cash aggregating upto ₹6,00,00,000 (Rupees Six crore) to Promoters and Non-Promoters.

Further on 26th March, 2013 the Company has allotted 6,66,202 Equity Shares of ₹10/- each at a Premium of ₹99.44 each, aggregating to ₹7,29,09,146.88 (Rupees Seven crore twenty nine lacs nine thousand one hundred and forty six and eighty eight paise only) on preferential allotment basis in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said shares are listed and traded at both the Stock Exchanges where the Equity Share Capital of the Company is listed.

During the year under review, the Company has also allotted upto 274,122 fully paid-up Compulsorily Convertible Preference Shares ('CCPS') of ₹100/- each for cash at a premium of ₹994.4 per CCPS, aggregating upto ₹29,99,99,116.8/- (Rupees twenty nine crore ninety nine lacs ninety nine thousand one hundred and sixteen and eight paise only)

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 Financial Year 2013-14 are paid for both the Stock Exchanges where the shares of the Company are listed.

Credit Rating Agencies

The Company is dual rated for its long-term banking facilities by Credit Analysis & Research Limited (CARE) and ICRA Limited. CARE has assigned the rating of CARE BBB (Triple B) and ICRA has also assigned ICRA BBB (Triple B) with a stable outlook to the long-term bank facilities of the Company.

Directors

Board of directors

As per the provisions of Companies Act, 1956 and Article 86 of the Article of Association of the Company Mr. Praveen Sethia and Mr. Rakesh Kumar Joshi Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As stipulated in terms of Clause 49 of Listing Agreement, the brief resume of Mr. Praveen Sethia and Mr. Rakesh Kumar Joshi is provided in the Notice of the 19th Annual General Meeting of the Company.

The Board of Directors in their meeting held on 26th March, 2013 has appointed Mr. Prakash Dhoot and Mr. Vishal Kumar Gupta as an Additional Directors of the Company nominated by India Business Excellence Fund-II (IBEF-II) which is the investment fund of Business Excellence Trust II ("Trust"). IL&FS Trust Company Limited ("Trustee") is the trustee of the Trust and whereas Trustee has appointed Motilal Oswal Private Equity Advisors Private Limited, a company registered in India under the Companies Act, 1956 having its registered office at 8 Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064, as the investment manager to IBEF-II. Mr. Prakash Dhoot and Mr. Vishal Kumar Gupta will retire at the ensuing Annual General Meeting and being eligible, offers themselves to be reappointed as Directors of the Company subject to the approval of Shareholders.

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 and Accounts on financial statements as stipulated under Clause 49 of the Listing Agreement and Declaration by the Managing Director with regard to Code of Conduct forms part of the Annual Report.

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

Management Discussion Analysis Report (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 ₹60,00,000/- (Rupees sixty lacs only) per annum and ₹5,00,000/- (Rupees five lacs) per month, are required to be attached to this report. The names and other particulars of employees are set out in the Annexure-A to this report.

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, 2013 on a going concern basis.

Statutory Auditors

Your Company's existing Statutory Auditors, M/s. T. K. Gupta & Associates, Chartered Accountants, New Delhi hold office up to ensuing Annual General Meeting. It is further informed that M/s. T.K. Gupta & Associates has opted not to be reappointed as Statutory Auditor for the Financial Year ending 31st March 2014 in the ensuing Annual General Meeting.

In view of above, your Directors recommend the appointment of M/s. B S R & Associates, Chartered Accountants, Gurgaon as new Statutory Auditors of the Company for the Financial Year ending 31st March 2014 and to hold office from this ensuing

Annual General Meeting up to conclusion of next Annual General Meeting.

M/s. B S R & Associates, Chartered Accountants, Gurgaon, have given their consent for their appointment as the Statutory Auditors of the Company for the Financial Year ending 31st March 2014 and to hold office from this ensuing Annual General Meeting till conclusion of next Annual General Meeting and certificate to the effect that appointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The shareholders' approval is required to appoint Statutory Auditors for the Financial Year ending 31st March, 2014 and for holding office from this ensuing Annual General Meeting till conclusion of next Annual General Meeting.

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

Internal Control Systems and Adequacy

The Company has a satisfactory internal control system in place.

The internal control system ensures that the assets and interests of the Company are safeguarded and accuracy in accounting records and 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 operational 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 review the internal audit findings and corrective actions are taken accordingly.

HRD Initiatives-Training and Development

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

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
Outflow:	NIL	NIL
Inflow:	NIL	NIL

Appreciations

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

The Board of Directors would like to convey their appreciation to the customers, shareholders, vendors, banks, financial institutions, various governmental authorities, RBI, SEBI and the Stock Exchanges for their cooperation and support throughout the year.

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

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

For Intec Capital Limited

Sanjeev Goel S. K. Goel
Managing Director *Director*

Date: 31st August 2013
 Place: New Delhi

Annexure – A

The statement of particulars of employees pursuant to provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, Companies (Particulars of Employees) Amendment Rules, 2011 the details and the other particulars of employees drawing remuneration aggregating to more than ₹60,00,000/- (Rupees sixty lacs only) per annum and ₹5,00,000/- (Rupees five lacs) per month and forming part of the Director's Report for the period from 1st April 2012 to 31st March 2013 is as follows:

Sl. No.	Name	Designation	Qualification	Experience	Remuneration (in rupees)	Date of appointment	Age	Particulars of last employment
1	Mr. Sanjeev Goel	Managing Director	CA & MBA	25	66,00,000	15.02.1994	49	NIL

For Intec Capital Limited

Date: 31st August 2013
 Place: New Delhi

Sanjeev Goel S. K. Goel
Managing Director *Director*

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy

Growth of the world economy has weakened considerably during 2012 and is expected to remain subdued over the coming years. Global economic growth hovered around 3.2% in 2012, lower than the 3.9% growth of 2011 on account of the Euro-zone debt crisis, inflation and market volatility. The US, the world's largest economy, posted better numbers (2.3% in 2012 against 1.8% in 2011). The Euro-zone reported a negative growth of 0.4% and China's growth slowed from 9.3% to 7.8%. The global economy is expected to mend gradually in 2013, projected to grow at 3.3% in 2013 and at 4% in 2014. Emerging developing economies are expected to drive global growth in 2013 (around 5.25% in 2013 and 5.75% in 2014).

A more significant slowdown is expected in the less mature economies over the medium term. Growth in emerging and developing economies is expected to remain robust, strengthening from about 5% in 2012 to 5.25% in 2013 and 5.75% in 2014. Activity in most of these economies has already picked up after a slowdown in 2012 thanks to resilient consumer demand, supportive macroeconomic policies and a revival in exports. In the emerging European economies, recovery should gain speed as demand from advanced economies in Europe pick up. However some economies in the Middle East and North Africa continue to witness political struggles (Source: IMF, World Economic Outlook).

World output (%)

	2010	2011	2012	2013 (P)	2014 (P)
World output	5.2	3.9	3.2	3.3	4.0
Advanced economies	3.2	1.6	1.3	1.2	2.2
Emerging economies	7.3	6.3	5.1	5.25	5.75

Source: IMF, World Economic Outlook, April 2013

Indian economy

Growth of the Indian economy hovered around 5% in 2012-13, the lowest in a decade, on account of poor performances in manufacturing, agriculture and services sectors. Moderation in growth was primarily attributed to weaknesses in industry (mining and quarrying, manufacturing, electricity, gas and water supply and construction) at 3.1% while the manufacturing sector grew only by 1.9%. Growth of the services sector was at a low 6.6% in 2012-13 against 8.2% in 2011-12.

The country's industrial output declined led mainly by a contraction in the manufacturing, mining and capital goods sectors (proxy for investment activity). The dampened industrial sentiment was largely due to high inflation, high interest rate, currency fluctuations and policy logjam.

To boost industrial sector growth, the government has announced important policy decisions:

- ▶ Moderated interest rates during fiscal 2012-13
- ▶ Revived the stressed infrastructure sector by fast-tracking large infrastructural projects and announcing SOPs for certain segments of the infrastructure segment
- ▶ Used buffer stocks to moderate food inflation
- ▶ Introduced FDI in multi-brand retail, aviation, insurance and broadcasting sectors
- ▶ Partially deregulated the oil and gas sector (diesel pricing) to reduce subsidy burden

Gross Domestic Product (at 2004-05 prices)

(in ₹ crore) at factor cost

Industry	2011-12	2012-13
Agriculture, forestry & fishing	739,495	752,746
Mining & quarrying	108,249	108,713
Manufacturing	823,023	838,541
Electricity, gas & water supply	98,814	103,642
Construction	412,412	436,637
Trade, hotels, transport & communication	1,440,312	1,514,593
Financing, Insurance, real estate & bus. Services	948,808	1,030,633
Community, social & personal services	672,469	717,971
GDP at factor cost	5,243,582	5,503,476

Source: CSO, Ministry of Statistics & Programme Implementation

Industry review

Intec Capital Limited was established in 1994 as a non-banking financial company (NBFC) to meet the financial requirements of SMEs aiming at buying machinery/ equipment.

NBFCs play an important role in the Indian financial sector. SMEs in India have emerged as a vibrant part of the Indian economy contributing 45% to the country's industrial output. The sector has emerged as a panacea for providing employment and is an integral promoter of inclusive economic growth and an important agent of development.

Despite this, SMEs have limited access to good infrastructure, increasing their operational costs and also inadequate market linkages constricting their growth. Adequate and timely access to finance has been the biggest challenge faced by SMEs in India.

A dominant share of the portfolio of NBFCs is constituted by SMEs who do not have enough collateral. While the Reserve Bank of India regulates both NBFCs and banks alike, there are certain differences in the regulatory treatment with NBFCs, which are being curtailed gradually.

Since inception, Intec Capital has conducted its business in

a manner that inspires trust from prospective lenders and customers in terms of service, reliability, empathy, commitment and financial integrity. As a result, the Company enjoys an industry-leading position in various pockets of its presence and a strong Balance Sheet. This recognition is derived from continual investments in governance, irrespective of market cycles.

Intec in 2012-13

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

- ▶ Total disbursements stood at ₹61,661.00 lacs against ₹55,625.00 lacs, representing an increase of 9.62% over 2011-12
- ▶ Profit before tax stood at ₹2,008.86 lacs as compared with ₹1,419.38 lacs, demonstrating an increase of 41.53% over 2011-12
- ▶ Profit after tax increased stood at ₹1,314.64 lacs as compared with ₹943.40 lacs in 2011-12, demonstrating a 39.35% growth
- ▶ Earnings per share (EPS) stood at ₹10.18 against ₹7.40 in 2011-12

The Company expanded into south India by establishing three branches across Coimbatore, Chennai and Bengaluru, moving closer to SME clusters. It plans to set-up five branches pan-India over the next Financial Year. It also focused on strengthening its brand by revamping its website, conducting promotional activities and enhancing presence in prominent trade fairs and exhibitions to connect directly with manufacturers and customers.

A key initiative of 2012-13 was the ₹37.3 cr private equity infusion from India Business Excellence Fund II (IBEF II) and India Business Excellence Fund IIA (IBEF IIA) as growth capital. This investment will enable progressive strengthening of credit rating and reduce fund costs over the years.

At Intec, IT plays a critical role in decision-making. The Company transitioned from manual to secure and user-friendly automated systems, launched and integrated all core function with the central IT core application, Omnifin. In line towards enhancing customer focus, it introduced several value-added services for its customers, vendors as well as employees, keeping them updated across the lifecycle of the loan.

Opportunities and threats

Indian MSMEs, characterised by low establishment costs, operational flexibility and locational advantages, have contributed significantly to domestic production and export earnings.

High contribution to domestic production as well as export earnings: MSMEs constitute an important segment in India's industrial production, contributing 40% of the country's total exports. In 2011, the sector's contribution to the GDP amounted to 32.5% and is on track to achieve the target of 40% of the GDP by 2020.

Listing on stock exchange: One of the biggest challenges for all start-ups and small and medium enterprises (SME) is raising capital to either launch one's company or expand operations. Market regulator SEBI (Securities and Exchange Board of India) has now allowed start-ups and SMEs to list securities (company shares) without having to float an Initial Public Offering (IPO) and without having to offer a minimum 25-per cent of its shareholding to the public. By allowing start-ups and SMEs to list on this platform, small companies gain much-needed visibility. They gain a much wider investor base and, potentially, their chances of raising capital increase manifold.

Foreign Direct Investment in Retail sector: As per current policy, multi-brand retailers must procure 30% of products mandatorily from small and medium enterprises (SMEs) with an investment in plant and machinery not exceeding \$1 million. With this clause, we expect a huge growth opportunity coming in for the SME segment.

Threats

SME growth is catalysed through adequate and timely supply of funds. SMEs rely on their own capital as well as banks and NBFCs to fund their investments in land, buildings, plants and machinery, among others, which can progressively be replaced with structured and formal financial provisioning.

Since the fund requirements of the SMEs are not large enough to seek them from the primary or bond markets, the sector is largely dependent on debt from banks/ NBFCs. While these aforementioned sources have been able to satisfy the demands of this sector to a certain extent, a significant gap between demand and supply of MSME finance still persists.

Below mentioned are some of the challenges faced by the sector

Funds paucity

- ▶ Absence of a range of financing options and other services for business sustenance
- ▶ Accessing adequate and timely financing, particularly longer tenure loans
- ▶ Accessing credit on easy terms is difficult in the backdrop of a global financial crisis and liquidity constraints
- ▶ Financing constraints faced by the Indian MSMEs are attributed to a combination of factors comprising policy, legal/regulatory frameworks, institutional weaknesses and a lack of reliable credit information related to SMEs
- ▶ The traditional methodology of lending to this segment (against collateral and with a linkage to net worth as judged through tax returns) is still prevalent in India

Skills shortage

- ▶ Access to skilled manpower and marketing channels is limited in this segment
- ▶ Lack of skills related to decision-making, good management and accounting practices

Lack of infrastructure

- ▶ Absence of infrastructure, skilled labour, business acumen and limited opportunities to widen the business
- ▶ Inability to capture market opportunities (which may require larger production facilities) and an inability to achieve economies-of-scale, homogenised standards of production and lack of regular supply

Risk management

The primary goal of risk management is to ensure that risks are adequately controlled to protect shareholder's value. Risk, in varying degrees and in different forms, is conspicuously present in all business activities of a financial services organisation.

Intec is exposed to credit, interest rate, liquidity, operational and market risks. We have instituted structured processes and controls to manage risks and have identified risks through appropriate systems reinforced by experience of our managers. Besides, our in-built reporting protocol makes it possible for members to report risks as and when they surface to our central risk management function.

The Company periodically reports the effectiveness of its risk management practices to the Board of Directors through its Risk Management Committee. The primary goal of the Risk Management Committee is to ensure that risks are properly controlled to create and protect shareholder value. We recognise that this can potentially generate early alerts that make it possible to engage proactively in counter initiatives. Moreover, we have embarked upon reporting our risk management effectiveness to appraise stakeholders of where we stand with regard to risk management processes, risk governance and various risks facing our business.

The Company has an Asset Liability Management Committee (ALCO), which has evolved appropriate systems and processes to continuously monitor and manage the various factors which impact the Company. ALCO continuously analyzes risk and reviews performance and takes necessary steps towards

mitigating various risks which might have an adverse impact on the Company.

Rating

Intec maintained its ratings at ICRA BBB from CARE BBB for enhanced credit facilities despite a weak economic scenario.

Internal control processes and systems

Intec has adequate audit and control mechanisms to evaluate the effectiveness of its internal control system. The Company's audit procedures are commensurate with the size and nature of its operations to provide reasonable assurance that all the assets are safeguarded, transactions are authorised, recorded and reported properly and that all applicable statutes and corporate policies are duly complied with. The internal auditors of the company continuously review the adequacy and efficacy of internal controls and submit critical audit observations to the Audit Committee for effective monitoring.

Human resources

Human resources are viewed as a key factor in a company's ability to build and sustain a strong competitive advantage and therefore play a critical role in the enterprise. Intec has a team of over 235 employees, as it focuses to strengthen its intellectual capital to achieve success and growth.

The Company hires and maintains quality manpower and continually invests in training (functional and behavioral) by conducting on-the-job as well as off-the-job training programmes which are imparted by professionals. In 2012-13, two-day induction training was organised on monthly bases to impart training to new recruits.

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.

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, 2013.

For Intec Capital Limited

Place: New Delhi
Date: 31st August 2013

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: 10.05.2013
Place: New Delhi

Sanjeev Goel
Managing Director

Sudhindra Sharma
Head- Finance & Accounts

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, Report on Corporate Governance for the year ended 31st March, 2013 is given below:

Company's philosophy on Corporate Governance

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

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

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

Mandatory Requirements

1. Board of Directors

► Composition and size of the Board

As on 31st March, 2013 the Company's Board of Directors comprises of nine Directors out of which one is Executive, six are Non-Executive Directors and two are Additional Directors. The meetings of the Board of Directors are normally presided over by the Managing Director who is also the Promoter of the Company. More than half of the Directors of the Company are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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

► Board Meetings held during the year

During the year 2012-2013, 13 (thirteen) Board Meetings were held on the following dates:

16th April, 2012	19th May, 2012	05th June, 2012	20th July, 2012
30th July, 2012	14th August, 2012	10th November, 2012	27th November, 2012
20th December, 2012	08th January, 2013	08th February, 2013	14th February, 2013
26th March, 2013			

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

Name of Directors	Category of Directorship	No. of Board Meetings attended	Whether attended the last AGM	No. of outside directorship held as on 31.03.2013*	No. of committee position held in other public companies as on 31.03.2013		Director's shareholding
					Chairman	Member	
Mr. Sanjeev Goel	Promoter and Managing Director	13	Yes	2	-	-	4,94,464
Mr. S. K. Goel	Independent Non-Executive Director	10	Yes	Nil	-	-	Nil
Mr. Subhash Jindal	Independent Non-Executive Director	1	Yes	Nil	-	-	Nil
Mr. Robindra Gupta	Independent Non-Executive Director	13	Yes	Nil	-	-	Nil
Mr. Rakesh Kumar Joshi	Independent Non-Executive Director	13	Yes	Nil	-	-	Nil
Mr. Praveen Sethia	Independent Non-Executive Director	4	Yes	Nil	-	-	18
Mr. Y. L Madan	Independent Non-Executive Director	6	Yes	2	-	-	Nil
Prakash Dhoot#	Non-Executive Additional Director	1	No	Nil	-	-	Nil
Vishal Kumar Gupta#	Non-Executive Additional Director	1	No	3	-	-	Nil

* This does not include any directorship of private company and foreign company.

Appointed as an Additional Director of the Company w.e.f. 26/03/2013

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

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

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

► Disclosure of change during the year

During the year Mr. Prakash Dhoot and Mr. Vishal Kumar Gupta has been appointed as Additional Directors of the Company w.e.f. 26th March, 2013 nominated by India Business Excellence

Fund-II (IBEF-II) which is the investment fund of Business Excellence Trust II ("Trust"). IL&FS Trust Company Limited ("Trustee") is the trustee of the Trust and whereas Trustee has appointed Motilal Oswal Private Equity Advisors Private Limited, a company registered in India under the Companies Act, 1956 having its registered office at 8 Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064, as the investment manager to IBEF-II."

2. Code of Conduct

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

3. Audit committee

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

The constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956. The members of the Audit Committee have accounting and financial management expertise.

The primary objective of Audit Committee is to monitor and provide the effective supervision of all managerial and fiduciary processes and to ensure accurate and timely disclosure with highest levels of transparency, integrity, and quality of financial reporting. The Committee has also reviewed the financial policies of the Company. The Committee has also reviewed the internal control systems in place regarding financial reporting. The Committee has also reviewed the Annual Financial statements before submission to the Board for approval. The Committee has also reviewed with the management, the quarterly financial statements before submission to the Board for approval. All other terms of reference and powers of the Audit Committee are in keeping with those contained under the Companies Act, 1956 as amended from time to time and Clause 49 of the

Listing Agreement as amended from time to time.

Composition of the Audit Committee

The Audit Committee comprises of three members as at 31st March, 2013:

Mr. Praveen Sethia	- Chairman
Mr. Rakesh Kumar Joshi	- Member
Mr. S.K Goel	- Member

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

Meeting and attendance

During the year 2012-2013, 4 (four) Audit Committee Meetings were held on the following dates:-

19th May, 2012	14th August, 2012	10th November, 2012	8th February, 2013
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The attendance of each Committee member is as under:

Name of Member	Designation	Category	Meetings attended
Mr. Praveen Sethia	Chairman	Non-Executive Independent Director	2
Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	3
Mr. S.K Goel	Member	Non-Executive Independent Director	3

4. Remuneration committee

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

Composition

The Remuneration Committee has been constituted pursuant

to Clause 49 of the Listing Agreement.

The Remuneration Committee comprises of three members as at 31st March, 2013 as under:-

Mr. Praveen Sethia	- Chairman
Mr. S. K Goel	- Member
Mr. Rakesh Kumar Joshi	- Member

During the year, only two Committee meetings were held i.e. on 20th July, 2012 and 30th July, 2012 which were attended by Mr. S. K. Goel and Mr. Rakesh Kumar Joshi.

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

Details of remuneration paid to the Directors

a) Executive Directors

The aggregate value of remuneration paid to Managing Director for the Financial Year 2012-13 is as follows:

Name	Designation	Salary (₹)	Others (₹)	Total (₹)	Service contract
Mr. Sanjeev Goel	Managing Director	33,00,000	33,00,000	66,00,000	Five years (w.e.f. 01.04.10)

b) Non-Executive Director

The Non-Executive Directors' have not drawn any remuneration from the Company for the year ended 31st March, 2013, other than the sitting fees.

c) Sitting fees

The sitting fee of ₹5,000 per meeting is paid to the Non-Executive Directors for every Board Meeting attended by them during the Financial Year 2012-13.

5. Risk Committee Meeting

To strengthen the risk management system of the Company, the Risk Management Committee has been formed during the year with the objective of monitoring, controlling and mitigating the risks involved

Risk Management Committee framework

A Risk Management Committee framework encompasses assessing the scope of risks to be managed, the process/ systems and procedures to manage risks and the roles and responsibilities of individuals involved in risk management. The framework is comprehensive enough to capture all risks the Company is exposed to and has the flexibility to accommodate any change necessary in business activities. An effective risk management framework will include:

1. Clearly defined risk management policies and procedures covering risk identification, acceptance, measurement, monitoring, reporting and control.
2. A well-constituted organisational structure defines clear roles and responsibilities of individuals involved in risk taking as well as managing it.
3. An effective management information system is in place that ensures free flow of information from the operational level to top management and a system to address any exceptions observed. There is an explicit procedure operational

regarding measures to be taken to address such deviations.

4. The framework has a mechanism to ensure an ongoing review of systems, policies and procedures for risk management and procedure to adopt changes.

The Committee comprises of:-

Mr. Sanjeev Goel	- Chairman
Mr. Praveen Sethia	- Member
Mr. Jagjit Singh	- Member
Mr. Vikas Garg	- Member

6. Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee (ALCO) has been constituted as per the Reserve Bank of India (RBI) regulations for NBFCs, with the objective of identifying, quantifying, integrating, monitoring, managing and controlling the different type of risks associated with NBFCs. The Committee is responsible for assisting the Board of Directors in Balance Sheet planning, putting in place a progressive risk management system, developing a risk-return perspective including the strategic management of interest and liquidity risk.

Composition

The ALCO comprises of nine members as at 31st March, 2013 as under:-

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

The Committee held twelve (12) Meetings during the year 2012-2013 as under:-

19th April, 2012	16th May, 2012	18th June, 2012	25th July, 2012	27th August, 2012	14th September, 2012
25th October, 2012	16th November, 2012	17th December, 2012	18th January, 2013	15th February, 2013	16th March, 2013

7. Treasury Committee

Composition

The Treasury Committee has been constituted with the objective of assisting the Board in the continuous process of procurement of funds by applying to various banks and financial institutions for the purpose of further lending. The Committee meets as and when required to deal with the related matters The Treasury Committee comprised of the following four members as on

31st March, 2013:

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

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

Company acts as the Secretary to the Committee. During the year 2012-2013, there was only one meeting of the Committee i.e. on 13th March, 2013.

8. Share Transfer Committee

► Composition

The Share Transfer Committee is responsible for assisting the Board of Directors in managing the process of transfer/transmission, sub-division, consolidation and issue of duplicate share certificates, among others. The Committee meets at least once in a fortnight to approve share transfer and other related matters. The Share Transfer Committee comprised of four members as on 31st March, 2013:

Mr. S. K Goel - Chairman
Mr. Sanjeev Goel - Member

Mr. Rakesh Kumar Joshi - Member

Mr. Robindra Gupta - Member

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

► Compliance Officer

The Board had designated Mr. Puneet Sehgal as Compliance Officer of the Company.

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

Phone: 011-46522200/300

Fax: 011-46522333

E-mail: complianceofficer@inteccapital.com

► Meetings and attendance

During the year, 22 meetings of the Committee were held on the following dates:

03.04.2012	10.04.2012	20.04.2012	10.05.2012	21.05.2012
11.06.2012	30.06.2012	20.07.2012	31.07.2012	11.08.2012
31.08.2012	15.09.2012	19.09.2012	29.09.2012	20.10.2012
30.10.2012	10.11.2012	30.11.2012	21.12.2012	14.01.2013
18.02.2013	18.03.2013			

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

Name of Member	Designation	Category	Meetings attended
Mr. S K Goel	Chairman	Non-Executive Independent Director	21
Mr. Sanjeev Goel	Member	Managing Director	22
Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	22
Mr. Robindra Gupta	Member	Non-Executive Independent Director	22

► Shareholders queries/complaints

There is no query pending against the Company relating to the transfer, transmission, splitting and consolidation, dematerialisation and re-materialisation of shares issued by the Company.

9. Shareholders'/Investors' Grievance Committee

► Composition

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

The Shareholders'/Investors' Grievance Committee comprised of four members as at 31st March, 2013:

Mr. Sanjeev Goel - Chairman

Mr. Robindra Gupta - Member

Mr. Rakesh Kumar Joshi - Member

Mr. S. K. Goel - Member

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

Any grievance from shareholders/investors may be marked to Compliance Office of the Company.

► Meetings and Attendance

During the year, only one meeting of the Committee was held on 04.03.2013

► Shareholders queries/complaints

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

10. General Body Meetings

The details of Annual General Meetings held during last three Financial Years are given as under:-

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

11. 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 the Management, their Subsidiaries or Relatives, among others that may have had a 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 2012-2013 are duly disclosed in the Notes on Accounts to the Balance sheet as required by the Accounting Standard (AS-18) - 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India (ICAI).

► Compliance by the Company

There has not been any instance of major non-compliances by the Company and no penalties, strictures are imposed on the Company by the Stock Exchanges or SEBI, RBI or any Statutory Authority, on any matter related to the capital markets, during the last three years.

► Code of Conduct for prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and subsequent amendments, the Company has adopted the 'Model Code of Conduct' for dealing in Company's securities. Under the said Code the Directors, Senior Management and Employees are restricted

to deal in the securities of the Company during the closure of trading window. In order to deal beyond a specified amount approval of the Compliance Officer needs to be obtained. The objective of the Code is to prevent sale and purchase of shares of the Company by an insider on the basis of unpublished price sensitive information.

► Subsidiary company

The Company has M/s. Amulet Technologies Limited as its wholly-owned subsidiary. Apart from disclosures made in the Directors' Report there were no strategic investments made by the Company in the non-listed subsidiary during the year under review.

► Mandatory and non-mandatory requirements

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

12. 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 and Hindi), The Financial Express (English), Rashtriya Sahara (Hindi) and Jansatta (Hindi). The Financial Results are also uploaded on Company's website i.e. www.inteccapital.com.

12. General shareholder information

i. 19th Annual General Meeting

Date : 25th September 2013
 Time : 4:00 p.m.
 Venue : B. C. Pal Memorial, A-81, Chittranjan Park,
 New Delhi-110 019

Financial Year : 01st April 2012 to 31st March 2013

ii. Date of book closure

The Register of Members and the Share Transfer Books of the Company shall remain closed for one day only viz. 25th September, 2013.

iii. Dividend payment date

The Company has declared its final dividend on 31st August, 2013 subject to the approval of shareholders in the ensuing

19th Annual General Meeting of the Company and will be disbursing the same on 07th October, 2013, in case approval is obtained.

iv. Listing on Stock Exchanges

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

Name of the Stock Exchange	Address of the Stock Exchange	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	526871
Delhi Stock Exchange Limited	DSE House, 3/1, Asaf Ali Road, New Delhi-110 002	09127

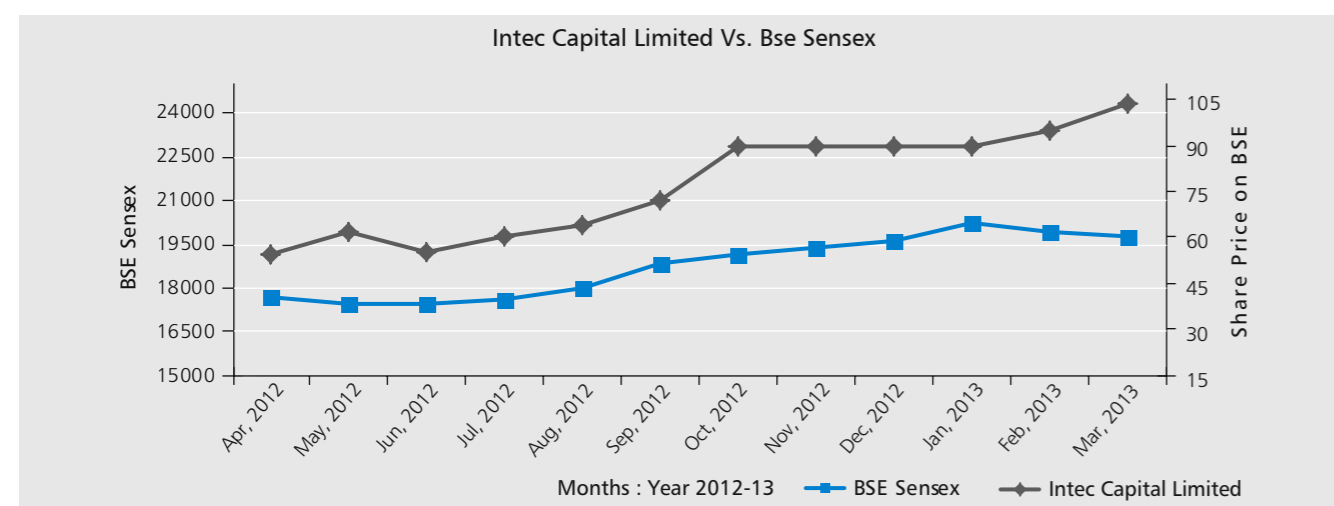
The Annual Listing fees for 2013-2014 have been paid to the Delhi Stock Exchange Limited and BSE Limited.

v. 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, 2012 to 31st March, 2013 is furnished below:

Month	Intec Capital Limited		BSE Sensex	
	High Price	Low Price	High Price	Low Price
April – 2012	54.75	44.05	17664.10	17010.16
May – 2012	62.00	45.10	17432.33	15809.71
June – 2012	55.00	40.10	17448.48	15748.98
July – 2012	60.00	49.25	17631.19	16598.48
August – 2012	64.00	52.05	17972.54	17026.97
September – 2012	72.00	58.00	18869.94	17250.80
October – 2012	89.95	57.65	19137.29	18393.42
November – 2012	89.75	67.20	19372.70	18255.69
December – 2012	89.80	70.00	19612.18	19149.03
January – 2013	89.95	65.15	20203.66	19508.93
February – 2013	95.00	61.40	19966.69	18793.97
March – 2013	104.00	80.00	19754.66	18568.43

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



vii. Registrar and Share Transfer Agents

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

Beetal Financial & Computer Services Private Limited
 Beetal House, 03rd Floor, 99 Madangir, New Delhi-110 019
 Phone: 91-11-29961281(6 Lines) • Fax: 91-11-29961284
 E-mail: beetalrta@gmail.com

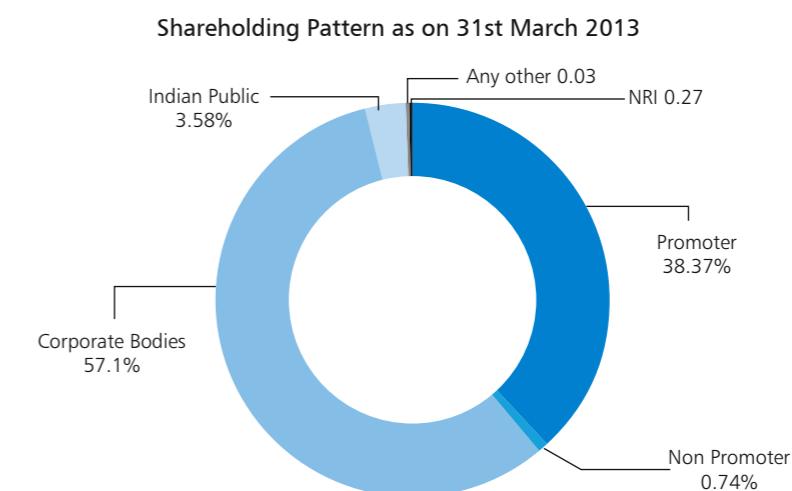
viii. Share transfer system

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

ix. Distribution of shareholding and shareholding pattern as on 31st March, 2013

S. N.	Category	No. of shares held	Percentage of shareholding
A.	Promoters' shareholding:		
	1. Promoters	51,505,96	38.27
	a. Indian Promoters		
	b. Foreign Promoters	Nil	Nil
	Sub-total	51,505,96	38.27
B.	Non- Promoters holding:		
	1. Institutional investors		
	a. Mutual funds and UTI	1,00,000	0.74
	b. Banks ,financial institutions, Insurance companies (Central/State Government institutions/Non-government institutions)		
	c. FIs		
	Sub-total	1,00,000	0.74
C.	2. Others:		
	a. Corporate bodies	76,847,06	57.1
	b. Indian public	4,87,238	3.61
	c. NRIs/OCBs	36,090	0.27
	Sub-total	82,080,34	60.98
	Grand Total	134,586,30	100

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



x. Distribution of shareholding as on 31st March, 2013

Shareholding of nominal value	Shareholders		Paid-up value	
	Number	% to total	Amount in ₹	% to total
Up to – 5,000	1,023	79.12	21,10,420.00	1.5681
5,001 – 10,000	145	11.21	10,60,760.00	0.7882
10,001 – 20,000	70	5.41	9,33,070.00	0.6933
20,001 – 30,000	9	0.70	2,17,780.00	0.1618
30,001 – 40,000	3	0.23	1,03,000.00	0.0765
40,001 – 50,000	5	0.39	2,30,760.00	0.1715
50,001 – 100,000	9	0.70	7,55,380.00	0.5613
100,001 and above	29	2.24	12,91,75,130.00	95.9794
TOTAL	1,293	100.00	13,45,86,300	100.00

xi. Dematerialisation of shares

25,446,50 (18.91%) and 85,522,93 (63.55%) Equity Shares of the Company are held in dematerialised form in Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) as on 31st March, 2013 and 23,61,687 (17.54%) Equity Shares are held in physical form, out of 1,34,58,630 of the total Paid-up Equity Share Capital of the Company.

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

xii. Outstanding ADR/GDR/Warrants or any convertible instruments

The Company has not issued any GDRs/ ADRs. Further the Company has no outstanding warrants but during the year Company has issued 6,00,000 5% convertible preference shares on 27th November 2012 and 274122 0.001% compulsorily convertible preference shares on 26th March 2013 .

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

II.) Non-Mandatory Requirements

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

► Remuneration Committee

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

► Audit qualification

The Company has no audit qualification in its financial statements.

► Training of Board Members

As regards training of Board Members, the Directors on the Board are seasoned professionals having wide range of expertise in different fields. They keep themselves abreast with the latest developments in the field to management, technology, industry and business environment among others.

For Intec Capital Limited

Date: 31st August 2013
Place: New Delhi

Sanjeev Goel
Managing Director

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, 2013. 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 SUDHIR ARYA & ASSOCIATES.
(Company Secretaries)

Place: Delhi
Date: 31/08/2013.

(CS SUDHIR ARYA)
C.P. No: 8391

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, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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. This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditor's 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 depends 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 assessment, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 March 31, 2013;

- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227 (3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
 - The Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

PLACE: NEW DELHI
DATE: 10th May 2013

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

Annexure I to the Auditor's Report

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

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

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

The company is a Non-Banking Finance company and has not dealt with any goods and the company does not hold any inventory during the period under audit. Accordingly, the provisions of clause 4 (ii) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- In respect to loans:
 - According to information and explanation given to us, the company has not granted any Loans or Advances, secured or unsecured, to any companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) (b) (c) and (d) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
 - According to information and explanation given to us, the company has not taken any Loans or Advances, secured or unsecured, from any companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) (f) (g) of the Companies (Auditors Report) Order 2003 are not applicable to the company.

- In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of audit.
- (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding the value of Rupees five lacs in respect of each party during the year, have been made at prices which appear reasonable having regard to the prevailing market prices at the relevant time.
- In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence, the question of complying with the provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, does not arise. Also, there has not been any order passed by Company Law Board or National Law Tribunal or Reserve Bank of India or any court of any other tribunal.
- In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under the provisions of Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.

Annexure II to the Auditor's Report

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

To the Board of Directors

INTEC CAPITAL LIMITED

We have examined the books of accounts and other relevant documents/records of INTEC CAPITAL LIMITED as on 31.03.2013 for the purpose of audit and report on the basis of explanation and information given to us and in terms of Non-Banking financial Companies Auditors Report (Reserve Bank) Directions, 2008 on the following matters:

- (i) The Company has been incorporated on February 15, 1994 and has applied for the registration as provided in section 45-IA of the Reserve Bank of India Act 1934.
- (ii) The company is engaged in the business of non-banking financial institution and has obtained certificate of registration with RBI on 04-05-1998, Reg. Cert. No. B-14.00731.
- (iii) The company is holding Certificate of Registration issued by Reserve Bank of India and the company is entitled to continue to hold such Certificate of Registration in terms of its assets / income pattern as on 31.03.2013.
- (iv) The company has passed the Board Resolution for non acceptance of any public deposit on 16/04/2012.
- (v) The company has not accepted any public deposits during the financial year 2012-2013.

- (vi) The Company has complied with the Prudential Norms on income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts and concentration of credit / investment as applicable to it in terms of the directions issued by the Reserve Bank of India in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 1998. (Revised on 22nd Feb 2007, vide notification no. DNBS. 192/DG (VL)-2007)
- (vii) The capital adequacy ratio as disclosed in the return submitted to the Reserve Bank of India in terms of NBFC Prudential Norms (Reserve Bank) Directions, 2007 has been correctly arrived at and such ratio complies with the minimum capital to risk assets ratio prescribed by Reserve Bank of India.
- (viii) The company has furnished to Reserve Bank of India the annual statement of capital funds, risk assets / exposures and risk asset ratio (NBS-7) within the stipulated time.
- (ix) The company has following branches and offices during the financial year 2012-13:

1.	New Delhi	804, 57 Manjusha Building, Nehru Place, New delhi-110019
2.	Ahmedabad	Unit No. 204, II nd Floor, Shaan Building, Near Sakar 2, Opposite Town Hall, Ashram Road, Ellisbrige, Ahemdabad- 380006
3.	Faridabad	A-7, First Floor, Neelam Bata Road, NIT, Eastern Side, Faridabad, Haryana.
4.	Gurgaon	Plot 125/22 Old DLF Sec-14 ,M G Road, Gurgaon, Haryana
5.	Indore	203 DTC Tower, New Plasia Area, Indore, M.P.
6.	Ludhiana	SCO- 147, 3rd Floor, Pheroze Gandhi Market, Ludhiana.
7.	Noida	D-31, 2nd Floor, Sector-7, Noida.
8.	Pitampura	804, 8th floor pearl Business Park, NetajiSubhash Place, Pitampura , Delhi-110034
9.	Pune	Office No. B 11-12, 5th Avenue, 7 Dhole Patil Road, Ground Floor Park, CTS No. 24 to 28, Pune – 411001.
10.	Mumbai	506 Wellington Business Park-1, Andheri-Kurla Road, MarolNaka,Andheri East Mumbai-400059
11.	Jalandhar	2nd floor, SCO-44, Ladowali Road, Near PUDA Complex, Jalandhar City-144001
12.	Chandigarh	SCF-79, 2nd Floor, Phase-2, S.A.S Nagar, Mohali, Punjab
13.	Coimbatore	88-C, CR Building, Race Course, Coimbatore-641018
14.	Chennai	No.3J, 3rd Floor, Century Plaza, 560-562 Anna Salai, Teynapet, Chennai-600018
15.	Bengaluru	1st Floor, Sigma Trident, 11/2 Hayes Road, Richmond Road, Bengaluru

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

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

PLACE: NEW DELHI
DATE: 10th May 2013

- (ix) a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Income-tax, Sales Tax, Wealth-Tax, Custom Duty, Excise-Duty, Service Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education Protection Fund, income tax, wealth tax, sales tax, customer duty and excise duty service tax and other material dues were outstanding, as at 31st March 2013 for a period of more than six months from the date they became payable.
- c) According to the information & explanation given to us, there are no dues in respect of Provident Fund, Investor Education & Protection Fund, Income Tax, sales tax, service tax, customs, wealth-tax, excise duty and cess and other material dues that have not been deposited on account of any disputes.
- (x) The Company neither have accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions & banks
- (xii) According to the information and explanation given to us, the company has not granted any loans and / or advance on the basis of security by way of pledge of shares and debentures and other securities.
- (xiii) According to the information and explanation given to us, the provisions of Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Company are not applicable to the Company.
- (xiv) According to the information and explanation given to us, as the Company is not dealing or trading in shares, debenture & and other securities, the requirement of

clause 4(xiv) of the order relating to maintenance of the proper record of transaction and contracts and making of timely entries therein are not applicable.

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

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

PLACE: NEW DELHI
DATE: 10th May 2013

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

Balance Sheet As at March 31, 2013

(₹ In Thousands)

Particulars	NOTE NO.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a. Share Capital	3	221,998.50	127,924.28
b. Reserve & Surplus	4	1,026,455.63	565,019.20
		1,248,454.13	692,943.48
2. Non-current liabilities			
a. Long-term borrowings	5	1,516,013.39	962,114.15
b. Deferred tax liabilities (Net)		4,517.86	1,708.37
c. Long-term provisions	7	34,503.94	22,389.67
		1,555,035.18	986,212.18
3. Current Liabilities			
a. Short-term borrowings	5	2,374,465.91	1,695,175.38
b. Other current Liabilities	8	562,248.34	655,106.34
c. Short-term provision	7	167,483.13	99,086.47
		3,104,197.38	2,449,368.19
Total		5,907,686.69	4,128,523.85
II. ASSETS			
1. Non-current assets			
a. Fixed assets	6		
i. Tangible assets		18,528.80	19,229.52
ii. Intangible assets		31,288.51	25,185.49
iii. Capital work-in-progress		-	2,790.00
b. Non-current Investments	9	3,413.45	3,413.45
c. Receivables under Finance Activity	10	2,967,045.39	1,407,108.76
d. Long-term loans and advances	11	41,497.64	18,643.36
		3,061,773.79	1,476,370.58
2. Current Assets			
a. Trade receivables	12	111,189.97	63,762.54
b. Cash and cash equivalents	13	347,444.24	431,779.70
c. Receivables under finance activity	10	2,248,731.01	2,063,082.83
d. Short term loans and advances	11	26,478.69	31,988.01
e. Other current assets	14	112,068.99	61,540.21
		2,845,912.89	2,652,153.27
Total		5,907,686.68	4,128,523.85

Accompanying notes are forming part of the Financial Statements

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As Per Our Report Of Even Date Annexed
For T.K. Gupta & Associates
Chartered Accountants

Place : New Delhi
Dated : 10th May 2013

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

Statement of Profit and Loss For the year ended March 31, 2013

(₹ In Thousands)

Particulars	NOTE NO.	As at March 31, 2013	As at March 31, 2012
Revenue From Operations	15	1,127,854.85	783,304.55
Other Income	16	26,767.03	26,629.45
Total Revenue		1,154,621.88	809,933.99
Employee Benefits Expenses	17	138,227.15	87,771.49
Finance Costs	18	689,276.83	494,073.80
Depreciation and Amortization Expenses	6	3,109.19	2,210.57
Other Administrative Expenses	19	110,317.47	77,419.99
Provisions, Loan Loss & Other Charges	20	13,029.00	6,180.54
Total Expenses		953,959.63	667,656.40
Profit before Tax		200,662.25	142,277.60
Tax Expenses:			
(1) Current Tax		66,625.84	46,754.82
(2) Deferred Tax		2,809.49	843.61
		69,435.33	47,598.43
Profit (loss) for the period from continuing Operations		131,226.92	94,679.16
Profit (Loss) for the period		131,226.92	94,679.16
Earnings per Equity Share:			
(1). Basic		10.16	7.40
(2) Diluted		9.82	7.40

Accompanying notes are forming part of the Financial Statements

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As Per Our Report Of Even Date Annexed
For T.K. Gupta & Associates
Chartered Accountants

Place : New Delhi
Dated : 10th May 2013

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

Cash Flow Statement For the year ended March 31, 2013

(₹ In Thousands)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	200,662.25	142,277.60
Adjustments for :-		
Depreciation	3,109.19	2,210.57
Interest Paid	669,362.73	487,623.63
Provision for Gratuity	3,681.90	1,675.74
Interest on fixed deposits	(25,895.39)	(25,704.37)
Provision no longer required Written Back	(810.34)	(48.32)
Provision on Substandard Assets	6,860.06	1,012.52
Bad Debts Recovered	(225.00)	(100.00)
Asset Discarded	287.75	-
Loss on Sale of Asset	381.52	-
Bad Debts Written Off	104.38	666.74
General Provision on Standard Assets	6,065	4,501.28
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	863,583.61	614,115.38
Adjustments for :-		
(Increase)/Decrease in Loans & Advances	(1,762,929.76)	(989,713.38)
(Increase)/Decrease in Current Assets(except cash equivalents)	(47,306.82)	(45,575.62)
Increase/(Decrease) in Current Liabilities	12,111.79	13,746.41
CASH GENERATED FROM OPERATIONS	(934,541.18)	(407,427.21)
Taxes paid	(50,528.78)	(54,522.09)
Gratuity Paid	(3,101.78)	(1,964.02)
Interest paid	(669,362.73)	(487,623.63)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(1,657,534.47)	(951,536.95)
NET CASH FROM OPERATING ACTIVITIES (A)	(1,657,534.47)	(951,536.95)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest on Bank Deposit	25,895.39	25,704.37
Purchase of Fixed Assets	(6,493.21)	(7,859.83)
Sale of Assets	102.44	73.45
(Increase) / Decrease in Investment	-	(2,500.00)
NET CASH USED IN INVESTING ACTIVITIES (B)	19,504.62	15,417.99

Cash Flow Statement For the year ended March 31, 2013

(₹ In Thousands)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received/(Utilised)	-	(148,500.00)
Share Capital Received	94,074.22	13,500.00
Share Premium Received	338,834.04	135,000.00
Fixed Deposits Provided as Margin Money	92,003.02	(116,661.86)
Dividend Paid including CDT	(7,433.84)	(7,458.56)
Increase/ (Decrease) in Cash Credits	679,290.52	635,263.72
Increase/(Decrease) in other Secured Loans	145,514.58	650,605.95
Increase/(Decrease) in Unsecured Loans	303,414.86	(196,135.91)
NET CASH USED IN FINANCING ACTIVITIES (C)	1,645,697.41	965,613.35
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	7,667.56	29,494.39
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	103,174.99	73,680.61
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	110,842.56	103,174.99

for and on behalf of the Board of Directors

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

Place : New Delhi
Dated : 10th May 2013

Auditors' Certificate

We have examined the attached Cash Flow Statement of Intec Capital Limited for the year ended 31.03.2013. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Delhi and Mumbai Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Note : All figures in brackets are outflow

As per our Report attached
For and on behalf of

T.K. Gupta & Associates
Chartered Accountant
Fr No. : 011604N

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

New Delhi, Dated :10th May 2013

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE 1. CORPORATE INFORMATION

Intec Capital Limited is a Non-Banking Financial Company registered with the Reserve Bank of India ('RBI') under section 45-1A of the Reserve Bank of India Act, 1934 and primarily engaged in asset finance by way of providing SME Loans through its pan India branch network. The Company received the Certificate of Registration from the RBI enabling the company to carry on business as a Non-Banking Finance Company. The company is a systematically important non deposit taking Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for Preparation of Accounts

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

(b) Current / Non-Current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for the financial year ended March 31, 2013; the company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

(d) Fixed Assets, Intangible assets and capital work-in-progress

- Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- Intangible Assets expected to provide future enduring economic benefits are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use.
- Expenditure which is attributable to development of software is included under capital work-in progress which is allocated to the respective fixed assets on the completion of the development.

(e) Depreciation & Impairment of Assets

- Depreciation on fixed assets is provided on straight-line method, which reflects the management's estimate of the useful lives of the respective fixed assets, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognized if the carrying value exceeds the higher of net selling price of the assets and its value in use.
- Goodwill arose on account of merger of Unitel Credit Private Limited in FY2010-11. The same shall be written off within the useful life or 5 Years, whichever is less.

(f) Investment

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

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

(g) Employee Benefits

(i) Defined Contribution Scheme

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

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

(ii) Defined Benefit Scheme

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

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

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

(h) Revenue Recognition

- Loan Income in respect of loan agreements, the income is accrued by applying the implicit rate in the transaction on declining balance on the amount financed for the period of the agreement.
- 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.
- Processing fee in respect of loans agreement is recognized as income on accrual basis.
- Dividend income on investments is accounted for as and when the right to receive the same is established.
- No income is recognized in respect of Non-Performing assets, if any, as per the prudential norms for income recognition introduced for Non Banking Financial Corporation by Reserve Bank of India vide its notification o.DFC.No.119/DG/ (SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22/02/2007.
- Gains arising on direct assignment of assets are recognized over the tenure of agreements and loss, if any is recognized upfront.
- Interest income on fixed deposits recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(i) Prudential Norms

The Company has followed the prudential norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / write-off / net-off, as applicable) keeping in line therewith and management prudence.

(j) Expense Accounting

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

(k) Loan Assets

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

(l) Provisioning of Assets

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

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

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

(m) Provision, Contingent Liabilities and Contingent Assets

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

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

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

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

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

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

(n) Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction, Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items, is recognized in the Statement of Profit and loss.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevailing as at the date of the Balance Sheet and resultant gain/ loss, if any, is recognized in the Statement of Profit and Loss.

(o) Taxation

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

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

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

(p) Earnings per share

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

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

(q) Assignment / Sale of Standard Asset Portfolio

The Company undertakes assignment / sale of pool of loan contracts out of its standard loan portfolio. The assigned or sold portfolio is de-recognized from the books of the company in situation where they relinquish its contractual rights over the underlying loan receivables and all risks & rewards are transferred to the assignee / buyer. Contingent liabilities, if any, thereof are disclosed separately.

(r) Cash and cash equivalents

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

(s) Borrowing Cost

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

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

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

(t) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognized as an expense in the statement of profit and loss on straight line basis over the lease period.

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE : 3. SHARE CAPITAL

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
AUTHORISED		
Equity Shares:-		
350,00,000(Previous Year 150,00,000) Equity Shares of ₹10/- each	350,000.00	150,000.00
Preference Shares:-		
15,00,000 (Previous Year NIL) Convertible Preference Share of ₹100 each	150,000.00	-
	500,000.00	150,000.00
ISSUED, SUBSCRIBED AND PAID UP		
Equity Shares:-		
1,34,58,630 (P. Y. 127,92,428) Equity Shares of ₹10/- each fully paid up	134,586.30	127,924.28
Preference Shares:-		
600,000 (P.Y. NIL) 5%-Convertible Preference Share of ₹100 each	60,000.00	-
274,122 (P.Y. NIL) .001%-Convertible Preference Share of ₹100 each	27,412.20	-
	221,998.50	127,924.28

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year. (₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Equity Shares		
Number of shares outstanding as at the beginning of the year	12,792,428.00	11,442,428.00
Add: Issued during the year on Preferential basis	666,202.00	1,350,000.00
Number of shares outstanding as at the end of the year	13,458,630.00	12,792,428.00
Convertible Preference Share		
Number of shares outstanding as at the beginning of the year	-	-
Add: Issued during the year	874,122.00	-
Number of shares outstanding as at the end of the year	874,122.00	-

(b) Terms/Rights attached to each class of Shares and terms of preference shares convertible into equity

(i) Equity Shares

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

The Company has issued & allotted 6,66,202 fully paid up equity shares of ₹10 each for cash at a premium of ₹99.44 per Equity Share. Accordingly, the issued equity share capital has increased from ₹127,924.28 thousands to ₹134,586.30 thousands and an amount of ₹66,247.13 thousands has been credited to Share Premium Account. The Proceeds of Shares have been utilised for increase the loan books, working capital requirements and strengthen the equity base of the company.

(ii) Convertible Preference Share

The company had raised ₹60,000.00 thousands through the issue of fully paid up 5% Convertible Preference Shares having face Value of ₹100 each for cash, 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 18 month.The 5% Convertible Preference Shares shall carry fixed rate of Dividend @5% p.a.

Further, the company had raised ₹299,999.12 thousands through the issue of 274,122 fully paid up Compulsorily Convertible Preference Shares 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 ICDR Regulations.

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

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

Sl. No.	Class of Shares/ Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
Equity Shares					
1	Pantec Devices Private Limited	1,428,100	10.61	1,428,100	11.16
2	Pantec Consultant Private Limited	1,340,467	9.96	1,340,467	10.48
3	Modern Credit Private Limited	1,155,000	8.58	1,155,000	9.03
4	Host Buildwell Private Limited	862,480	6.41	862,480	6.74
5	Edini Steels Private limited	855,440	6.36	855,440	6.69
6	Land Mark Buildmart Private Limited	858,400	6.38	858,400	6.71
7	Polym Agencies Private Limited	785,280	5.83	784,480	6.13
8	Starvision Services Private Limited	758,128	5.63	757,928	5.92
9	Escrow Account-India Business Excellence Fund-II	750,000	5.57	-	-
Convertible Preference Share					
.001%-Compulsorily Convertible Preference Share					
1	India Business Excellence Fund-IIA	274,122	100	-	-
5%-Convertible Preference Share					
1	Pantec Consultant Private Limited	124,000	20.67	-	-
2	Pantec Devices Private Limited	124,000	20.67	-	-
3	Intec Worldwide Private Limited	124,000	20.67	-	-
4	Host Buildwell Private Limited	114,000	19.00	-	-
5	Land Mark Buildmart Private Limited	114,000	19.00	-	-

NOTE : 4. RESERVES AND SURPLUS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
SHARE PREMIUM ACCOUNT		
Balance at the beginning of the year	330,122.80	195,122.80
Add: Premium on issue of Equity Shares	66,247.13	135,000.00
Premium on issue of Preference Shares	272,586.92	-
Closing Balance	668,956.84	330,122.80
Statutory Reserve u/s 45 IC of RBI Act		
Balance at the beginning of the year	52,570.31	33,634.48
Add. Amount transferred from surplus in the Statement of Profit & Loss	26,245.39	18,935.83
Closing Balance	78,815.70	52,570.31
Surplus in Profit And Loss Account		
Balance at the beginning of the year	182,326.08	114,781.91
Add: Profit for the year	131,226.92	94,679.16
Less: Dividend paid	-	675.00
Tax on Dividend paid	-	90.31
Proposed Equity Dividend	6,401.69	6,396.21
Preference Dividend	1,019.18	-
Tax on Proposed Dividend	1,203.67	1,037.63
Transfer to Reserve Fund u/s 45IC of RBI Act 1934	26,245.39	18,935.83
Net Surplus in the Statement of Profit & Loss	278,683.09	182,326.08
Total Reserves & Surplus	1,026,455.63	565,019.20

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE : 5. BORROWINGS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
LONG TERM BORROWINGS		
Secured		
Term Loans		
Banks	684,258.33	589,262.89
Financial Institutions	374,329.82	265,576.30
Unsecured		
Corporate Bodies	457,425.23	107,274.96
Total	1,516,013.39	962,114.15
Short Term Borrowings		
Secured		
Working Capital Loan from Banks	2,223,761.11	1,695,175.38
Working Capital Demand Loan from Bank*	150,704.80	-
Total	2,374,465.91	1,695,175.38

*This facility is a sub limit of the working capital limit.

Security:

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

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

NOTE: 6. FIXED ASSETS

(₹ In Thousands)

DESCRIPTION	Gross Block				Depreciation			Net Block		
	As on April 1, 2012	Addition during the period ended On March 31, 2013	Sale/ Transfer/ Discarded during the year	Total As on March 31, 2013	Up to April 1, 2012	Provided during the period ended on March 31, 2013	Written back	Total As on March 31, 2013	As on March 31, 2013	As on March 31, 2012
Tangible Assets										
Vehicles	8,296.54	-	-	8,296.54	2,523.47	766.80	-	3,290.27	5,006.27	5,773.06
Office Equipment	1,304.42	357.80	302.77	1,359.46	134.07	78.98	75.82	137.23	1,222.23	1,170.35
Data Processing Equipments	7,613.31	1,429.94	139.48	8,903.77	2,096.10	1,245.89	90.20	3,251.79	5,651.99	5,517.21
Furniture and Fixtures	5,526.36	491.26	173.57	5,844.05	1,279.41	344.53	70.34	1,553.60	4,290.45	4,246.95
Electric Installations	821.31	175.30	65.41	931.20	117.10	42.06	28.56	130.60	800.60	704.21
Air Conditioners	1,693.24	181.00	587.66	1,286.57	357.31	86.05	232.26	211.10	1,075.47	1,335.93
Land	481.80	-	-	481.80	-	-	-	-	481.80	481.80
Total	25,736.97	2,635.30	1,268.88	27,103.39	6,507.45	2,564.31	497.17	8,574.59	18,528.80	19,229.52
Previous Year	19,840.59	5,969.83	73.45	25,736.97	4,345.20	2,210.57	48.32	6,507.46	19,229.52	15,495.39
Intangible Assets										
Goodwill - Refer Note 1	25,185.49	-	-	25,185.49	-	-	-	-	25,185.49	25,185.49
Computer Software	-	6,647.91	-	6,647.91	-	544.88	-	544.88	6,103.02	-
Total	25,185.49	6,647.91	-	31,833.40	-	544.88	-	544.88	31,288.51	25,185.49
Previous Year	25,185.49	-	-	25,185.49	-	-	-	-	25,185.49	25,185.49

Note 1: Goodwill arising on account of amalgamation of Unitel Credit Private Limited with Intec Capital Limited.

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE : 7. PROVISIONS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
LONG TERM PROVISIONS		
Provision for Standard Assets	20,776.02	14,711.46
Provision for Non-Performing Assets	13,727.92	7,678.20
	34,503.94	22,389.67
SHORT TERM PROVISIONS		
Provision for Gratuity	1,218.62	638.49
Provision for Taxation	157,639.98	91,014.14
Proposed Dividend	8,624.54	7,433.84
Total	167,483.13	99,086.47

NOTE : 8. OTHER CURRENT LIABILITIES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Unclaimed Dividend	907.49	907.49
Current Maturities of long term debts		
Term Loans		
Banks	290,799.06	242,883.28
Financial Institutions	129,258.63	235,408.79
Corporate Bodies	79,489.83	126,225.24
Interest Accrued but not due on term loans	5,272.29	8,799.61
Expenses Payable	49,522.58	32,499.64
Statutory Liabilities	6,998.46	8,382.29
Total	562,248.34	655,106.34

NOTE : 9. NON CURRENT INVESTMENTS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
EQUITY SHARES (Unquoted)		
1. Pantec Consultants (P) Ltd.	101.00	101.00
2. Pantec Devices (P) Ltd.	115.99	115.99
3. Intec Worldwide (P) Ltd.	85.73	85.73
4. Polym Agencies (P) Ltd.	111.00	111.00
5. Intec Share & Stock Briers Ltd.	225.73	225.73
6. Fima Infotech Pvt.Ltd	230.00	230.00
7. Starvision Services Pvt.Ltd	44.00	44.00
II. IN SUBSIDIARY COMPANY - EQUITY SHARES		
Amulet Technologies Ltd.	2,500.00	2,500.00
Total	3,413.45	3,413.45

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE : 10. RECEIVABLES UNDER FINANCE ACTIVITY

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Non- Current		
Secured		
Loans		
Standard	5,352,243.42	3,130,678.41
Sub Standard	21,329.95	20,807.63
Doubtful Assets	4,789.01	5,597.44
Less: Collateral Money received from Borrowers	2,605,164.61	1,962,144.86
	2,773,197.76	1,194,938.62
Unsecured Loan		
Standard	193,847.63	212,170.14
Total	2,967,045.39	1,407,108.76
Current		
Secured		
Loans		
Standard	2,643,336.69	2,541,736.49
Less: Collateral Money received from Borrowers	477,823.64	478,653.67
Total	2,165,513.05	2,063,082.83
Unsecured Loan		
Standard	83,217.96	-
Total	83,217.96	-

NOTE : 11. LOANS AND ADVANCES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Long Term Loans and Advances		
Secured		
MRR for Assignment	24,587.81	-
Unsecured		
Advance Recoverable in cash or in kind or for value to be received	16,909.83	18,643.36
Total	41,497.64	18,643.36
Short Term Loans and Advances		
Secured		
MRR for Assignment	13,175.44	-
Unsecured		
Advance Recoverable in cash or in kind or for value to be received	13,303.25	31,988.01
Total	26,478.69	31,988.01

NOTE : 12. TRADE RECEIVABLES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Others (Overdue EMI's & Charges)	111,189.97	63,762.54
Total	111,189.97	63,762.54

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE : 13. CASH AND CASH EQUIVALENTS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash & Cash Equivalents		
Cash in hand	2,509.51	2,150.62
Bank Balance in Current A/c	66,289.11	46,016.78
Fixed Deposits	42,043.94	55,007.59
Other Bank Balance		
Earmarked Balance		
In Unpaid dividend a/c	907.49	907.49
Margin Money		
Fixed Deposits	235,694.19	327,697.21
Total	347,444.24	431,779.70

F/Y -2012-13 Fixed Deposit having remaining maturity more than 12 months ₹85,601.95 thousands

F/Y -2011-12 Fixed Deposit having remaining maturity more than 12 months ₹266,296.10 thousands

NOTE : 14. OTHER CURRENT ASSETS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Advance Tax & TDS	112,068.99	61,540.21
Total	112,068.99	61,540.21

NOTE : 15. REVENUE FROM OPERATIONS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest Income on Loan	1,015,927.36	707,140.29
Fee Based Income	111,117.14	76,164.25
Reversal of Provision on Sub-standard & Doubtful	810.34	-
Total	1,127,854.85	783,304.55

NOTE : 16. OTHER INCOME

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest on Fixed Deposit with Bank	25,895.39	25,704.37
Bad Debts Recovered	225.00	100.00
Misc. Income	646.64	825.07
Total	26,767.03	26,629.45

NOTE : 17. EMPLOYEE BENEFITS EXPENSES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Salaries & Other Allowances	126,084.46	80,860.25
Director Remuneration	6,600.00	3,000.00
Staff Welfare Expenses	3,388.36	3,001.28
Staff Recruitment & Training Expenses	2,154.32	909.96
Total	138,227.15	87,771.49

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE : 18. FINANCE COSTS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest	669,362.73	487,623.63
Bank Charges & Processing Fee	19,914.09	6,450.17
Total	689,276.83	494,073.80

NOTE : 19. OTHER ADMINISTRATIVE EXPENSES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Legal and Professional Charges	35,362.57	14,357.29
Rent Expenses	13,338.85	9,703.43
Rates & Taxes Expenses	748.26	685.00
Communication Expenses	3,925.57	2,849.77
Printing & Stationery Expenses	1,001.65	1,436.03
Brokerage ,Commission & Collection Charges	28,798.17	24,463.88
Meeting Expenses	155.07	607.51
Insurance Expenses	316.60	128.96
Travelling & Conveyance Expenses	11,138.28	8,221.12
Repairs and Maintenance:		
- Vehicles	226.17	883.96
- Office	2,285.49	3,169.23
- Computer & Other Assets	1,353.01	650.19
Auditors' Remuneration:		
- Audit Fees (including Tax Audit)	250.00	84.00
- Internal Audit Fee	120.00	48.00
- Other Services	180.00	60.00
Business Promotion Expenses	4,527.39	5,377.27
Electricity & Water Charges	2,302.59	1,309.41
Festival Expenses	2,379.75	2,591.32
Advertisement Expenses	531.03	338.97
Other Expenses	910.97	281.88
Assets Discarded	287.75	-
Books & Periodicals	29.67	7.48
Membership Fee & Subscription	148.64	145.70
Rebate & Discounts	-	19.60
Total	110,317.47	77,419.99

NOTE : 20. PROVISION, LOAN LOSSES & OTHER CHARGES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Bad Debts Written off	104.38	666.74
General Provision on Standard Assets	6,064.56	4,501.28
Provision on Sub-Standard Assets	6,860.06	1,012.52
Total	13,029.00	6,180.54

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

NOTE: 21. NOTES TO ACCOUNTS

- The Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary to confirm to the current year presentation.
- Balance standing to debit & credit of parties are subject to confirmation.
- In the opinion of Board of Director, the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
- Mr. Sanjeev Goel (Managing Director) drawing remuneration of ₹6, 600.00 thousands during the year ending 31st March 2013 (Previous Year 3,000.00 thousands).
- Any provisions no longer required to be written back.
- Statutory Reserve represents the reserve fund created u/s 45-1C of the Reserve Bank of India Act, 1934. An amount of ₹26,245.78 thousands (Previous Year ₹18,935.83 thousands) representing 20% of net profit is transferred to the fund for the year.
- Provision for Standard and Non-Performing Assets:
Provision for non performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.25% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

Particulars	₹ In Thousands)	
	2012-13	2011-12
Substandard Assets	21,329.95	20,807.62
Doubtful Assets	4,789.01	5,597.44
Total Non-Performing Assets	26,118.96	26,405.06
Provision already available	7,678.20	6,665.68
Additional Provision made during the year	6,860.06	1,012.52
Total Provision at the end of the Year	13,727.92	7,678.20
Standard Assets	8,272,645.70	5,884,585.04
Provision already available	14,711.46	10,210.18
Additional provision made during the year	6,064.56	4,501.28

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

Sr. No.	Particulars	₹ In Thousands)	
		FY 2012-13	FY 2011-12
a)	For Audit Fees (including Tax Audit)	250.00	84.00
b)	For Internal Audit Fee	120.00	48.00
c)	For Other Services	180.00	60.00

- Contingent liability not provided for:
 - Corporate guarantee on assignment of loans assets: ₹12,490.02 thousands to HDFC Bank.
- Segment Reporting:
The Company's business activity falls within single primary/secondary business segment viz., loan & financing in India. The disclosure requirement of Accounting Standard (AS) – 17 "Segment Reporting" issued by the Institute of Chartered Accountant of India, therefore is not applicable.

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

- Related Party Disclosures

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

- Entities where control exist:
Amulet Technologies Ltd
- Key Management Personnel:
Mr. Sanjeev Goel
- Enterprises under significant influence of the relative of key management personnel with whom there were transaction during the year
Intec Infonet Private Ltd
MKG Informations Pvt Ltd
FIMA Consultants Ltd.

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

Nature of Transaction	₹ In Thousands)					
	Entities where control exist		Key Management Personnel		Enterprises under significant influence of the relative of key management personnel (with whom there were transactions during the year)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Remuneration paid						
1. Mr. Sanjeev Goel	-	-	6,600.00	3002.20	-	-
Interest Received on Loan						
1. Amulet Technologies Ltd	8,824.07	63.21	-	-	-	-
2. MKG Informations Pvt. Ltd	-	-	-	-	3,564.04	-
3. Fima Consultants Ltd	-	-	-	-	2,710.25	453.68
Loan Paid						
1. Amulet Technologies Ltd	9,315.00	95,015.87	-	-	-	-
2. MKG Informations Pvt. Ltd	-	-	-	-	77,500.00	-
3. Fima Consultants Ltd	-	-	-	-	27,500.00	-
Purchase of Assets						
1. Intec Infonet Pvt. Ltd	-	-	-	-	425.70	1,707.70
Maintenance Charges Paid						
1. Intec Infonet Pvt. Ltd	-	-	-	-	175.09	80.16

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

- Earnings per Share as per "Accounting Standard 20" issued by the Institute of Chartered Accountants of India:

Particulars	₹ In Thousands)	
	Year ended March 31, 2013	Year ended March 31, 2012
(a) Profit/(Loss) after taxation as per Profit and Loss Account (in Rupees)	131,226,923	94,679,165
(b) Weighted average number of Equity Shares outstanding during the year	12,801,554	12,792,428
(c) Nominal value of Equity shares (in Rupees)	10	10
(d) Basic earnings per share (in Rupees)	10.16	7.4
(e) Diluted earning per share (in Rupees)	9.82	7.4

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

- m) Information as required by Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – I & II attached herewith.
- n) During FY2012-13, the company enjoyed rating of BBB (Triple B) assigned by CARE Ltd. & ICRA Ltd. to its Long- term Bank Facilities.
- o) The company estimates the deferred tax charted/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. Details of Deferred tax Assets/ (Liabilities) are as follows

(₹ In Thousands)

Particulars	Current Year March 31, 2013	Current Year March 31, 2012
Timing Difference of Depreciation		
Deferred Tax Assets/ (Liabilities)	(8,660.56)	(2,600.12)
Opening Balance	(1,708.37)	(864.75)
Add: Created during the Year	(2,809.49)	(843.61)
Closing Balance	(4,517.86)	(1,708.37)

p) Securitization/ Direct assignment

The information on direct assignment activity of the Company carried as an originator during the year ended 31st Mar, 2013 is given below:

(₹ In Thousands)

Particulars	No./₹	2012-13	2011-12
Total No. of Loan assets assigned	No.	204	95
Total Book value of Loan assets assigned	₹	383,907.98	228,221.12
Loan assets assigned as credit enhancement	₹	NIL	NIL
Sales consideration received for assigned assets	₹	345,517.18	228,221.12
Income from direct assignment*	₹	12,911.36	10,092.99

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

S. No	Particulars	No./Amount (₹ In Thousands)
1	No of SPVs sponsored by the NBFC for securitization transactions''	N.A
2	Total amount of assigned assets as per books of the Purchaser sponsored by the NBFC	383,907.98
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	NIL
	* Others	NIL
	b) On-balance Sheet Exposure	
	* First loss	NIL
	* Others	38,390.80
4	Amount of Exposures to securitization transactions other than MRR	NIL
	a) Off-balance Sheet Exposure	
	i Exposure to own Securitizations	
	* First loss	26,768.01
	* loss	23,350.00
	ii Exposure to third party Securitizations	
	* First loss	NIL
	* Others	NIL

Notes Forming Part of the Financial Statements For the year ended March 31, 2013

S. No	Particulars	No./Amount (₹ In Thousands)
	Amount of Exposures to securitization transactions other than MRR	
	b) On-balance Sheet Exposure	
	i Exposure to own Securitizations	
	* First loss	NIL
	* loss	NIL
	ii Exposure to third party Securitizations	
	* First loss	NIL
	* Others	NIL

Additional information with respect to Guarantees & Cash Collaterals in respect to above assignment activity of the Company as an originator as on March 31, 2013 and March 31, 2012 is given in the table below:

(₹ In Thousands)

Particulars	FY 2012-13	FY 2011-12
Outstanding Credit enhancement in the form of corporate guarantees	12,490.02	12,587.12
Outstanding Credit enhancement in the form of fixed deposit receipts	37,627.99	67,850.00

- q) During the current financial year 2012-13, the development of software was completed and the company has capitalized the amounts standing in Capital Work-in-Progress. The Company has capitalized the development of software with effect from 30th September, 2012 amounting to ₹5,180.00 thousands.
- r) **Micro and Medium Scale Business Entities:**
There are no Micro, Small and Medium Enterprises, to whom the company owes dues which outstanding for more than 45 days as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

Accompanying notes are forming part of the Financial Statements

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As Per Our Report Of Even Date Annexed
For T.K. Gupta & Associates
Chartered Accountants

Place : New Delhi
Dated : 10th May 2013

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

Annexure I to Notes to the Financial Statements (Refer Note 21)

Disclosure of details as required in terms of paragraph 10 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1. Capital to Risk Assets Ratio (CRAR)		(₹ In Thousands)	
S. No.	Item	As at March 31, 2013	As at March 31, 2012
i)	CRAR (%)	23.33%	18.93%
ii)	CRAR – Tier I Capital (%)	22.93%	18.52%
iii)	CRAR – Tier II Capital (%)	0.39%	0.41%

2. Exposure to Real Estate Sector		(₹ In Thousands)	
Category		As at March 31, 2013	As at March 31, 2012
a)	Direct Exposure		
i)	Residential Mortgages -	456,194.00	-
	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 lakh may be shown separately)		
ii)	Commercial Real Estate -	295,727.00	-
	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.		
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).	-	-

3. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2013 (₹ In Thousands)

Particulars	1 to 14 Days	Over 14 Days to 1 Month	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year Up to 3 Years	Over 3 Year Up to 5 Years	Over 5 years	Total
LIABILITIES										
Borrowings										
a) Short Term Borrowing	-	-	-	-	-	-	-	-	-	-
Working Capital Loan	-	-	-	-	-	-	2,374,465.91	-	-	2,374,465.91
b) Long Term Borrowing										
Banks	17,118.94	19,745.72	36,728.09	36,435.69	98,402.84	193,017.70	664,265.14	128,429.42	-	1,194,143.55
FI's	4,361.34	11,878.30	16,147.33	15,866.31	46,786.19	91,098.84	345,017.04	74,580.80	11,735.81	617,471.96
ASSETS										
Loans & Advances	143,038.82	168,684.06	291,716.44	446,084.67	898,116.10	1,524,602.21	3,343,600.95	121,546.55	-82,455.39	6,854,934.42
Investments	-	-	-	-	-	-	-	-	3,413.45	3,413.45

Annexure II to Notes to the Financial Statements (Refer Note 21)

Disclosure of details as required in terms of paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

		(₹ In Thousands)	
Particulars		Amount Outstanding	Amount Overdue
Liabilities Side:			
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			
(a) Debentures /Bonds:			
Secured			
Unsecured (Other than falling within the meaning of public deposit)		-	-
(b) Deferred Credits		-	-
(C) Term Loans			
Secured		1,478,645.84	-
Unsecured		-	-
(d) Inter-corporate loans and borrowing		536,915.06	-
(e) Commercial Papers		-	-
(f) Other Loans:			
Working capital facility		2,374,465.91	-
Public Deposit		-	-

		(₹ In Thousands)
Particulars		Amount Outstanding
Assets Side:		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (3) below]:		
(a) Secured		4,938,710.81
(b) Unsecured		277,065.59
(3) Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
(a) Financial assets		-
(b) Assets and advance for Operating Lease		-
(c) Repossessed Assets		-
(4) Break up of Investments		
Current Investments*		
(1) Quoted:		
(i) Shares: Equity		-
(ii) Debentures and bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-
(2) Unquoted:		
(i) Shares: Equity		-
(ii) Debentures and bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-
Long term investments		
(1) Quoted:		
(i) Shares: Equity		-
(ii) Debentures and bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-

Annexure II to Notes to the Financial Statements (Refer Note 21)

Disclosure of details as required in terms of paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (contd.)

(₹ In Thousands)

Particulars	Amount Outstanding
(2) Unquoted:	
(i) Shares: (a) Equity	3,413.45
(b) Preference	-
(ii) Debentures, bonds / units	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Investment in Funds)	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above: (₹ In Thousands)

Category	Amount of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	105,612.40	105,612.40
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,938,710.81	1,71,453.19	5,110,164.00
Total	4,938,710.81	2,77,065.59	5,215,776.40

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

(₹ In Thousands)

Category	Market value / Break up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	-	2,500.00
(b) Companies in the same group	-	-
(c) Other related parties	-	230.00
2. Other than related parties	-	683.45
Total	-	3,413.45

(7) Other Information: (₹ In Thousands)

Particulars	Amount
i. Gross Non-Performing Assets	26,118.96
(a) Related Parties	
(b) Other than related Parties	26,118.96
ii. Net Non-Performing Assets	12,391.04
(a) Related Parties	
(b) Other than related Parties	12,391.04
iii. Assets acquired in satisfaction of debt	-

Independent Auditor's Report

To the Board of Directors

INTEC CAPITAL LIMITED

We have audited the accompanying Consolidated Financial Statements of Intec Capital Limited, and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2013, and 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 Consolidated 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 Company 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 disclosure 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 assessment,

the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances. 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:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

PLACE: NEW DELHI
DATE: 10th May 2013

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

Consolidated Balance Sheet As at March 31, 2013

(₹ In Thousands)

Particulars	NOTE NO.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a. Share Capital	3	221,998.50	127,924.28
b. Reserve & Surplus	4	1,026,353.81	564,680.36
		1,248,352.31	692,604.64
2. Non-current liabilities			
a. Long-term borrowings	5	1,516,013.39	962,114.15
b. Deferred tax liabilities (Net)		4,517.86	1,708.37
c. Long-term provisions	7	34,239.91	22,389.67
		1,554,771.16	986,212.18
3. Current Liabilities			
a. Short-term borrowings	5	2,374,465.91	1,695,175.38
b. Other current Liabilities	8	562,529.47	656,544.04
c. Short-term provision	7	167,470.15	99,086.47
		3,104,465.53	2,450,805.89
Total		5,907,588.99	4,129,622.71
II. ASSETS			
1. Non-current assets			
a. Fixed assets	6		
i. Tangible assets		18,528.81	19,229.52
ii. Intangible assets		31,288.51	25,185.49
iii. Capital work-in-progress		107,766.83	98,852.07
b. Non-current Investments	9	913.45	913.45
c. Receivables under Finance Activity	10	2,861,432.99	1,312,092.89
d. Long-term loans and advances	11	41,497.64	18,643.36
		3,061,428.22	1,474,916.78
2. Current Assets			
a. Trade receivables	12	111,189.97	63,762.54
b. Cash and cash equivalents	13	347,522.11	434,332.35
c. Receivables under finance activity	10	2,248,731.01	2,063,082.83
d. Short term loans and advances	11	26,648.69	31,988.01
e. Other current assets	14	112,068.99	61,540.21
		2,846,160.76	2,654,705.93
Total		5,907,588.99	4,129,622.71

Accompanying notes are forming part of the Financial Statements

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As Per Our Report Of Even Date Annexed
For T.K. Gupta & Associates
Chartered Accountants

Place : New Delhi
Dated : 10th May 2013

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

Consolidated Statement of Profit and Loss For the year ended March 31, 2013

(₹ In Thousands)

Particulars	NOTE NO.	As at March 31, 2013	As at March 31, 2012
Revenue From Operations	15	1,127,854.85	783,304.55
Other Income	16	26,767.03	26,629.45
Total Revenue		1,154,621.88	809,933.99
Employee Benefits Expenses	17	138,227.15	87,772.00
Finance Costs	18	689,277.48	494,075.55
Depreciation and Amortization Expenses	6	3,109.18	2,210.57
Other Administrative Expenses	19	110,356.81	77,756.58
Provisions, Loan Loss & Other Charges	20	12,764.96	6,180.54
Total Expenses		953,735.59	667,995.23
Profit before Tax		200,886.29	141,938.76
Tax Expenses:			
(1) Current Tax		66,612.86	46,754.82
(2) Deferred Tax		2,809.49	843.61
		69,422.35	47,598.43
Profit (loss) for the period from continuing Operations		131,463.94	94,340.33
Profit (Loss) for the period		131,463.94	94,340.33
Earnings per Equity Share:			
(1) Basic		10.18	7.40
(2) Diluted		9.84	7.40

Accompanying notes are forming part of the Financial Statements

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As Per Our Report Of Even Date Annexed
For T.K. Gupta & Associates
Chartered Accountants

Place : New Delhi
Dated : 10th May 2013

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

Consolidated Cash Flow Statement For the year ended March 31, 2013

(₹ In Thousands)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	200,886.29	141,938.76
Adjustments for :-		
Depreciation	3,109.18	2,210.57
Interest Paid	669,362.73	487,623.88
Provision for Gratuity	3,681.90	1,675.74
Interest on fixed deposits	(25,895.39)	(25,704.37)
Provision no longer required Written Back	(810.34)	(48.32)
Provision on Substandard Assets	6,860.06	1,012.52
Bad Debts Recovered	(225.00)	(100.00)
Asset Discarded	287.75	-
Loss on Sale of Asset	381.52	-
Bad Debts Written Off	104.38	666.74
General Provision on Standard Assets	5,801	4,501.28
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	863,543.61	613,776.79
Adjustments for :-		
(Increase)/Decrease in Loans & Advances	(1,752,503.23)	(894,697.52)
(Increase)/Decrease in Current Assets(except cash equivalents)	(47,306.82)	(45,575.62)
Increase/(Decrease) in Current Liabilities	10,955.23	15,184.10
CASH GENERATED FROM OPERATIONS	(925,311.20)	(311,312.24)
Taxes paid	(50,528.78)	(54,522.09)
Gratuity Paid	(3,101.78)	(1,964.02)
Interest paid	(669,362.73)	(487,623.88)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(1,648,304.49)	(855,422.23)
NET CASH FROM OPERATING ACTIVITIES (A)	(1,648,304.49)	(855,422.23)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest on Bank Deposit	25,895.39	25,704.37
Purchase of Fixed Assets	(18,197.96)	(103,921.91)
Sale of Assets	102.44	73.45
(Increase) / Decrease in Investment	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	7,799.86	(78,144.08)

Consolidated Cash Flow Statement For the year ended March 31, 2013

(₹ In Thousands)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received/(Utilised)	-	(148,500.00)
Share Capital Received	94,074.22	13,500.00
Share Premium Received	338,834.04	135,000.00
Fixed Deposits Provided as Margin Money	92,003.02	(116,661.86)
Dividend Paid including CDT	(7,433.84)	(7,458.56)
Increase/ (Decrease) in Cash Credits	679,290.52	635,263.72
Increase/(Decrease) in other Secured Loans	145,514.58	650,605.95
Increase/(Decrease) in Unsecured Loans	303,414.86	(196,135.90)
NET CASH USED IN FINANCING ACTIVITIES (C)	1,645,697.41	965,613.35
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	5,192.78	32,047.04
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	105,727.64	73,680.61
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	110,920.43	105,727.64

for and on behalf of the Board of Directors

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

Place : New Delhi
Dated : 10th May 2013

Auditors' Certificate

We have examined the attached Cash Flow Statement of Intec Capital Limited for the year ended 31.03.2013. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Delhi and Mumbai Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Note : All figures in brackets are outflow

As per our Report attached
For and on behalf of

T.K. Gupta & Associates
Chartered Accountant
Fr No. : 011604N

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

New Delhi, Dated :10th May 2013

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE 1. CORPORATE INFORMATION

Intec Capital Limited is a Non-Banking Financial Company registered with the Reserve Bank of India ('RBI') under section 45-1A of the Reserve Bank of India Act, 1934 and primarily engaged in asset finance by way of providing SME Loans through its pan India branch network. The Company received the Certificate of Registration from the RBI enabling the company to carry on business as a Non-Banking Finance Company. The company is a systematically important non deposit taking Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for Preparation of Accounts

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

(b) Current / Non-Current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for the financial year ended March 31, 2013; the company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

(c) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

(d) Principles of Consolidation:

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

- The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- 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.
- The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- 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.

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

(e) Fixed Assets, Intangible assets and capital work-in-progress

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

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

Expenditure which is attributable to development of software is included under capital work-in progress which is allocated to the respective fixed assets on the completion of the development.

(f) Depreciation & Impairment of Assets

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

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

Goodwill arose on account of merger of Unitel Credit Private Limited in FY2010-11. The same shall be written off over next two financial years.

(g) Investment

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

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

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

(h) Employee Benefits

(i) Defined Contribution Scheme

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

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

(ii) Defined Benefit Scheme

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

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

Leave encashment benefits are paid / provided in its entirety in the accounts for the year.

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

(i) Revenue Recognition

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

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.

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

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

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

- (iv) No income is recognized in respect of Non-Performing assets, if any, as per the prudential norms for income recognition introduced for Non Banking Financial Corporation by Reserve Bank of India vide its notification o.DFC.No.119/DG/ (SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22/02/2007.
- (v) Gains arising on direct assignment of assets are recognized over the tenure of agreements and loss, if any is recognized upfront.
- (vi) Interest income on fixed deposits recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(j) Prudential Norms

The Company has followed the prudential norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / write-off / net-off, as applicable) keeping in line therewith and management prudence.

(k) Expense Accounting

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

(l) Loan Assets

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

(m) Provisioning of Assets

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

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

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

(m) Provision, Contingent Liabilities and Contingent Assets

- (i) A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Contingent Liabilities are disclosed separately by way of note to financial statement after careful evaluation by the management of the facts and legal aspects of the matter involved in case of :
 - (a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (b) a possible obligation, unless the probability of outflow of resources is remote.
- (iii) Contingent Assets are neither recognized, nor disclosed in the financial statements.

(o) Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction, Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items, is recognized in the Statement of Profit and loss.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevailing as at the date of the Balance Sheet and resultant gain/ loss, if any, is recognized in the Statement of Profit and Loss.

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

(p) Taxation

- (i) Provision for current tax is made in accordance with and at the rates specified under the Income-Tax Act, 1961.
- (ii) In accordance with Accounting Standard 22 –'Accounting for taxes on Income', issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Tax Effect of the timing difference of the current period is included in the profit & loss account as a part of the tax expense and as deferred tax liability in the balance sheet.
- (iii) Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

(q) Earnings per share

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

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

(r) Assignment / Sale of Standard Asset Portfolio

The Company undertakes assignment / sale of pool of loan contracts out of its standard loan portfolio. The assigned or sold portfolio is de-recognized from the books of the company in situation where they relinquish its contractual rights over the underlying loan receivables and all risks & rewards are transferred to the assignee / buyer. Contingent liabilities, if any, thereof are disclosed separately.

(s) Cash and cash equivalents

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

(t) Borrowing Cost

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

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

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

(u) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognized as an expense in the statement of profit and loss on straight line basis over the lease period.

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE : 3. SHARE CAPITAL

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
AUTHORISED		
Equity Shares:-		
350,00,000(Previous Year 150,00,000) Equity Shares of ₹10/- each	350,000.00	150,000.00
Preference Shares:-		
15,00,000 (Previous Year NIL) Convertible Preference Share of ₹100 each	150,000.00	-
	500,000.00	150,000.00
ISSUED, SUBSCRIBED AND PAID UP		
Equity Shares:-		
1,34,58,630 (P. Y. 127,92,428) Equity Shares of ₹10/- each fully paid up	134,586.30	127,924.28
Preference Shares:-		
600,000 (P.Y. NIL) 5%-Convertible Preference Share of ₹100 each	60,000.00	-
274,122 (P.Y. NIL) .001%-Convertible Preference Share of ₹100 each	27,412.20	-
	221,998.50	127,924.28

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year. (₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Equity Shares		
Number of shares outstanding as at the beginning of the year	12,792,428.00	11,442,428.00
Add: Issued during the year on Preferential basis	666,202.00	1,350,000.00
Number of shares outstanding as at the end of the year	13,458,630.00	12,792,428.00
Convertible Preference Share		
Number of shares outstanding as at the beginning of the year	-	-
Add: Issued during the year	874,122.00	-
Number of shares outstanding as at the end of the year	874,122.00	-

(b) Terms/Rights attached to each class of Shares and terms of preference shares convertible into equity

(i) Equity Shares

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

The Company has issued & allotted 6,66,202 fully paid up equity shares of ₹10 each for cash at a premium of ₹99.44 per Equity Share. Accordingly, the issued equity share capital has increased from ₹127,924.28 thousands to ₹134,586.30 thousands and an amount of ₹66,247.13 thousands has been credited to Share Premium Account. The Proceeds of Shares have been utilised for increase the loan books, working capital requirements and strengthen the equity base of the company.

(ii) Convertible Preference Share

The company had raised ₹60,000.00 thousands through the issue of fully paid up 5% Convertible Preference Shares having face Value of ₹100 each for cash, 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 18 month. The 5% Convertible Preference Shares shall carry fixed rate of Dividend @5% p.a.

Further, the company had raised ₹299,999.12 thousands through the issue of 274,122 fully paid up Compulsorily Convertible Preference Shares 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 ICDR Regulations.

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

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

Sl. No.	Class of Shares/ Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
Equity Shares					
1	Pantec Devices Private Limited	1,428,100	10.61	1,428,100	11.16
2	Pantec Consultant Private Limited	1,340,467	9.96	1,340,467	10.48
3	Modern Credit Private Limited	1,155,000	8.58	1,155,000	9.03
4	Host Buildwell Private Limited	862,480	6.41	862,480	6.74
5	Edini Steels Private limited	855,440	6.36	855,440	6.69
6	Land Mark Buildmart Private Limited	858,400	6.38	858,400	6.71
7	Polym Agencies Private Limited	785,280	5.83	785,280	6.13
8	Starvision Services Private Limited	758,128	5.63	758,128	5.92
9	Escrow Account-India Business Excellence Fund-II	750,000	5.57	-	-
Convertible Preference Share					
.001%-Compulsorily Convertible Preference Share					
1	India Business Excellence Fund-IIA	274,122	100	-	-
5%-Convertible Preference Share					
1	Pantec Consultant Private Limited	124,000	20.67	-	-
2	Pantec Devices Private Limited	124,000	20.67	-	-
3	Intec Worldwide Private Limited	124,000	20.67	-	-
4	Host Buildwell Private Limited	114,000	19.00	-	-
5	Land Mark Buildmart Private Limited	114,000	19.00	-	-

NOTE : 4. RESERVES AND SURPLUS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Share Premium Account		
Balance at the beginning of the year	330,122.80	195,122.80
Add: Premium on issue of Equity Shares	66,247.13	135,000.00
Premium on issue of Preference Shares	272,586.92	-
Closing Balance	668,956.84	330,122.80
Statutory Reserve u/s 45 IC of RBI Act		
Balance at the beginning of the year	52,502.54	33,634.48
Add. Amount transferred from surplus in the Statement of Profit & Loss	26,292.79	18,868.07
Closing Balance	78,795.33	52,502.54
Surplus in Profit And Loss Account		
Balance at the beginning of the year	182,055.02	114,781.91
Add: Profit for the year	131,463.94	94,340.33
Less: Dividend paid	-	675.00
Tax on Dividend paid	-	90.31
Proposed Equity Dividend	6,401.69	6,396.21
Preference Dividend	1,019.18	-
Tax on Proposed Dividend	1,203.67	1,037.63
Transfer to Reserve Fund u/s 45IC of RBI Act 1934	26,292.79	18,868.07
Net Surplus in the Statement of Profit & Loss	278,601.63	182,055.02
Total Reserves & Surplus	1,026,353.81	564,680.36

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE : 5. BORROWINGS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
LONG TERM BORROWINGS		
Secured		
Term Loans		
Banks	684,258.33	589,262.89
Financial Institutions	374,329.82	265,576.30
Unsecured		
Corporate Bodies	457,425.23	107,274.96
Total	1,516,013.39	962,114.15
Short Term Borrowings		
Secured		
Working Capital Loan from Banks	2,223,761.11	1,695,175.38
Working Capital Demand Loan from Bank*	150,704.80	-
Total	2,374,465.91	1,695,175.38

*This facility is a sub limit of the working capital limit.

Security:

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

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

NOTE: 6. FIXED ASSETS

(₹ In Thousands)

DESCRIPTION	Gross Block				Depreciation				Net Block	
	As on April 1, 2012	Addition during the period ended On March 31, 2013	Sale/ Transfer/ Discarded during the year	Total As on March 31, 2013	Up to April 1, 2012	Provided during the period ended on March 31, 2013	Written back	Total As on March 31, 2013	As on March 31, 2013	As on March 31, 2012
Tangible Assets										
Vehicles	8,296.54	-	-	8,296.54	2,523.47	766.80	-	3,290.27	5,006.27	5,773.06
Office Equipment	1,304.42	357.80	302.77	1,359.46	134.07	78.98	75.82	137.23	1,222.23	1,170.35
Data Processing Equipments	7,613.31	1,429.94	139.48	8,903.77	2,096.10	1,245.89	90.20	3,251.79	5,651.99	5,517.21
Furniture and Fixtures	5,526.36	491.26	173.57	5,844.05	1,279.41	344.53	70.34	1,553.60	4,290.45	4,246.95
Electric Installations	821.31	175.30	65.41	931.20	117.10	42.06	28.56	130.60	800.60	704.21
Air Conditioners	1,693.24	181.00	587.66	1,286.57	357.31	86.05	232.26	211.09	1,075.48	1,335.93
Land	481.80	-	-	481.80	-	-	-	-	481.80	481.80
Total	25,736.97	2,635.30	1,268.88	27,103.39	6,507.45	2,564.30	497.17	8,574.58	18,528.81	19,229.52
Previous Year	19,840.59	5,969.83	73.45	25,736.97	4,345.20	2,210.57	48.32	6,507.46	19,229.52	15,495.39
Intangible Assets										
Goodwill - Refer Note 1	25,185.49	-	-	25,185.49	-	-	-	-	25,185.49	25,185.49
Computer Software	-	6,647.91	-	6,647.91	-	544.88	-	544.88	6,103.02	-
Total	25,185.49	6,647.91	-	31,833.40	-	544.88	-	544.88	31,288.51	25,185.49
Previous Year	25,185.49	-	-	25,185.49	-	-	-	-	25,185.49	25,185.49

Note 1: Goodwill arising on account of amalgamation of Unitel Credit Private Limited with Intec Capital Limited.

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE : 7. PROVISIONS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
LONG TERM PROVISIONS		
Provision for Standard Assets	20,511.99	14,711.46
Provision for Non-Performing Assets	13,727.92	7,678.20
	34,239.91	22,389.67
SHORT TERM PROVISIONS		
Provision for Gratuity	1,218.62	638.49
Provision for Taxation	157,627.00	91,014.14
Proposed Dividend	8,624.54	7,433.84
Total	167,470.15	99,086.47

NOTE : 8. OTHER CURRENT LIABILITIES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Unclaimed Dividend	907.49	907.49
Current Maturities of long term debts		
Term Loans		
Banks	290,799.06	242,883.28
Financial Institutions	129,258.63	235,408.79
Corporate Bodies	79,489.83	126,225.24
Interest Accrued but not due on term loans	5,272.29	8,799.61
Expenses Payable	49,722.22	33,475.27
Statutory Liabilities	7,079.95	8,844.35
Total	562,529.47	656,544.04

NOTE : 9. NON CURRENT INVESTMENTS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2013
EQUITY SHARES (Unquoted)		
1. Pantec Consultants (P) Ltd.	101.00	101.00
2. Pantec Devices (P) Ltd.	115.99	115.99
3. Intec Worldwide (P) Ltd.	85.73	85.73
4. Polym Agencies (P) Ltd.	111.00	111.00
5. Intec Share & Stock Brokers Ltd.	225.73	225.73
6. Fima Infotech Pvt.Ltd	230.00	230.00
7. Starvision Services Pvt.Ltd	44.00	44.00
Total	913.45	913.45

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE : 10. RECEIVABLES UNDER FINANCE ACTIVITY

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Non- Current		
Secured		
Loans		
Standard	5,352,243.42	3,130,678.41
Sub Standard	21,329.95	20,807.63
Doubtful Assets	4,789.01	5,597.44
Less: Collateral Money received from Borrowers	2,605,164.61	1,962,144.86
	2,773,197.76	1,194,938.62
Unsecured Loan		
Standard	88,235.23	117,154.28
Total	2,861,432.99	1,312,092.89
Current		
Secured		
Loans		
Standard	2,643,336.69	2,541,736.49
Less: Collateral Money received from Borrowers	477,823.64	478,653.67
Total	2,165,513.05	2,063,082.83
Unsecured Loan		
Standard	83,217.96	-
Total	83,217.96	-

NOTE : 11. LOANS AND ADVANCES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Long Term Loans and Advances		
Secured		
MRR for Assignment	24,587.81	-
Unsecured		
Advance Recoverable in cash or in kind or for value to be received	16,909.83	18,643.36
Total	41,497.64	18,643.36
Short Term Loans and Advances		
Secured		
MRR for Assignment	13,175.44	-
Unsecured		
Advance Recoverable in cash or in kind or for value to be received	13,473.25	31,988.01
Total	26,648.69	31,988.01

NOTE : 12. TRADE RECEIVABLES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Others (Overdue EMI's & Charges)	111,189.97	63,762.54
Total	111,189.97	63,762.54

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE : 13. CASH AND CASH EQUIVALENTS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash & Cash Equivalents		
Cash in hand	2,574.55	2,226.75
Bank Balance in Current A/c	66,301.93	48,493.30
Fixed Deposits	42,043.94	55,007.59
Other Bank Balance		
Earmarked Balance		
In Unpaid dividend a/c	907.49	907.49
Margin Money		
Fixed Deposits	235,694.19	327,697.21
Total	347,522.11	434,332.35

F/Y -2012-13 Fixed Deposit having remaining maturity more than 12 months ₹85,601.95 thousands

F/Y -2011-12 Fixed Deposit having remaining maturity more than 12 months ₹266,296.10 thousands

NOTE : 14. OTHER CURRENT ASSETS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Advance Tax & TDS	112,068.99	61,540.21
Total	112,068.99	61,540.21

NOTE : 15. REVENUE FROM OPERATIONS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest Income on Loan	1,015,927.36	707,140.29
Fee Based Income	111,117.14	76,164.25
Reversal of Provision on Sub-standard & Doubtful	810.34	-
Total	1,127,854.85	783,304.55

NOTE : 16. OTHER INCOME

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest on Fixed Deposit with Bank	25,895.39	25,704.37
Bad Debts Recovered	225.00	100.00
Misc. Income	646.64	825.07
Total	26,767.03	26,629.45

NOTE : 17. EMPLOYEE BENEFITS EXPENSES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Salaries & Other Allowances	126,084.46	80,860.25
Director Remuneration	6,600.00	3,000.00
Staff Welfare Expenses	3,388.36	3,001.78
Staff Recruitment & Training Expenses	2,154.32	909.96
Total	138,227.15	87,772.00

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE : 18. FINANCE COSTS

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest	669,362.73	487,623.88
Bank Charges & Processing Fee	19,914.75	6,451.67
Total	689,277.48	494,075.55

NOTE : 19. OTHER ADMINISTRATIVE EXPENSES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Legal and Professional Charges	35,373.08	14,439.79
Rent Expenses	13,338.85	9,703.43
Rates & Taxes Expenses	759.64	685.40
Communication Expenses	3,925.57	2,849.77
Printing & Stationery Expenses	1,002.35	1,436.99
Brokerage ,Commission & Collection Charges	28,798.17	24,463.88
Meeting Expenses	155.07	607.51
Insurance Expenses	316.60	128.96
Travelling & Conveyance Expenses	11,138.28	8,221.12
Repairs and Maintenance:		
- Vehicles	226.17	883.96
- Office	2,285.49	3,169.23
- Computer & Other Assets	1,353.01	650.19
Auditors' Remuneration:		
- Audit Fees (including Tax Audit)	261.24	84.00
- Internal Audit Fee	120.00	48.00
- Other Services	180.00	60.00
Business Promotion Expenses	4,527.39	5,377.27
Electricity & Water Charges	2,302.59	1,309.41
Festival Expenses	2,379.75	2,591.32
Advertisement Expenses	531.03	338.97
Other Expenses	916.48	534.60
Assets Discarded	287.75	-
Books & Periodicals	29.67	7.48
Membership Fee & Subscription	148.64	145.70
Rebate & Discounts	-	19.60
Total	110,356.81	77,756.58

NOTE : 20. PROVISION, LOAN LOSSES & OTHER CHARGES

(₹ In Thousands)

Particulars	As at March 31, 2013	As at March 31, 2012
Bad Debts Written off	104.38	666.74
General Provision on Standard Assets	5,800.53	4,501.28
Provision on Sub-Standard Assets	6,860.06	1,012.52
Total	12,764.96	6,180.54

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

NOTE: 21. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- The Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary to confirm to the current year presentation.
- Balance standing to debit & credit of parties are subject to confirmation.
- In the opinion of Board of Director, the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
- Mr. Sanjeev Goel (Managing Director) drawing remuneration of ₹6,600.00 thousands during the year ending 31st March 2013 (Previous Year 3,000.00 thousands).
- Any provisions no longer required to be written back.
- Statutory Reserve represents the reserve fund created u/s 45-1C of the Reserve Bank of India Act, 1934. An amount of ₹26,292.79 thousand (Previous Year ₹18,868.07 thousand) representing 20% of net profit is transferred to the fund for the year.
- Provision for Standard and Non-Performing Assets:
Provision for non performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.25% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

Particulars	2012-13	2011-12
Substandard Assets	21,329.95	20,807.63
Doubtful Assets	4,789.01	5,597.44
Total Non-Performing Assets	26,118.96	26,405.07
Provision already available	7,678.20	6,665.68
Additional Provision made during the year	6,860.06	1,012.52
Total Provision at the end of the Year	13,727.92	7678.203
Standard Assets	8,167,033.30	5,789,569.18
Provision already available	14,711.46	10,210.18
Additional provision made during the year	5,800.53	4,501.28

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

Sr. No.	Particulars	FY 2012-13	FY 2011-12
a)	For Audit Fees (including Tax Audit)	261.24	84.00
b)	For Internal Audit Fee	120.00	48.00
c)	For Other Services	180.00	60.00

- Contingent liability not provided for:
 - Corporate guarantee on assignment of loans assets: ₹12,490.02 thousand to HDFC Bank.
- Segment Reporting:
The Company's business activity falls within single primary/secondary business segment viz., loan & financing in India. The disclosure requirement of Accounting Standard (AS) – 17 "Segment Reporting" issued by the Institute of Chartered Accountant of India, therefore is not applicable.

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

k) Related Party Disclosures

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

1. Key Management Personnel:
Mr. Sanjeev Goel
2. Enterprises under significant influence of the relative of key management personnel with whom there were transaction during the year
Intec Infonet Private Limited
MKG Informations Private Limited
FIMA Consultants Limited

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

(₹ In Thousands)

Nature of Transaction	Key Management Personnel		Enterprises under significant influence of the relative of key management personnel (with whom there were transactions during the year)	
	2012-13	2011-12	2012-13	2011-12
Remuneration paid				
1. Mr. Sanjeev Goel	6,600.00	3002.20	-	-
Interest Received on Loan				
1. MKG Informations Pvt. Ltd	-	-	3,564.04	-
2. Fima Consultants Ltd	-	-	2,710.25	453.68
Loan Paid				
1. MKG Informations Pvt. Ltd	-	-	77,500.00	-
2. Fima Consultants Ltd	-	-	27,500.00	-
Purchase of Assets				
1. Intec Infonet Pvt. Ltd	-	-	425.70	1,707.70
Maintenance Charges Paid				
1. Intec Infonet Pvt. Ltd	-	-	175.09	80.16

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

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

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
(a) Profit/(Loss) after taxation as per Profit and Loss Account (in Rupees)	131,463,939	94,340,328
(b) Weighted average number of Equity Shares outstanding during the year	12,801,554	12,792,428
(c) Nominal value of Equity shares (in Rupees)	10.00	10.00
(d) Basic earnings per share (in Rupees)	10.18	7.37
(e) Diluted earning per share (in Rupees)	9.84	7.37

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

- m) Information as required by Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – I & II attached herewith.
- n) During F/Y2012-13, the company enjoyed rating of BBB (Triple B) assigned by CARE Ltd. & ICRA Ltd. to its Long- term Bank Facilities.
- o) The company estimates the deferred tax charted/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. Details of Deferred tax Assets/ (Liabilities) are as follows

(₹ In Thousands)

Particulars	Current Year March 31, 2013	Current Year March 31, 2012
Timing Difference of Depreciation		
Deferred Tax Assets/ (Liabilities)	(8,660.56)	(2,600.129)
Opening Balance	(1,708.37)	(864.758)
Add: Created during the Year	(2,809.49)	(843.612)
Closing Balance	(4,517.86)	(1,708.37)

p) Securitization/ Direct assignment

The information on direct assignment activity of the Company carried as an originator during the year ended 31st Mar, 2013 is given below:

(₹ In Thousands)

Particulars	No./₹	2012-13	2011-12
Total No. of Loan assets assigned	No.	204	95
Total Book value of Loan assets assigned	₹	383,907.98	228,221.12
Loan assets assigned as credit enhancement	₹	NIL	NIL
Sales consideration received for assigned assets	₹	345,517.18	228,221.12
Income from direct assignment*	₹	12,911.36	10,092.99

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

S.No	Particulars	No./Amount (₹ In Thousands)
1	No of SPVs sponsored by the NBFC for securitization transactions	N.A.
2	Total amount of assigned assets as per books of the Purchaser sponsored by the NBFC	383,907.98
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	NIL
	* Others	NIL
	b) On-balance Sheet Exposure	
	* First loss	NIL
	* Others	38,390.80
4	Amount of Exposures to securitization transactions other than MRR	NIL
	a) Off-balance Sheet Exposure	
	i Exposure to own Securitizations	
	* First loss	26,768.01
	* loss	23,350.00
	ii Exposure to third party Securitizations	
	* First loss	NIL
	* Others	NIL

Notes Forming Part of the consolidated financial statements For the year ended March 31, 2013

S.No	Particulars	No./Amount (₹ In Thousands)
	Amount of Exposures to securitization transactions other than MRR	
	b) On-balance Sheet Exposure	
	i Exposure to own Securitizations	
	* First loss	NIL
	* loss	NIL
	ii Exposure to third party Securitizations	
	* First loss	NIL
	* Others	NIL

Additional information with respect to Guarantees & Cash Collaterals in respect to above assignment activity of the Company as an originator as on March 31, 2013 and March 31, 2012 is given in the table below:

Particulars	FY 2012-13	FY 2011-12
Outstanding Credit enhancement in the form of corporate guarantees	12,490.02	12,587.12
Outstanding Credit enhancement in the form of fixed deposit receipts	37,627.99	67,850.00

- q) During the current financial year 2012-13, the development of software was completed and the company has capitalized the amounts standing in Capital Work-in-Progress.
The Company has capitalized the development of software with effect from 30th September, 2012 amounting to ₹5, 180.00 thousands.
- r) **Micro and Medium Scale Business Entities:**
There are no Micro, Small and Medium Enterprises, to whom the company owes dues which outstanding for more than 45 days as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

Accompanying notes are forming part of the Financial Statements

Sanjeev Goel
Managing Director

S.K. Goel
Director

Sudhindra Sharma
Head - F&A

AUDITOR'S REPORT
As Per Our Report Of Even Date Annexed
For T.K. Gupta & Associates
Chartered Accountants

Place : New Delhi
Dated : 10th May 2013

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

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary company

Particulars	Name of Subsidiary Company	
	Amulet Technologies Ltd.	
The Financial year of the Subsidiary ended on	31st March, 2013	
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, 2013	(40.00)	
(b) Not dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2013	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, 2013	NIL	
(b) Not dealt with in the accounts of Intec Capital Limited for the year ended 31st March, 2013	NIL	

Information on Subsidiary Companies Pursuant to Direction Under Section 212 (8) of the Companies Act, 1956

S.No.	Name of Subsidiary Company	Amulet Technologies Ltd.
	Financial year ending on	31st March, 2013
1	Share Capital	2,500.00
2	Reserves & Surplus	(378.83)
3	Liabilities	105,894
4	Total Liabilities	108,015
5	Total Assets	108,015
6	Investments (excluding Investments in Subsidiary)	-
7	Gross Turnover	-
8	Profit / (Loss) before Taxation	(40.00)
9	Provision for Taxation	-
10	Profit / (Loss) after Tax	(40.00)
11	Proposed Dividend	-

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 19TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INTEC CAPITAL LIMITED WILL BE HELD ON WEDNESDAY THE 25TH DAY OF SEPTEMBER, 2013 AT 4:00P.M AT B.C. PAL MEMORIAL, A-81, CHITTRANJAN PARK, NEW DELHI-110 019 TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS

- To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Notes, Reports of the Auditors and Directors thereon.
- To appoint a Director in place of Mr. Praveen Sethia who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Rakesh Kumar Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
- To declare Final Dividend at the rate of ₹0.50 per Equity Share (5% of face Value of share of ₹10/- each) on the paid-up Equity Share Capital for the year ended 31st March, 2013.
- To appoint M/s. B S R & Associates Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

- To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Prakash Dhoot who was appointed as Additional Director of the company pursuant to provisions of section 260 of the Companies Act, 1956 on 26th March 2013 be and is hereby appointed as Non-Executive Nominee Director of the Company, nominated by India Business Excellence Fund-II (IBEF-II) which is the investment fund of Business Excellence Trust II (“Trust”). IL&FS Trust Company Limited (“Trustee”) is the trustee of the Trust and whereas Trustee has appointed Motilal Oswal Private Equity Advisors Private Limited, a company registered in India under the Companies Act, 1956 having its registered office at 8 Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064, as the investment manager to IBEF-II.”

RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and are hereby severally authorized to do all such acts, deed and things as may be deemed necessary to give effect to the foregoing resolution.”
- To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Vishal Kumar Gupta who was appointed as Additional Director of the company pursuant to provisions of section 260 of the Companies Act, 1956 on 26th March 2013 be and is hereby appointed as Non-Executive Nominee Director of the Company, nominated by India Business Excellence Fund-II (IBEF-II) which is the investment fund of Business Excellence Trust II (“Trust”). IL&FS Trust Company Limited (“Trustee”) is the trustee of the Trust and whereas Trustee has appointed Motilal Oswal Private Equity Advisors Private Limited, a company registered in India under the Companies Act, 1956 having its registered office at 8 Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064, as the investment manager to IBEF-II.”

RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and are hereby severally authorized to do all such acts, deed and things as may be deemed necessary to give effect to the foregoing resolution.”
- To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any amendment or re-enactment thereof and in terms of Articles of Association of the Company and subject to partial modification of the Special Resolution passed at the Annual General Meeting held on 20th September 2012 and subject to the approval of shareholder and subject to the approval of Central Government and such other approvals as may be necessary consent be and is hereby accorded to increase the remuneration of Mr. Sanjeev Goel, Managing Director of the Company from existing ₹66 Lacs per annum as salary & other emoluments to ₹1.50 Crores (₹ One Hundred and Fifty Lacs only) per annum as salary & other emoluments, with effect from 01st April, 2013 which is in excess of 5% limits as prescribed in section 309 read with section 349 and other applicable provisions of the companies Act, 1956 and the Board be and are hereby authorized to pay remuneration to Managing Director, from time to time, within the above mentioned limits.

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

For Intec Capital Limited

Place: New Delhi
Date: 31st August 2013

Puneet Sehgal
Company Secretary

NOTES:

- 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.
- 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- 110062, REGISTRAR AND SHARE TRANSFER AGENT OR THE COMPANY AT THE REGISTERED OFFICE.
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is appended below.
- The Register of Members and the Share Transfer Books of the Company shall remain closed for (one) day only i.e. 25th day of September, 2013.
- Members who have not got their shares dematerialized are advised to do the same in their own interest.
- 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.
- 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.
- 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.
- Members attending the meeting are requested to bring their copy of Annual Report.
- 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.
- Additional Information with respect to appointment/re-appointment of Directors as per Clause 49 of the Listing Agreement is appended to this notice.
- The documents referred in the Notice are available for inspection till the date of ensuing Annual General Meeting on all working days between 10:00 a.m. to 01:00 p.m.

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

Item No. 6

Mr. Prakash Dhoot has been appointed as an Additional Director of the Company, who will hold the office upto the date of ensuing Annual General Meeting. The Board of Directors in their meeting held on 26th March, 2013 had appointed him as an Additional Director of the Company.

Mr. Prakash Dhoot is a member of the Institute of Chartered Accountants of India and possesses degree MBA from Nirma Institute of Management, Ahmedabad. He has been associated with Banks for over 37 years and is having rich and varied experience in the banking field, with expertise in corporate and retail finance and SME lending.

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

Your Directors believe that with his appointment as a Non-Executive Nominee Director of the Company, nominated by India Business Excellence Fund-II (IBEF-II) which is the investment fund of Business Excellence Trust II ("Trust"). IL&FS Trust Company Limited ("Trustee") is the trustee of the Trust and whereas Trustee has appointed Motilal Oswal Private Equity Advisors Private Limited, a company registered in India under the Companies Act, 1956 having its registered office at 8 Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064, as the investment manager to IBEF, the Company would be benefited from his knowledge and experience. Thus the Board recommends the same for the approval of shareholders.

None of the Directors except Mr. Prakash Dhoot is interested in the said resolution.

Item No. 7

Mr. Vishal Kumar Gupta has been appointed as an Additional Director of the Company, who will hold the office upto the date of ensuing Annual General Meeting. The Board of Directors in their meeting held on 26th March, 2013 had appointed him as an Additional Director of the Company.

Mr. Vishal Kumar Gupta has done MBA from the University of Chicago and a Bachelor's degree in Mechanical Engineering from Aligarh Muslim University. He has 12 years of rich financial industry experience and is currently associated with MOPE. Prior to Intec, he has worked with institutions like UBS Investment Bank (New York) and HDFC Limited.

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

Your Directors believe that with his appointment as a Non-Executive Nominee Director of the Company, nominated by India Business Excellence Fund-II (IBEF-II) which is the investment fund of Business Excellence Trust II ("Trust"). IL&FS Trust Company Limited ("Trustee") is the trustee of the Trust and whereas Trustee has appointed Motilal Oswal Private Equity Advisors Private Limited, a company registered in India under the Companies Act, 1956 having its registered office at 8 Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064, as the investment manager to IBEF, the Company would be benefited from his knowledge and experience. Thus the Board recommends the same for the approval of shareholders.

None of the Directors except Mr. Vishal Kumar Gupta is interested in the said resolution.

Item No.8

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

Considering the contribution of Mr. Sanjeev Goel toward overall achievement of organizational goals, the Board of Directors recommends to increase the remuneration of Mr. Sanjeev Goel from ₹66 Lacs per annum to ₹1.50 Crore per annum. Further, the last increase in Mr. Sanjeev Goel's remuneration was in financial year 2012-2013. As per the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, any increase in remuneration of the Managing Director requires shareholders' approval in the General Meeting and also requires Central Government approval if remuneration increase exceeds limits as prescribed in Section 309 read with section 349 and other applicable provisions of the Companies Act, 1956.

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

I. GENERAL INFORMATION:

- (1) **Nature of Industry:** Providing Financial Services
- (2) **Date of commencement of commercial operation:** The Company was incorporated on 15th February, 1994 as Intec Securities Private Limited

- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

- (4) **Financial Performance:** (₹ In Thousands)

S. N. Particulars	2012-2013	2011-12
1. Total Income	1,15,46,21,880	80,99,33,992
2. Total Expenditure	95,39,59,630	66,76,56,396
3. Profit/(Loss) before Tax	20,06,62,250	14,22,77,596
4. Profit/(Loss) after Tax	13,12,26,920	9,46,79,165

- (5) **Export performance and net foreign exchange collaborations:** NIL
- (6) **Foreign investments or collaborators, if any:** Through FDI under automatic route by IBEF-IIA having its office at IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background Details:** Mr. Sanjeev Goel, aged 50 years, is a Fellow member of Institute of Chartered Accountants of India and has done MBA from University of IOWA (USA). He has total a work experience of 21 years in the financial sector.
- (2) **Past remuneration:** Mr. Sanjeev Goel has drawn ₹66,00,000/- per annum during the financial year ended 31st March, 2013 and ₹30,00,000/- per annum during the financial year 31st March, 2012 comprising of salary, allowances, monetary value of perquisites within the limits under Schedule XIII of the Companies Act, 1956.
- (3) **Job profile and his suitability, recognition or awards:** Mr. Sanjeev Goel is Chartered Accountant by qualification and is contributing and advising on the corporate, legal and financial affairs of the Company. He plays a vital role in the management and administration of the affairs of the Company. Under his superior efforts and pragmatic leadership the Company has progressed steadily.
- (4) **Remuneration Proposed:** The proposed remuneration is ₹1.50 Crores per annum (same is set out in the Special Resolution in the Notice of the 19th Annual General Meeting of the Company).
The increased remuneration to Managing Director has been approved by the Directors through circulation.
- (5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** Taking into consideration the size of the Company, the profile of Mr. Sanjeev Goel and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration packages paid to managerial position in other Companies.
- (6) **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:** Besides, the remuneration proposed, Mr. Sanjeev Goel does not have any other pecuniary relationship either with the Company or with its Managerial Personnel.

III. DISCLOSURE:

- (1) The disclosure on remuneration package payable to the Managing Director contained in the Notice for convening the 19th Annual General Meeting of the Company.
- (2) All the relevant information pertaining to the Managing Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance" is attached to the Annual Report.
The Board of Directors recommends increasing the remuneration paid to Mr. Sanjeev Goel as Managing Director at a total remuneration as mentioned in the resolution and recommends the same for your approval as a Special Resolution and thereafter subject to Central Government Approval.
None of the Directors except Mr. Sanjeev Goel is concerned or interested in the said resolution.
The Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum of interest for the terms of appointment and remuneration of Mr. Sanjeev Goel, as Managing Director of the Company under Section 302 of the Companies Act, 1956.

For Intec Capital Limited

Place: New Delhi
Date: 31st August, 2013

Puneet Sehgal
Company Secretary

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT WITH RESPECT TO RE-APPOINTMENT OF MR. RAKESH KUMAR JOSHI AND MR. PRAVEEN SETHIA AS DIRECTOR IN TERMS OF SECTION 257 OF THE COMPANIES ACT, 1956 AND APPOINTMENT OF MR. PRAKASH DHOOT AND MR. VISHAL KUMAR GUPTA AS DIRECTOR WHO WERE EARLIER APPOINTED AS ADDITIONAL DIRECTOR IN TERMS OF SECTION 260 OF THE COMPANIES ACT, 1956

At the ensuing 19th Annual General Meeting, Mr. Rakesh Kumar Joshi and Mr. Praveen Sethia Directors of the Company are liable to retire by rotation and being eligible, offer themselves for their re-appointment.

Mr. Prakash Dhoot and Mr. Vishal Kumar Gupta being Additional Director are liable to be regularized as Directors at the ensuing Annual General Meeting of the Company in accordance with the terms and provisions of the Companies Act, 1956. Their brief particulars are mentioned herein below:

Mr. Praveen Sethia

Mr. Praveen Sethia aged about 46 Years is a fellow member of Institute of Chartered Accountants of India. He has more than 15 years of experience in the industry He has been Associated with the company for past 4 years as an Independent and Non-Executive Director. He is a person of great Knowledge and experience. He currently heads Infrastructure Advisors Private Limited.

Mr. Praveen Sethia does not have any major shareholding in the Company as on 31st March, 2013. He is the member of Audit Committee, Treasury Committee, and Remuneration Committee of the Company.

Mr. Rakesh Kumar Joshi

Mr. Rakesh Kumar Joshi aged about 57 years, a fellow member of the Institute of Chartered Accountants of India is a Master's in Business Administration from Faculty of Management Studies (FMS) - Delhi University & holds Diploma in Corporate Laws from Indian Law Institute (Ford Foundation). He is a highly qualified professional in the field of Accounts, Finance & General Administration. Mr. Joshi has a vast & varied working experience of more than 30 years and has been associated at senior level positions in Media, Engineering, Software, Telecommunication, Real Estate, Hospitality & Infrastructure industries.

Mr. Rakesh Kumar Joshi does not have any shareholding in the Company as on 31st March, 2013. He is the member of Audit Committee, Share Transfer committee and Remuneration Committee of the Company

Mr. Prakash Dhoot

Mr. Prakash Dhoot aged 38 years is a member of the Institute of Chartered Accountants of India and possesses degree MBA from Nirma Institute of Management, Ahmedabad. He has an extensive experience of 11 years.

He has good understanding of the international and domestic economic scenario, business environment and factors affecting various business segments of the country, thereby understanding the needs of trade and industry.

Mr. Prakash Dhoot does not have any shareholding in the Company as on 31st March, 2013.

Mr. Vishal Kumar Gupta

Mr. Vishal Kumar Gupta aged 40 years and holds degree of MBA from the University of Chicago and a Bachelor's degree in Mechanical Engineering from Aligarh Muslim University. He has an extensive financial industry experience of 12 years.

He has good understanding of the international and domestic economic scenario, business environment and factors affecting various business segments of the country, thereby understanding the needs of trade and industry.

Mr. Vishal Kumar Gupta does not have any shareholding in the Company as on 31st March, 2013.



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

PROXY FORM

I/We.....of.....
.....in the district of..... being
a member/members of the above Company hereby appoint Mr./ Mrs.of
.....in the district of..... or failing him /
her ofin
the district of.....as my/our proxy to vote for me/us and on my/ our behalf at the 19th Annual
General meeting of the Company to be held on Wednesday the 25th day of September, 2013 at 4:00 p.m. at B.C. Pal Memorial
Auditorium , A-81 Chittranjan Park, New Delhi-110019.

Client ID & DP ID/ Registered Folio No. :

Date:

Affix Rupee
One Revenue
Stamp here

Signature

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

TEAR HERE



INTEC CAPITAL LIMITED
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 19th Annual General Meeting of the Company held on Wednesday the 25th day of September, 2013 at 4:00 p.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.





AWARDS

Intec was honoured as the 'Leading NBFC in SME Finance' by the SME Chamber of India during the year under review. SME Chamber of India is an apex body established with the objective of development and growth of SMEs in India under the leadership of Mr. Chandrakant Salunkhe.

SME Chamber of India organised the 'India SME Leadership Summit' to discuss the challenges faced by

Indian SMEs and provided guidance to the entrepreneurs on their journey towards transforming their respective corporate spaces.

During the same summit, SME Chamber of India presented the 'India SME Excellence Awards' to the entrepreneurs from the manufacturing as well as the service sectors. Intec was awarded for its outstanding contribution in providing support to the SME sector.



701, Manjusha Building, 57-Nehru Place, New Delhi-110019
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E mail: marketing@inteccapital.com