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## VISION

To be a cost effective, innovative financial solution provider to the SME sector.



## Message from the Managing Director

### - Keeping Up With The Change

#### Dear Shareholders,

We have a memorable year behind us. Memorable, because it was a year of change. Memorable, because it was a year of economic recovery for the nation, and hence saw the sentiments of eagerness and positivity return. Because our pride grew as our nation excelled in diverse spheres. Because we now have gained collective confidence in the huge untapped potential and power of India, and its ability to make a mark on the rest of the world.

These sentiments are a result of how the economy is doing. While many nations are yet to get back on to the road to recovery, India came out from the recession with relative ease. Some of the reasons for this include the fact that India has more economic controls and regulations in place. India is not a country that usually takes unstudied risks. In fact, it is now one of the world's fastest growing economies. All reports and estimates put India's growth rate above 8.5% for the current financial year. A report by Morgan Stanley says that by 2013-15, India is expected to reach a growth rate of 9-9.5%. This is based on the assumption that over the coming years, the country will significantly increase its spending on infrastructure and plant & machinery.

While our economy is plagued by a few challenges, including inflation, we are very well positioned to take advantage of our favorable demographic composition, policies and regulations aimed at supporting growth in the country.

#### SMEs: Shining Stars

The Small and Medium Enterprises (SME) sector is the one that leads the growth path in India. SMEs are the idea generators and innovators of the country. They have the agility to deal with the changing market conditions and they have made a large contribution to the country's GDP over the years. They are also responsible for creating employment for a vast segment of the population. Their numbers are growing and fixed investment in the sector is rising.

According to the industry body, Assocham, over the next three years, SMEs will account for 22% of India's GDP, as compared to the current share of 17%. These organizations are engaged in upgrading on the technology front to increase their production and reduce their costs. It is also expected that with this increase in their efficiency, SMEs will increase their share in the country's exports from 40% to 44% over the next five years.

Besides this, SMEs also contribute to 45% of the country's manufacturing output. Their total production, at current prices, is estimated to be around ₹ 6,951 billion. The sector employs 59.7 million people and creates one million new jobs every year—the sector being the second largest employment provider in the country, after agriculture. It has been growing at an average rate of 35% over the last two years.

Among the biggest constraints faced by the sector is the ease of access of credit from banks and financial institutions & lower interest rates. The government has taken note of this fact and the Union Budget 2011-12 has laid out ₹ 27 billion to help promote growth in the sector. This is 12.5% higher than the previous year. However, the SME sector requires a lot more assistance than the government envisages and that's where Non Banking Financial Companies play a pivotal role. NBFCs due to their inherent strengths in the areas of fast and easy access to market information for credit appraisal, well-trained collection machinery, close monitoring of individual borrowers & personalized attention to each client, are in a better position to cater to these segments.

#### NBFCs: Growing Exponentially

Non Banking Financial Companies (NBFCs) in India are on a strong foundation. The Reserve Bank of India (RBI) reports have seen credit growth to NBFCs at 46.4% on a year-on-year basis in February 2011. This was significantly higher than the growth of 19.8% during the same period of the previous year.

Until February, the overall credit growth for the financial year 2010-11 was 22.8%, as compared to 15.9% in the previous year. This exceeded RBI's projected figure of 20%.

According to a report by the credit reporting agency Crisil, the retail lending portfolio of NBFCs is expected to cross ₹ 4,000 billion in the next two years. Crisil also expects the net profitability margins of NBFCs to reach 2.9% during 2011-12, which will be the highest in the last five years. Between the five-year periods of 2006-10,



each year, NBFCs also reported higher average Return on Equity (RoE) than the banks.

The MD and CEO of Crisil, Roopa Kudva, believes that because of their deep understanding of their customers, NBFCs can be a lot more innovative in their offerings, and can customize products to suit specific customer needs.

In the last financial year, NBFCs catering to the SME segment have reported good growth figures, with some recording excellent profit margins in the last quarter of 2010-11. Post recession, most companies are coming back into the market with aggressive plans for growth and expansion. The growing domestic market and expanding SME sector also bode well for them.

#### Intec Capital: Reaching More SMEs

Since 1994, your Company has been working with the firm conviction that we would be able to contribute to the economic development of the country by providing financial leverage to Small and Medium Enterprises. Over last 17 years, this conviction has proven to be true.

In 2010-11 too, keeping up its pace of growth, Intec achieved all its financial targets, recording gross loans and advances of ₹ 3,936.1 million. The Company's net worth rose to ₹ 606.5 million and its revenue rose to a record ₹ 365.5 million. The profit before tax was recorded at ₹ 77.7 million.

In the financial year 2010-11, Your Company also set its sights on getting closer than ever to its customers. This year, we extended our network across 9 branches. These branches now let us reach out

to more customers. We have introduced new products to cater to the evolving dynamics of the SME sector.

In a nutshell, this year was all about change, as we expanded our network and brought new offerings into the market. This meant that we had to introduce a lot of changes internally to enable this growth to happen to the Company. During this time, Your Company defined its focus areas using the 3Ps approach: People, Partners and Processes. We added more quality people, initiated new funding partnerships, tie-ups with new vendors, improved our processes, and introduced new systems through out the year in order to be able to service more customers across India.

**Merger with Unitel:** 2010-11 was also the year that saw the integration of Unitel with Intec. The integration took a little more time than was initially expected, but was successfully completed without any major challenges being faced and the Company has achieved all that it set out to do with this merger.

Some of the benefits seen since the merger include more efficient and effective management of business, optimal resource utilization, reduced costs, and easy availability of the finances required for expansion and projects. The Company has also been able to carry out better negotiation on lending terms and conditions with banks, financial institutions, etc, and it has now achieved greater synergy in its operations.

**Pan-India Presence:** In 2010-11, Your Company initiated its plans to achieve pan India presence. With five branches already set up in Delhi NCR, along with four outside Delhi, we are planning to add another 12 branches all over the country over the coming year. Over the last financial year, our prime focus has been the setting up of these new branches and departments, and ensuring that processes are standardized across branches. Your Company's vision is to have branches in places where they are most needed—in SME clusters, closest to the customers. I am extremely proud to share that Your Company did all its research on the best locations for setting up new branches internally, with the focused and dedicated efforts of its teams.

**Increased Funding:** Your Company is continuously looking for new sources of funds. Over the last year, we laid strong focus on timely availability of funds and cost reduction. We improved our fundraising, maintained focus on reducing turnaround time to control costs and built upon our analytical process. We added several new banks and financial institutions on our lenders list and our funding through banks became stronger, seeing a growth of 247% (in terms of profit) over 2009-10.

**Technology Enablement:** Your Company is now stronger on processes, and is deploying a software to streamline the various facets of business. This web-based software will integrate all the business functions in a seamless manner and enable the Intec team across the country to function as a single, tightly-knit unit.



The features of the software include various modules for planning and forecasting, reporting and analysis and enabling information to be collected and analyzed across various locations.

Reports on various business parameters will now be generated in real time. This will enable the management to have a dashboard view of the business, and get access to the right information at the right time. We expect this to help in enabling even faster, sound decision-making, based on the right parameters.

**Adding New Manufacturers:** The last financial year also saw increased focus on manufacturer business and improved relationships with equipment vendors. We added several new manufacturers of equipment in the areas of printing, auto ancillaries, pharmaceuticals, and casting & forging to our kitty.

We also laid strong emphasis on strengthening manufacturer tie-ups and formalizing the existing tie-ups with our vendors as well. We worked on co-promotion, co-branding, and co-sales of products along with the equipment manufacturers. We also conducted regular training programs for our products at their premises. This has helped bring in a lot of cohesiveness in our sales and marketing efforts.

**Reducing Costs:** Your Company firmly believes that a penny saved is a penny earned. Your Company has a strong workforce conditioned & focused on restraining costs. They have worked very aggressively on reducing cost, especially in the area of interest rates by diversifying the sourcing of funds. In addition to this, administrative costs have also been controlled and even reduced in certain areas by continuous monitoring through budgeting and variance analysis process. Your Company is also motivating employees to innovate ideas of cost reduction and rewarding those who come up with effective ideas.

Your Company has also been engaged in reducing the wastage of paper by moving to a paperless office. Similarly, we now use CFL lamps thus conserving energy and reducing costs. All our employees are conscious of the need to conserve resources and work towards meeting the company's goals in this area.

**New HR Initiatives:** Your Company believes that its people are its biggest assets. If two companies operate in the same space with similar offerings, the only aspect that can be a differentiator is their people.

With this in mind, a new department has been set up for HR, and employee-friendly policies have been introduced over the years. Some of Your Company's key focus areas have been in recruitment, experiential learning programs and streamlining processes. We have also been focused on employee welfare, building team size and retention. We are also enabling cross-functional movements for our people so that they develop new skills and we can encourage leadership development from within.

Your Company is building strong rungs of leadership at various levels across the organization. We reinforced Performance Management Program (PMP) to ensure a transparent, objective and goal oriented career development for the employees. This helps us set clear objectives for each employee, evaluate them on their performance, and reward the most talented and productive teams



& individuals. Over the last year, Your Company also continued quality recruitment of management graduates from leading business schools.

**Being Socially Responsible:** Your Company is committed to being responsible towards society and the environment. We are conscious of our role in reducing pollution and avoid financing machines which damage the environment. We encourage the financing of low power consuming assets.

We also maintain a high level of social responsibility, and do not finance projects for companies that engage in child labor. We are also focused on making our own operations green and sustainable, through such efforts as reducing air conditioning, wherever possible.

In 2010-11, Your Company actively participated in tree plantation drives and encouraged its employees to engage in community

service programs. We also worked with NGOs towards societal development.

**Staying Ahead of Competition:** As the economy grows and with it the demand for funding, more institutions are entering the SME financing space. This includes not only private players, but also nationalized banks. But our early-mover advantage and deep commitment to the SME space clearly gives us a significant advantage in the minds of SMEs. We shall be ensuring that this advantage is maintained through our initiatives in building the Intec brand, improving relationships with vendors and funding sources, and increasing presence in relevant SME clusters.

We welcome competition in the marketplace. Without competition, there would be no innovation and we thrive in environments like the present, where emerging competition is constantly keeping us on our toes and forcing us to continuously improve our offerings and services. Whether those that challenge us are new entrants in the NBFC sector or traditional nationalised banks, it is part of Intec's DNA to innovate and lead and we look at each new challenge as an opportunity to make ourselves better at what we do.

Your Company has always been a value-driven company, steadfastly and diligently adhering to its code of ethics. The year 2010-11 also saw us placing stronger emphasis on our processes, becoming more streamlined and leveraging our strengths to perform better. This combination of values and processes vaults Your Company into a powerful league that cannot easily be replicated by competition. In the next financial year, Your Company plans to establish itself in more locations, covering more SME hubs and diversifying its portfolio as well. We are working towards creating strong brand equity. We are also focused on being compliant with all the government standards and regulations. It is with these concrete goals in mind that we enter another year. We solicit your good wishes and encouragement to work towards another fruitful year.

I would like to express my gratitude to our Board of Directors for their unstinting support and guidance. I am also grateful to all our stakeholders – our customers, bankers, employees and shareholders, who have reposed their trust in us and given us their constant support.

I would end with a quote from renowned management expert Peter F Drucker, which has been a guide for all of us at Intec Capital Limited.

"The entrepreneur always searches for change, responds to it, and exploits it as an opportunity."

“ The entrepreneur always searches for change, responds to it, and exploits it as an opportunity. ”

- Peter F Drucker



## Our Board Of Directors



**Mr. Sanjeev Goel**

Mr. Sanjeev Goel is a Chartered Accountant and MBA from University of IOWA (USA). He has worked in Jay Bharat Maruti Ltd (Joint venture of Maruti Udyog Limited) as a financial controller from 1986 – 88 where he was involved in setting up of the sheet metal manufacturing project since inception. He was instrumental in negotiating excellent prices of components to be supplied to Maruti Udyog Ltd. He was also involved in getting the project appraised from the financial institution and organizing the equity of the company through a public issue. He is the main promoter on Intec Capital Limited (earlier called Intec Securities Limited) and has been involved since the inception of the company. 15 years back, the company started with a small fund base of ₹ 20 Lakhs, and now the company has an asset under management of Rs 450 Crores. Under his leadership, the company has established itself as one of the leading companies in the SME asset financing space in Delhi NCR. He has vast knowledge of SME needs, their way of functioning, their problems, their lack of collateral and lack of information & has been able to develop products suited to the SME needs.



**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 Masters 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. He contributed in establishing systems & processes in the field of Accounting & Finance. His dedicated & long stint with a German MNC was well rewarded by nominating him as Alternate Director on behalf of the German holding company, in addition to, being Vice President (Finance). Besides, Mr. Joshi has held the positions as Group Finance Controller for a large conglomerate group at international level in the African Continent. Presently, he is Chief Financial Officer of an infra-structure company which is a subsidiary of a listed company.



**Mr. Robindra Gupta**

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



**Mr. S K Goel**

Mr. S K Goel, Independent Non Executive Director aged about 65 years has more than 40 year of experience in the technical field. He has served in industries such as Power (Nuclear, Coal, Gas & Hydro), Petrochemical, Marine, Defense & Structural (Bridges and Buildings). Presently he is associated with Atlas Engineering & Inspection Services Private Limited as a Managing Director. He also held various esteemed positions at Hindustan Engineering Inspection Services and ISGEC. He is also a respectable member of American Society for Nondestructive Testing and American Welding Society. Mr. Goel's technical expertise has come in very handy for the company as most of the enterprises funded by Intec are technology based enterprises.



**Mr. Praveen Sethia**

Mr. Praveen Sethia, Independent Non Executive Director aged about 44 years is a fellow member of Institute of Chartered Accountants of India. He is currently heading M/s. Infrastructure Advisors Private Limited, a consulting firm engaged in business and transaction advisory. He is also associated with M/s. Bharat Udyog Limited and M/s. Valecha Engineering Limited, as an advisor for BOT projects. Mr. Sethia is having a rich experience of setting up infrastructure equipment finance business on behalf of M/s. Srei Infrastructure Finance Limited in Russia in the year 2005 and initiating leasing of medical equipment in UK. He has also been associated in setting up Structured Finance Group in Srei. As a part of continuous exploration, he has also taken the responsibility of setting up the risk department for SME business in ICICI Bank.



**Mr. Subhash Jindal**

Mr. Subhash Jindal aged about 62 years is a businessman by profession. He has experience of over 40 years in the retail sector. He is also the proprietor of Jindal Brothers. After being in the service for about 10 years he started his own retail segment in paper and stationary industry. With Mr. Jindal's rich experience and expertise in the retail segment, Intec has been able to incorporate retail as one of its major businesses.

# CREATING A WINNING ORGANIZATION

Intec's consistently excellent performance is a reflection of its winning characteristics



Winning is not a stroke of luck or a sudden turn of fortune. It is about setting goals that define success for your organization and then working passionately and progressively towards them. Winning is about being prepared for the hurdles on the way and overcoming tough challenges without letting go of your values.

Intec scores as a winning organization on all these counts. Over 17 years of growth despite two severe recessions tells an impressive story of winning. Such a steady performance cannot simply be attributed to good fortune or mere coincidence. There are several ingredients that have gone into making Intec Capital the successful company, it is today. We take this opportunity to share these ingredients with you, because Intec Capital is really in the business of enabling our customers to become winning organizations.

## Intec's Uniqueness: Unwavering SME Focus

At the core of a business is the idea of addressing a genuine need of a set of customers. Winners spot the idea very early as compared to others, thus creating a first-mover advantage and expertise in the market. The world today talks about the small and medium enterprises (SME) segment as being the growth engine for the economy. In India too, the SME thrust is gaining ground. But Intec Capital saw the potential of the SME industry as far back as 1994. With almost two decades of expertise in financing assets for SMEs, Intec Capital, today, commands expertise and depth of knowledge about India's SME segment that very few NBFCs and banks can boast of.

This is the era of specialization. There are problems which require solu-

tions by experts in that area; a generalist simply will not do. This is true for SMEs in India too. They face specific issues in their day-to-day business, which cannot be solved effectively by any generalist asset financing agency or bank. These can be in terms of implementing new technologies or the need for upgradation, the viability of newly introduced machines or the changing marketing and financial dynamics. It is only experts who understand SMEs, their domains and phases of business, who can design the right financial products that solve the problems faced by them.

Intec looks at an SME business comprehensively, beyond the balance sheet and financials and explores the untapped potential of the business that is its true asset. Intec then structures innovative financial products that address the SME needs based on these and enables easy asset funding for them.

This is vastly different from the approach taken by other NBFCs and banks for which SME is just one of the many sectors they cater to. Since most of them come from a large enterprise lending perspective, they tend to force-fit their financial products to the SME space. Multinationals try and replicate their global products to the Indian SME environment. What works in other countries may not work here. What works for other sizes of business may not be applicable to SMEs. What does work for SMEs is a deep understanding of how they operate. SMEs don't just need financing to grow their businesses—they need both financial as well as marketing solutions which are structured around their core issues and which take into

account the way their businesses are designed. Intec is uniquely positioned and well equipped to do just that.

**Customer relationships:** Intec Capital, from its inception, has believed in strong relationships being the route to high growth. That's why Intec has always focused on knowing its customers as well as equipment manufacturers first hand. Take Matrix Cellular for instance. Mr Gaurav Khanna, Finance Head, Matrix Cellular says, "It has been about eight years since we began our relationship with Intec. I would say it is the personal relationships that Intec fosters that set them apart from other financial services companies. Intec is the only company where I know people personally—I even know the CMD. Because they build relationships in this manner, they are doing well in their business."

Intec's relationships are direct, face to face, and personal, which is in stark contrast to how other NBFCs operate. Intec has its own relationship managers working in close coordination with customers and manufacturers to be able to deliver the right kind of financing for SMEs, at the right prices. Because of these direct relationships, Intec executes finance processing faster than others. It is critical for SMEs to receive financial assistance at their time of need, and Intec's direct relationships ensure that this is delivered.

Intec works with the concept of Right Product, Right Time, Right Price and Right Amount, and this synergizes successfully due to the nature of the direct relationships Intec maintains with its customers and equipment manufacturers.

## Intec's Leadership and Team Focus

**Clarity of vision:** Intec's leadership team has a clear vision for the Company. Its vision, "To become a key player in meeting the finance need of small and medium enterprises, and thus contribute towards the infrastructure and economic development of the country". Intec believes in this vision and creates the environment for the rest of people in the Company to be aligned to it and work towards it. This is a vision that gives its people the conviction that they too can contribute to the betterment of the country. That's why Intec's employees are extremely focused on ensuring that SMEs get timely assistance. They understand the importance of how Intec's business is key for enabling SME growth. But at the same time, they also ensure that due diligence of potential customers is done thoroughly. This requires adhering to the Company's values and conducting business ethically on a daily basis.

**Conviction and courage:** Leadership is about staying power in the face of odds, having belief in the path decided upon, and being steadfastly focused on delivering results. This is amply demonstrated at Intec. In almost two decades of existence, Intec's journey of growth has hardly been a smooth one. The Company has steadfastly demonstrated that it is more robust than most other non-banking finance companies in India.

Consider what happened during the recession: banks and other NBFCs became tight fist with their lending programmes. However,

Intec continued to support the sector's financing needs. Intec worked out innovative methods of financing that enabled easy repayment by SMEs while ensuring that Intec would be at the least risk. Intec continued and shall continue, to believe in the inherent strengths and the resilience of the SME sector. The Company's growth and profitability have proved that the Company's convictions are well founded.

**Dynamism:** Leaders create conditions in a company that enable its very fabric to be flexible. While all of us like to have predictable market conditions, there are too many factors at play that make them very unpredictable. Leaders accept this unpredictability as part of life and create teams that are able to deal with this, in innovative ways. They create a culture that enables their employees to spot opportunities in times of change and infuses them with the energy to capitalize on these. No wonder then, that a winning organization is always brimming with new business opportunities. Intec has been steadily identifying new revenue streams in the SME asset financing space over the years. The team has consciously worked on seeking out sectors that are growing and need financial support. This means that Intec is always poised to take advantage of market conditions in the best possible way.

**Well-rounded team:** Intec has a strong team which has delivered exceptional results year after year. The Company's people bring in a good mix of the key skills any organization needs to be successful, along with diverse ideas and styles of working. All ideas and projects are discussed and debated, thus leaving little room for failure.

The Company keeps each team member's talents and abilities as well as aspirations in view while evolving his or her role in the organization. People who are good at influencing others, those who enjoying being with people and can communicate ideas effectively, are chosen to lead in areas that require relationship building, whether with customers, manufacturers or internal teams. Similarly, people with a strategic bent of mind, such as those who are great with new ideas, are tasked with charting out the roadmap for the Company or for a specific department. Those who have a can-do attitude, discipline and focus as a natural skill set are chosen for executive roles in the Company.

With this approach, it's rare to have role misfits at Intec. People's strengths are mapped to job roles and experiential learning programs



**You were born to win,  
but to be a winner, you  
must plan to win,  
prepare to win, and  
expect to win.**



- Zig Ziglar

are facilitated to enable the teams to deliver the organizational goals while adhering to the Company values. This is how Intec is creating its future leaders who will take the Company to new levels of growth. Intec offers soft skills enhancement opportunities for its people by participating in management development programs offered by leading business schools, and also provides a fair share of cross functional movement for upgradation of managerial and leadership skills.

**Loyal and committed team:** Intec's core team has been together almost since inception. This is exemplary when you see it in the context that the financial services sector has been a high growth one that sees a lot of attrition. Intec's people are focused to the idea of creating immense value for their customers and stay committed to that cause. Intec's ability to retain its team in times of stress and in times of growth reflects the immense work satisfaction that its employees have. Intec's growing business gives its team ample opportunities to grow and de-



**Intec: Delivering Value**

**Customer:** An unrelenting focus on delivering value to the customer is the key trait of winning organizations. All organizations offer products or services that are aimed at meeting a particular need of their customers. But winning organizations are enthusiastically focused on delivering significant value to the customer by solving his problems. This requires a deep commitment to the customer—understanding his requirements as the market evolves, and delivering solutions that help him become more productive and profitable. In turn, the customers look at these organizations less as service providers or vendors and more as business partners.

This is exactly what Intec Capital is focused on. Intec's experience in the SME segment helps it to have a pulse of SME business trends and create products that deliver value to customers while resonating with market trends. Also, Intec's execution approach ensures that each customer gets all his requirements fulfilled within the shortest possible time frame, which creates huge confidence in the minds of customers.

Mr G K Makharia, Partner, Kalyani Engineering Works agrees. He says, "We started our association with Intec in 2003. They help their



customers in times of need. We convey our requirements to their Relationship Managers and everything is taken care of. There is no need to go to the seniors for any review. Intec follows appropriate procedures and we have not faced any problems whatsoever. We have an excellent relationship with Intec, and think of them as our partners who provide complete and practical financial solutions."

**Shareholders:** Intec has grown from strength to strength over the years. With its focus on delivering value to customers as well as ensuring timely repayments by them, Intec has been growing at over 70% year-on-year. Taking measured risks, the Company has broken new ground in various sectors, adding new customers across India.

The Company has always focused on taking decisions that generate long-term value for shareholders. Knee-jerk reactions to market conditions that might enable short term earnings are not part of the Company's ethos. Because of this approach, the Company has always looked at creating assets that maximize value for all. The Company's focus on long-term value has also led to the creation of a compensation policy that rewards employees, offer opportunities for enhancing the soft skills by participating in management development programs offered by leading business schools, providing a fair share of cross functional movement for up gradation of managerial & leadership skills.



**Innovation at Intec**

Intec has always worked to create an organizational culture that is oriented towards innovation. This is because Intec believes that the new ideas and opportunities can be spotted by anyone in the organization, irrespective of their level in the hierarchy. Intec has worked to create the right systems, platforms and incentives to ensure that opportunities or ideas are shared with the leadership team and implemented across the organization. To this end, Intec's current focus is on using technology as an enabler.

Intec has also laid great emphasis on ensuring a culture of discipline. This is because Intec is aware of how a company grows. In its infancy, a company is primarily driven by its entrepreneurial zeal and spirit. But as it starts growing, as more people join the ranks to handle more customers and orders, chaos comes in. And with chaos come new rules to set things right and processes that address existing challenges. Intec has worked consciously to bring in a culture of discipline, responsibility and accountability. This is the prime reason for Intec being on the track towards great performance and sustainability.

A growth oriented company like Intec also requires systems and processes that are in alignment with its values and business vision. Processes are meant to enable a company to deliver better value, not to stifle all creativity. Intec is conscious about using its processes to deliver innovation. The Company is creating a custom built software and deploying it across all its branches to ensure agility and quick decision making.

Intec's systems and processes enable it to be agile and innovative and establish the rules for everyone to perform well. They bring accountability into the system, while demarcating areas to disallow unproductive interference or breaking the code of conduct.



**Conclusion**

Ultimately, winning is all about sustainable growth, over years, decades and more. Winners remain steadfastly oriented towards their well-considered and chosen domains, and change strategies

as the market demands. Winners do not have short attention spans towards a focus area. They do not rush from one opportunity to another, just following the current trend of the capital market. Once an area has been chosen, they remain devoted to it, gradually developing expertise in more of the associated fields and expanding their range of solutions with time. They focus on profitability and meticulously carry out each step that is needed to get them to the goals they have set for themselves, while adhering to the values they live by. And on all these counts, Intec has emerged a winner.

Intec Capital continues to be a winner. More importantly, it's working towards transforming its SME customers into winning organizations. The financial year 2011-12 will see Intec Capital focusing on making each of its customers a winner by delivering them the advantage of its products and advisory services. Intec will play an instrumental role in unleashing the potential of the SME sector in India by creating every customer a winning organization. Intec is thus helping build a winning sector.

**TESTIMONIALS**

**Mr G K Makharia, Partner, Kalyani Engineering Works**

"We started our association with Intec in 2003. They help their customers in times of need. We convey our requirements to their Relationship Managers and everything is taken care of. There is no need to go to the seniors for any review. Intec follows appropriate procedures and we have not faced any problems whatsoever. We have an excellent relationship with Intec, and think of them as our partners who provide complete and practical financial solutions."

**Suneel Galgotia, Chairman, Galgotias Educational Institutions**

"We have a wonderful relationship with Intec Capital. It's has been almost a decade since our association began. Since running a professional education business is investment intensive, we went about getting funding from various banks and financial services providers. Intec has worked like a partner for us in this. They are a very well organized, efficient company."

**Mr Raghav Maurya, Owner/Promoter/Director, Maurya Printers**

"We began our relationship with Intec around 2003, when we needed some working capital. We have never worked with any other financial services company, although we have worked with some nationalised banks. We enjoy a good relationship with Intec, and have always been on excellent business terms with them. They are very proactive people, willing to cooperate. We've never had any problems with their services."

**Mr Gaurav Khanna, Head - Finance, Matrix Cellular**

"It has been about eight years since we began our relationship with Intec. I would say it is the personal relationships that Intec fosters that set them apart from other financial services companies. Intec is the only company where I know people personally—I even know the CMD. Because they build relationships in this manner, they are doing well in their business. I wish them luck."

## Our Head Of Departments



**Mr. Jagjit Singh** - Business Head  
B Tech, MBA

An Engineering and Management graduate with 20 years of experience in Business Development in the areas of Infrastructure, Agriculture, Financial services and Banking and carrying a rich experience of heading SBUs in NBFCs and Banks like Srei Infrastructure Finance Limited, Kotak Mahindra Bank and ICICI Bank Limited. He is responsible for both the topline and the bottomline of the organization. He is a consummate marketer, an excellent Relationship Manager and a "Go Giver" and is adept at strategizing the geographical expansion of the branches, developing new vendor and manufacturer relationships, leading the sales team and delivering the results. He is a certified Trainer on imparting soft skills and engaging employees positively.



**Ajit Kumar** - Zonal Head  
B.Sc, MBA

A Management Postgraduate having 14 years plus experience in direct client sourcing & servicing. He is a hardcore Sales and Marketing Strategist and has worked at almost every level of Business Development and Operation. He is a key strategist for Intec's customer service management and business development issues. His core strength is conceptualization and implementation of business plans, vendor development, customer retention and credit appraisal specifically for SME Sector.



**Deepak Aggarwal** - Head, Credit and Collections  
B.Com

As Vice President & Head of Credit & Collections, he manages the risk, portfolio quality, litigation & repossession of delinquent portfolio. An accomplished Leader with an outstanding record of achievement in designing strategies, analysis, methods, processes and operations to improve the performance of the Company. Deepak completed his education in Bachelor's in Commerce from Delhi University. Deepak is an exceptional self motivator with strong negotiation, problem resolution and client needs assessment skills. Before taking over as Head Credit & Collections, he had headed Sales, Marketing & Business Development. He has been associated with Intec for the last 13 Years.



**Ravi Pandey** - Zonal Head  
BCA, MBA

As Vice President for SME Sales, he manages the Business key metrics that track sales productivity, account profitability, yields and ROCE (Return on Capital Employed). He is responsible for creating a strategic blueprint for successful transfer of best practices in Sales, Marketing and Business Development across emerging SME market. Ravi completed his education in Masters in Business Administration from University of Pune and has vast experience in understanding & lending to SME's in the Indian Scenario. He has been associated with Intec for the last 13 years.



**Pooja Sondhi** - Head, Operations  
B.Com (H), M.Com, MBA

With 9 plus years work experience, she was primarily associated with leading NBFCs in the market. Has been a part of Loans operations team with hands on experience in Business Analysis in Retail Banking, Lending / Financial Sector / BSFI. Pooja has vast experience of structured financing, creation of debt instruments under asset backed securitization. She has also worked on Core Banking, Payments Messaging, Clearing / Collection System with latest technology platforms, based out of USA. Have been associated with the Operations functions of Asset side of Banking for last 9 years and have played instrumental role in developing the process flows and continuous process re engineering for matching the industrial standards so as to create robust risk management system and compliance unit. A blend of technology and functionality.



**Sudhindra Kumar Sharma** - Head, Finance & Accounts  
B.Com (H), ACA

Chartered Accountant with more than 11 years of diversified experience in the field of Finance & Accounts in both Manufacturing & Service Industries. Previously, he was Finance Manager Operation with Ingersoll Rand. He was also associated with companies like BPL and Ruby Tuesday in the Past. He has varied experience of Budgeting, Financial analysis and MIS apart from other related activities of finance and accounts. Sudhindra is having an outstanding project planning, execution, monitoring and resource balancing skills with ability to support multiple simultaneous projects in a matrix organizational structure. He has Sound budget management capabilities and mature analysis capabilities in defining strategy and tactical execution.



**Vandita Kaul** - Head, Treasury  
M.Com, ACA

Chartered Accountant and a post graduate in Commerce with over 8 years of varied experience in the field of banking, finance and fund raising. She has wide experience in banking operations, funding to business banking – MSME segment, process compliances, policy formulation and implementation and credit risk management. As Treasury Head, she is responsible for raising funds for the Company and networking with market players like Financial Institutions and Banks for all types of fund requirements of the Company.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take immense pleasure in presenting their Seventeenth Directors' Report together with the Audited Accounts for the financial year ended 31st March, 2011.

### FINANCIAL PERFORMANCE

For the Financial Year Ended 31st March, 2011

(₹ in lacs)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
<b>Profit/(Loss) before tax</b>	<b>777.41</b>	<b>314.51</b>
Less: Provision for Taxation		
- Current Tax	297.68	110.79
- Deferred Tax	3.92	0.36
<b>Profit/(Loss) after tax</b>	<b>475.81</b>	<b>203.36</b>
<b>Add:</b> Balance brought forward from last year	369.12	240.43
<b>Less: Short Provision written back</b>	-	1.18
<b>Surplus available for appropriation</b>	<b>844.93</b>	<b>442.61</b>
<b>Less: Appropriations</b>		
Proposed Dividend on Equity Shares	57.21	28.05
Tax on Proposed Dividend	9.72	4.77
Transfer to Reserve Fund u/s 45IC of RBI Act, 1934	95.16	40.67
<b>Surplus carried to Balance Sheet</b>	<b>682.84</b>	<b>369.12</b>

### DIVIDEND

The Board of Director recommend Final Dividend of ₹ 0.50 (i.e. 5%) per Equity shares having face value of ₹ 10/- each on the fully paid up Equity Share Capital of the Company for the financial year 2010-11 subject to the approval of the shareholders at the ensuing 17th Annual General Meeting.

### RESERVES

During the year under review Company has transferred ₹ 95,16,347/- 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.

### MANAGEMENT DISCUSSION ANALYSIS REPORT

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

### PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits or any fixed deposit during the year under review.

### DISCLOSURES

During the year under review M/s. Unitel Credit Private Limited, engaged in financial service activities was merged with the Company pursuant to the Hon'ble High Court of New Delhi Order dated 20th January, 2011.

The amalgamation has a significant impact on the performance of the Company. There is synergy of operations and significant reduction in the fixed cost, which provides better co-ordination of business activities. In the long run, the amalgamation will prove to be beneficial for the Company and its Shareholders, as the same has resulted in the formation of a larger and stronger entity having greater capacity for conducting its operations more effectively and efficiently.

The Scheme was operative from the Appointed Date i.e. 1st April, 2009 and became effective on 11th February, 2011, the Audited Financial Results of the Company for the year ended 31st March, 2011 are post merger and hence the figures of the current year are not comparable with that of the previous year.

Consequent to amalgamation the Authorized Equity Share Capital of the Company stands increased from ₹ 6.00 Crores to ₹ 9.75 Crores, which was further enhanced to ₹ 15.00 Crores vide shareholders approval dated 22nd March, 2011 by way of Postal Ballot.

### CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a separate report on Corporate Governance is appended along with the Compliance Certificate from M/s. T.K. Gupta & Associates, Chartered Accountants, Statutory Auditors of the Company, which forms part of this report.

### LISTING OF SHARES, PAYMENT OF LISTING FEES

The Company's Equity Shares are presently listed on Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange Limited (DSE). The Company has paid the annual listing fees for the year 2011-12 to both the exchanges where the shares are listed.

### DIRECTORS

As per the provisions of Companies Act, 1956 and Article 86 of the Article of Association of the Company, Mr. Robindra Gupta 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. Robindra Gupta and Mr. Rakesh Kumar Joshi, is provided in the Notice of the 17th Annual General Meeting of the Company.

### PARTICULARS OF EMPLOYEES

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

### TIMELY REPAYMENT OF LOAN LIABILITIES

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and /or banks during the year under review.

### 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, 2011 on a going concern basis.

#### AUDITORS

The Statutory Auditors, M/s. T.K. Gupta & Associates, Chartered Accountants, New Delhi retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The Board recommends their re-appointment for your approval.

#### AUDITORS' REPORT

The Auditors' Report to the shareholder does not contain any reservation, qualification or adverse remark.

#### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has in place adequate and effective internal control systems to ensure compliance with various policies and procedures. Internal Audits are regularly carried out to review the control system. The Audit Committee of the Board actively reviews the adequacy and effectiveness of internal control system and suggests improvement for strengthening them.

#### RESERVE BANK OF INDIA (RBI) GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

#### HUMAN RESOURCE MANAGEMENT

Your company strives to provide the best working environment with ample opportunities to grow and explore. In the times of emerging business, the Company values the importance and takes initiative in development of human resources. The Company plans not only to maintain this key resource of competitive advantage but also to build it through well-structured training initiatives.

#### SEGMENT REPORTING

The Company being an NBFC is mainly engaged in financing business and has a single reportable segment i.e. "Financial Services". Therefore, there are no separate segments for reporting as per the Accounting Standard AS-17 issued by The Institute of Chartered Accountants of India.

#### 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:

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

#### ACKNOWLEDGEMENTS

Your directors gratefully acknowledge the support and co-operation extended by all the Bankers, Financial Institutions, Customers, Business Associates and various Statutory Authorities including RBI, SEBI, ROC, Stock Exchanges, etc. for their co-operation and assistance and looks forward to the continued mutual support.

For over one and a half decade, your Company has been built on the strong foundation of set of values which has been our anchor in difficult times and our beacon when we have forge ahead on the path to growth. This would not have been possible without the dedication and unwavering commitment displayed by the Employees of the Company, thus enabling us to report a strong performance during the year.

Thanks are also due to the Shareholders for their undeterred co-operation and the confidence they reposed in the management.

#### For Intec Capital Limited

**Sanjeev Goel**  
Managing Director

**S. K. Goel**  
Director

**Date: 15th July, 2011**  
**Place: New Delhi**

## Management Discussion and Analysis

Non Banking Financial Companies (NBFCs) play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector. NBFC's are an integral part of any country's financial system as they play complementary as well as competitive role.

Alexander Baldock, Managing Director of Lombard, one of the UK's biggest asset leasing companies recently stated that he is seeing the strongest growth in manufacturing, the small and medium-sized enterprise (SME) sector, and commercial transport (buses and haulage).

After the significant deterioration during 2007 and 2010 the improvement is back with the structural shift towards stronger underwriting norms and monitoring mechanisms and a better business environment. The industry is not only witnessing good growth, but that growth is poised to sustain.

### REVIEW OF OPERATIONS AND FINANCIALS

With the improvement in the industrial and economic environment, your Company has concentrated on increasing the business. The Company delivered superior financial performance during the year with improvement across all major parameters. During the financial year M/s. Unitel Credit Private Limited was merged with the Company vide Hon'ble High Court Order dated 20th January, 2011. The merger had positive impact on the performance of the Company as the standalone Disbursements of Intec Capital Limited increased from ₹ 17591.16 Lacs in 2009-10 to ₹ 26,835.65 Lacs in 2010-11, whereas the post merger combined disbursements stands ₹ 40,405.28 Lacs. The standalone Profit before Tax (PBT) also increased ₹ 777.41 Lacs as against ₹ 314.52 Lacs for the previous financial year, whereas the merged PBT was ₹ 1,282.59 Lacs. The standalone Income from Operations has increased from ₹ 1506.58 Lacs in 2009-10 to ₹ 3,654.74 Lacs in 2010-11 and merged Income from Operations is ₹ 5,447.13 Lacs. The Intec standalone Capital Adequacy Ratio (CAR) of the Company as on 31st March, 2010 stood at 18.72% whereas post merger CAR at 31st March, 2011 stood at 23.74%. The merger has resulted in the better business synergy at lower cost and increased the efficiency with the optimum utilization of resources.

With the keen understanding of customer needs, we remain focused on product innovation and customization for gaining an edge and carving a niche for ourselves. The overall performance of the Company has been excellent during the year and continuous efforts are made to improve and look for new avenues to augment development.

### OPPORTUNITIES & THREATS

The present global economic scenario is growing at healthy rate leading to investment and capital requirements thus providing opportunities for companies which are fundamentally strong, such as yours. The strengths in the form of strong domain expertise, expanding brand positioning, fully integrated state of the art facilities, leveraging technology and product innovation capabilities provide a highly potent platform to seize the opportunities. With the Company's PAN India reach the opportunities are further enhanced in the form of newer markets, new segments of customers, new channels of distribution, etc. The significant expansion plans have given confidence to the Management to perform well in the coming financial year.

The growth prospects of the Company's business, including the quality of financing and the ability to grow are directly influenced by the growth and development of the Small and Medium Enterprises (SME) sector of the economy.

The major threat before the Company is the test of a tighter regulatory framework, which is consistent with the emerging systemic importance and larger size. Maintaining asset quality, low cost borrowings, interest rate fluctuations, continuous competition from banks or new entrants are some of the other threats faced by the Company.

By way of diversifying the resource profiles, attaining the scale in operations, increasing the geographical reach and ensuring the availability of skilled human resources your Company will be able to manage the threats and maintain growth.

### RISK MANAGEMENT

Being an NBFC, your Company is subjected to both external risk and internal risk. External risk are due to volatility in interest rate, credit risk, changes in compliance norms, regulations and other legal proceedings, slowdown in economic growth rate, political instability, market volatility, etc. Internal risk includes Asset Liability mismatch risk wherein any mismatch between the tenure of borrowings and assets could result in a cash crunch which in turn would adversely impact Company's ability to service the loans and pay its operational costs, deployment of funds in specific projects leading to liquidity risk, operational risks, retention of talented personnel, managing effective growth rate, NPA's in portfolio, etc.

The Company follows prudent risk management practices to combat the challenges. The quantitative assessment pertaining to each risk helps in the determination of the overall impact on the Company, prioritization of risks and decision making to mitigate risks, while assuming the residual risks so as to maintain the required risk-return profile of the Company. Your Company has formulated the risk management framework which includes comprehensive processes for risk identification, evaluation, management and control and has invested in people, process and technologies to effectively mitigate the risks.

### INTERNAL CONTROL SYSTEMS

Your Company has adequate internal control system to ensure efficient and effective control over the activities of the company. Your Company has Internal Audit team which monitors the Business Activities performed by various departments and furnishes feedback reports to the management for their appraisal.

### HUMAN RESOURCES

One of the main components for the successful performance of the organization is its Human Resource. Your Company gives significant importance to its human capital and is dedicated for continuous enhancement of their skills and knowledge by way of training and supervision. The Company has laid down the adequate system for:

- Recruitment and talent acquisition
- Nurturing talent through continuous training and guidance
- Performance oriented compensation management

Your company strives to provide the best work environment with ample opportunities to grow and explore. Our satisfactory and long relationship with a lot of our major personnel has proved that we do not hire people just for talent, but also preserve them. The Company's cordial environment and the industrial relation scenario supported in achieving the organizational goals.

### DISCLAIMER

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

## DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down Code of Conduct for all the Board Members and Senior management of the Company and the copy of the same are uploaded on the website of the Company- [www.inteccapital.com](http://www.inteccapital.com).

Further certified that the Members of the Board of Directors and Senior Management have affirmed having complied with the Code applicable to them during the year ended 31st March, 2011.

For INTEC CAPITAL LIMITED

**SANJEEV GOEL**  
MANAGING DIRECTOR

DATE: 15TH JULY, 2011  
PLACE: NEW DELHI

## MANAGING DIRECTOR & HEAD - FINANCE & ACCOUNTS CERTIFICATION

To

The Board of Directors

**INTEC CAPITAL LIMITED**

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

**SUB. : MD & H-F&A CERTIFICATION AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

Dear Sirs,

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

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we confirm that there are no deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditors and the Audit Committee that there is:

(i) No significant changes in internal control over financial reporting during the year;

(ii) No significant changes in accounting polices during the year;

(iii) No instances of fraud in the company has come to our knowledge.

For Intec Capital Limited

**Sanjeev Goel**  
Managing Director

Date: 15th July, 2011  
Place: New Delhi

**Sudhindra Sharma**  
Head - F & A

## CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Report on Corporate Governance for the year ended 31st March, 2011 is given below:

### Company's Philosophy on Corporate Governance

Intec's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operation and in all its interactions with its stakeholder, including shareholders, employees and society at large. Your Company's foundation has therefore been rooted to stringent corporate governance principles to ensure shareholders aspirations and societal expectations so that the decision-making powers vested in the executive management are used with care and diligence. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

The stipulations mandated by Clause 49 of the Listing Agreement with the Stock Exchanges, have been fully complied with by your Company. This report, along with the report on Management Discussion and Analysis reports the Company's compliance with Clause 49.

### I.) MANDATORY REQUIREMENTS

#### 1. BOARD OF DIRECTORS

##### • Composition and size of the Board

As on 31st March, 2011 the Company's Board of Directors comprised of six directors out of which five were non-executive directors. The Board meetings of the Company were normally presided over by the Managing Director who is also the promoter of the company. One half of the Directors of the Company were Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

##### • Board Meetings held during the year

During the year 2010-2011, Seventeen Board Meetings were held on the following dates:

1) 16th April, 2010	2) 28th April, 2010	3) 18th May, 2010	4) 29th May, 2010
5) 30th July, 2010	6) 20th August, 2010	7) 28th August, 2010	8) 24th September, 2010
9) 22nd October, 2010	10) 13th November, 2010	11) 30th November, 2010	12) 15th January, 2011
13) 20th January, 2011	14) 09th February, 2011	15) 18th February, 2011	16) 22nd March, 2011
17) 31st March, 2011			

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

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Whether last AGM attended	No. of outside Directorship held as on 31.03.2011*	No. of Committee position held in other public companies as on 31.03.2011		Director's Shareholding
					Chairman	Member	
Mr. Sanjeev Goel	Promoter & Managing Director	17	Yes	1	Nil	Nil	592739
Mr. S. K. Goel	Independent Non-Executive Director	14	Yes	Nil	Nil	Nil	Nil

Mr. Subhash Jindal	Independent Non-Executive Director	Nil	No	1	Nil	Nil	Nil
Mr. Robindra Gupta	Independent Non-Executive Director	16	Yes	Nil	Nil	Nil	Nil
Mr. Rakesh Kumar Joshi	Independent Non-Executive Director	14	Yes	Nil	Nil	Nil	Nil
Mr. Praveen Sethia	Independent Non-Executive Director	3	Yes	1	Nil	Nil	18

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

The intervening period between two meetings was 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 has periodically reviewed compliance report of all laws applicable to the Company.

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

##### • Disclosure of change during the year

During the year there is no change in composition of the Board of Director of the Company.

#### 2. AUDIT COMMITTEE

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

The constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956. The terms of reference and powers of the Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Companies Act, 1956.

The Audit Committee specifically reviews:

- ▶ Management Discussion and Analysis of financial conditions and results of operations.
- ▶ Quarterly and Annual Financial Results.
- ▶ Significant related party transactions.
- ▶ Internal Audit Reports.
- ▶ Recommendation for appointment and fixing of the remuneration of Statutory Auditors.

##### • Composition

The Audit Committee comprised of the following three members as at 31st March 2011:

- a. Mr. Praveen Sethia- Chairman
- b. Mr. Rakesh Kumar Joshi- Member
- c. Mr. S.K Goel – Member

All the members of the Audit Committee are Independent Non-Executive Directors. They possess sound knowledge of Accounts, Audit, and Finance etc. Mr. Praveen Sethia; Non Executive Independent Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

### • Meeting and Attendance

The Audit Committee held four meetings during the year 2010-2011 as under:-

1) 29th May, 2010	2) 30th July, 2010	3) 22nd October, 2010	4) 20th January, 2011
-------------------	--------------------	-----------------------	-----------------------

The attendance of each Committee member was as under:

Name of Member	Designation	Category	Meetings attended
Mr. Praveen Sethia*	Chairman	Non Executive Independent Director	02
Mr. Rakesh Kumar Joshi	Member	Non Executive Independent Director	04
Mr. S.K Goel	Member	Non Executive Independent Director	03

\* Appointed as the Chairman cum Member of the Audit Committee w.e.f. 24th September, 2010

### 3. REMUNERATION COMMITTEE

The remuneration of director(s) is considered and decided by the Remuneration Committee of the Company on the basis of their performance, responsibilities, experience, qualification, market conditions, role played by them, etc.

#### • Composition

The Company constituted its Remuneration Committee pursuant to Clause 49 of the Listing Agreement.

The Remuneration Committee comprised of three members as at 31st March 2011 as under:-

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

During the year, there were no meeting held by the said committee.

The members of the Remuneration Committee are all Non-Executive 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 salary perquisites paid to Whole-Time Directors (Executive Director) for the Financial Year 2010-11 is as follows:

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

##### b) Non Executive Director

Besides the payment of remuneration to the Managing Director no remuneration is being paid to any other Director of the Company.

### c) Sitting Fees

No remuneration or sitting fees was paid by the Company to any Non-Executive Director for attending the Board Meetings for the financial year 2010-11.

### 4. SHARE TRANSFER COMMITTEE

#### • Composition

The Share Transfer Committee of the Company approves transfer/transmission, sub-division, consolidation and issue of duplicate share certificates, etc. The Share Transfer Committee comprised of the following four members as at 31st March 2011:

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

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

#### • Compliance Officer

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

Address: 701, Manjusha,  
57, Nehru Place,  
New Delhi- 110019  
Phone : 011-46522200/300  
Fax: 011-46522333  
e-mail: complainceofficer@inteccapital.com

#### • Meetings and Attendance

During the year, 25 meetings of the Committee were held on the following dates:

1) 15th April, 2010	2) 30th April, 2010	3) 15th May, 2010	4) 31st May, 2010	5) 15th June, 2010
6) 30th June, 2010	7) 10th July, 2010	8) 14th July, 2010	9) 30th July, 2010	10) 16th August, 2010
11) 30th August, 2010	12) 15th September, 2010	13) 18th September, 2010	14) 30th September, 2010	15) 15th October, 2010
16) 30th October, 2010	17) 15th November, 2010	18) 30th November, 2010	19) 31st December, 2010	20) 10th January, 2011
21) 31st January, 2011	22) 15th February, 2011	23) 28th February, 2011	24) 15th March, 2011	25) 31st March, 2011

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	23
Mr. Sanjeev Goel	Member	Managing Director	25
Mr. Rakesh Kumar Joshi*	Member	Non Executive Independent Director	12
Mr. Robindra Gupta	Member	Non Executive Independent Director	25

\* Appointed as the Member of the Share Transfer Committee w.e.f. 24th September, 2010

#### • Shareholders Queries/Complaints

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

#### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

##### • Composition

During the year the Company has constituted Investors' Grievance Committee under the nomenclature "Shareholders'/ Investors' Grievance." The Committee meets as and when required, to deal with the matters relating to non-receipt of Annual Report, non-receipt of dividends warrants/cheques, etc.

The Shareholders'/Investors' Grievance comprised of the following four members as at 31st March 2011:

- 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.

##### • Compliance Officer

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

Address: 701, Manjusha,  
57, Nehru Place,  
New Delhi- 110019

Phone : 011-46522200/300

Fax: 011-46522333

e-mail: complianceofficer@inteccapital.com

##### • Meetings and Attendance

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

1) 22nd October, 2010	2) 13th November, 2010	3) 20th, January, 2011	4) 18th February, 2011	5) 22nd March, 2011
-----------------------	------------------------	------------------------	------------------------	---------------------

#### • Shareholders Queries/Complaints

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

#### 6. GENERAL BODY MEETINGS

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

Financial Year	Venue	Date	Time	Special Resolution passed
2009-2010	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110003	24th September, 2010	4.15 p.m.	Yes
2008-2009	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110003	17th September, 2009	3.00 p.m.	Yes
2007-2008	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110003	24th September, 2008	3.00 p.m.	Yes

- The detail of Extra Ordinary General Meeting held during the financial year is given as under:-

Financial Year	Venue	Date	Time	Special Resolution passed
2010-2011	Lok Kala Manch, Behind Sai Temple, Lodhi Road, New Delhi- 110003	09th July, 2010	5.00 p.m.	No

##### • Postal Ballot:

The Company has passed four resolutions through Postal Ballot during the financial year 2010-2011.

The following are the resolution passed through Postal Ballot:

Description	Date of passing the Resolution	Ordinary/ Special Resolution
For Increasing the borrowing powers of the Company under section 293(1)(d)	24th June, 2010	Ordinary Resolution
For creation of mortgage, charge and hypothecation on movable and immovable properties of the Company under section 293(1)(a)	24th June, 2010	Ordinary Resolution
For issuance of equity shares on Preferential basis to proposed allottees under section 81(1A)	22nd March, 2011	Special Resolution
For Increasing the Authorized Share Capital of the Company under section 94	22nd March, 2011	Ordinary Resolution

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, has been followed for the postal ballot conducted for resolutions mentioned above. The result of the Postal Ballot was announced by Mr. Sanjeev Goel, Managing Director, at the Registered Office of the Company, and the same was advertised in the newspaper.

Mr. Tanuj Vohra from M/s. Tanuj Vohra & Associates, Company Secretaries in Practice was appointed as Scrutinizer and conducted the Postal Ballot dated 24th June, 2010. Mr. Ujjwal Sharma from M/s. Ujjwal Sharma, Company Secretaries was appointed as Scrutinizer and he conducted the Postal Ballot dated 22nd March, 2011.

Voting Pattern for Postal Ballot:

Date of Special Resolution	No. of valid Postal Ballot Forms received	No. of Shares	Result
24th June, 2010	26	47,03,782	100%
22nd March, 2011	17	38,99,600	100%

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

## 7. DISCLOSURES

### • Disclosure on materially significant related party transactions

During the year under review, there were no transactions of material nature with the promoters, the directors or the management, their subsidiaries or relatives, etc. that had 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 2010-2011 are duly disclosed in the Notes on Accounts to the Balance sheet as required by the Accounting Standard (AS-18) - 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India (ICAI).

### • Compliance by the Company

There has not been any instance of non-compliances by the company and no penalties, strictures were 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, as amended, the Company has adopted amended "Model Code of Conduct" for dealing in Company's securities.

### • 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.

## 8. MEANS OF COMMUNICATION

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good corporate governance. Such Quarterly/Half Yearly/Annual results were published in 'Business Standard' (English & Hindi), 'Financial Express' (English), Hari Bhumi (Hindi) and 'Jansatta' (Hindi). Such results were also uploaded on Company's website, i.e. www.inteccapital.com.

## 9. GENERAL SHAREHOLDER INFORMATION

### i. 17th Annual General Meeting

Date : Wednesday, 14th September, 2011  
Time : 10:00 a.m.  
Venue : Lok Kala Manch, Behind Sai Temple,  
Lodhi Road, New Delhi-110003  
Financial Year : 01st April 2010 to 31st March 2011

### 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. Wednesday, 14th September, 2011.

### iii. Dividend Payment Date

The Company has declared Final Dividend on 23rd May, 2011 subject to the approval of shareholders in the ensuing 17th Annual General Meeting of the Company and will be disbursing the same on Friday, 23rd September, 2011, in case approval is obtained.

## iv. Listing on Stock Exchanges

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

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

The Annual Listing fees for the Year 2011-2012 have been paid to the Delhi Stock Exchange of India Limited and Bombay Stock Exchange Limited.

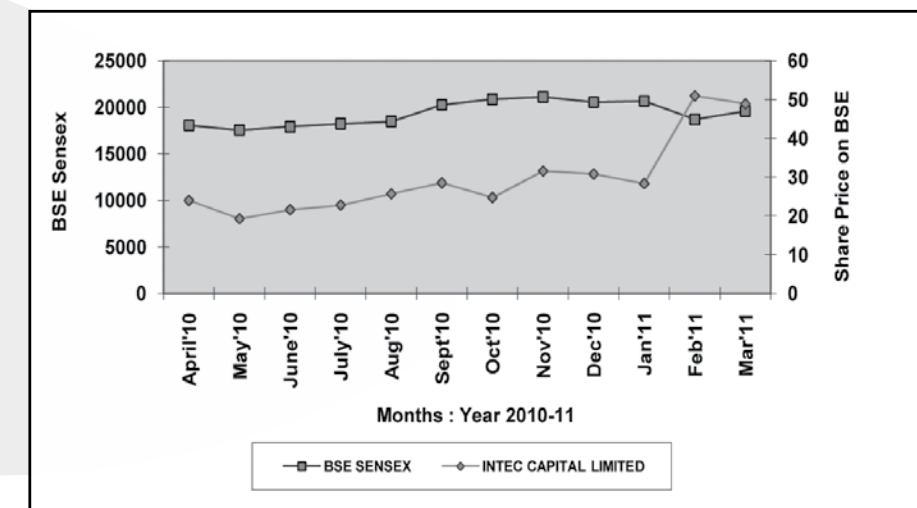
## v. Market Price Data

High/Low market price of the Equity shares of a face value of ₹ 10/- each of the Company traded on Bombay Stock Exchange Limited with comparative indices during the period 01st April, 2010 to 31st March, 2011 is furnished below:

Month	Intec Capital Limited		BSES Sensex	
	High Price	Low Price	High Price	Low Price
April, 2010	24.00	16.45	18,047.86	17,276.8
May, 2010	19.30	15.25	17,536.86	15,960.15
June, 2010	21.60	16.55	17,919.62	16,318.39
July, 2010	22.80	16.55	18,237.56	17,395.58
August, 2010	25.70	20.45	18,475.27	17,819.99
September, 2010	28.50	17.50	20,267.98	18,027.12
October, 2010	24.75	17.55	20,854.55	19,768.96
November, 2010	31.55	22.55	21,108.64	18,954.82
December, 2010	30.80	24.75	20,552.03	19,074.57
January, 2011	28.35	22.75	20,664.8	18,038.48
February, 2011	50.90	24.05	18,690.97	17,295.62
March, 2011	48.85	33.30	19,575.16	17,792.17

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

Intec Capital Limited Vs BSE Sensex



**vii. Registrar and Share Transfer Agents**

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

**Beetal Financial & Computer Services Private Limited**

Beetal house, 3rd Floor, 99 Madangir  
New Delhi-1100193  
Phone: 91-11-29961281(6 Lines)  
Fax: 91-11-29961284  
E-mail: beetal@beetalfinancial.com

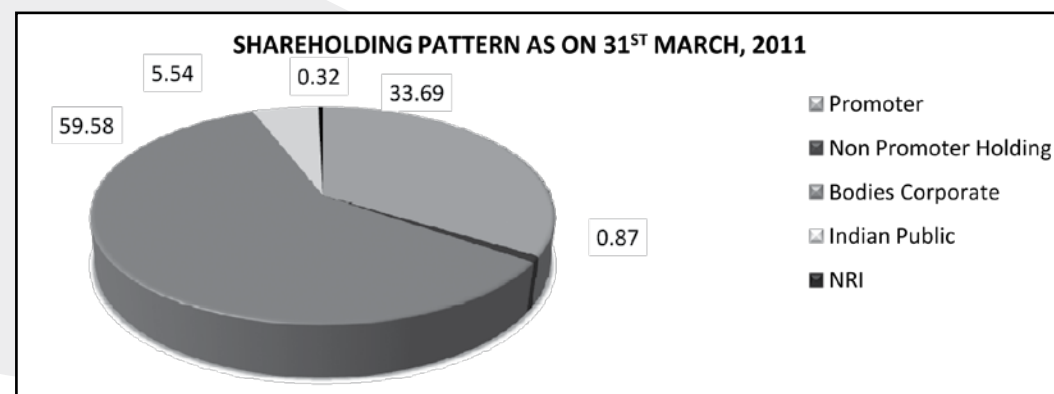
**viii. Share Transfer System**

The Company provides facility of simultaneously transfer and dematerialization of Equity Shares. The Registrar and Share Transfer Agent of the Company, M/s. Beetal Financial & Computer Services Private Limited looks after all the matters relating to the transfer, transmission, dematerialization, etc. of the Equity Shares of the Company.

**ix. Distribution of Shareholding and Shareholding pattern as on 31st March, 2011**

S.No.	Category	No. of Shares held	Percentage of Share holding
A.	Promoters' Shareholding:		
	1. Promoters		
	a. Indian Promoters	38,54,394	33.69%
	b. Foreign Promoters	Nil	Nil
	Sub-Total	38,54,394	33.69%
B.	Non- Promoters Holding:		
	1. Institutional Investors		
	a. Mutual Funds and UTI	1,00,000	0.87%
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Government Institutions)	Nil	Nil
	c. FIIs	Nil	Nil
	Sub-Total	1,00,000	0.87%
	2. Others:		
	a. Corporate Bodies	68,17,221	59.58%
	b. Indian Public	6,34,362	5.54%
	c. NRIs/OCBs	36,451	0.32%
	Sub-Total	74,88,034	65.44%
	GRAND TOTAL	1,14,42,428	100.00%

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

**xi. Distribution of Shareholding as on 31st March, 2011**

Share holding of Nominal Value	Shareholders		Paid-up Value	
	Number	% to total	Figures In ₹	% to total
Upto – 5000	1,105	77.16	23,83,210	2.08
5001 – 10000	177	12.36	13,09,120	1.14
10001 – 20000	80	5.59	10,77,940	0.94
20001 – 30000	9	0.63	2,28,950	0.20
30001 – 40000	9	0.63	3,06,190	0.27
40001 – 50000	7	0.49	3,20,420	0.28
50001 – 100000	9	0.63	7,16,960	0.63
100001 & Above	36	2.51	10,80,81,490	94.46
<b>TOTAL</b>	<b>1,432</b>	<b>100.00</b>	<b>11,44,24,280</b>	<b>100.00</b>

**xii. Dematerialization of Shares**

15,28,398 and 34,39,519 Equity Shares held in dematerialized form in CDSL & NSDL as on 31st March, 2011 out of 1,14,42,428 i.e. 43.42% of the total paid up share capital of the Company.

The Equity Shares of the Company are available for trading in the depository systems of both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN of the Equity Shares of the Company is INE017E01018.

**xiii. Outstanding ADR/GDR/Warrants or any Convertible Instruments**

The Company has not issued any GDRs/ ADRs; Further the Company has no outstanding warrants or any convertible instruments as on 31st March, 2011.

**xiv. Plant Locations**

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

**xv. Address of Correspondence**

Shareholders correspondence should be addressed to:

**Ms. Kashvi Malhotra**  
**Company Secretary cum Compliance Officer**

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

**II.) NON-MANDATORY REQUIREMENTS**

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

- Remuneration Committee**

The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in paragraph 3 of this Report.



- **Audit Qualification**

The company has no audit qualification in its financial statements.

- **Training of Board Members**

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

**For and on Behalf of the Board**

**Sanjeev Goel**  
**Managing Director**

**Date: 15th July, 2011**  
**Place: New Delhi**

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration no. of the Company:-55-057410

Nominal capital: ₹ 15,00,00,000/-

To

The Members  
**INTEC CAPITAL LIMITED**  
 701, Manjusha,  
 57, Nehru Place  
 New Delhi – 110 019

We have examined all relevant records of Intec Capital Limited (the Company) for the purpose of certifying of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2011. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

**For M/s T. K. Gupta & Associates**  
**Chartered Accountants**  
**(R. No. 011604N)**

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

**Place: New Delhi**  
**Date: 15th July, 2011**

## AUDITOR'S REPORT

To,  
The Members of  
INTEC CAPITAL LIMITED

1. We have audited the attached Balance Sheet of Intec Capital Ltd., as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

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

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

(iii) The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.

(iv) In our opinion, the balance sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.

(v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors of the company and information & explanation given to us, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 as on said date.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011.

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

c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

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

PLACE : NEW DELHI  
DATE : 23rd May, 2011

## ANNEXURE TO THE AUDITOR'S REPORT

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

(i) In respect of Fixed Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets of the Company have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification.

c) On the basis of our examination and according to the information and explanations given to us, the Company has not made any substantial disposals during the year which would have affected its going concern.

(ii) In respect of its Inventories:

As the company is a Finance company so the company has not purchase/sold goods during the year nor is there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records , in our opinion , does not arise.

(iii) In respect to loans:

a) According to information and explanation given to us, the company has not granted any Loans or Advances, secured or unsecured, to companies, firm and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.

b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4 (iii) of the order are not applicable to the Company.

(iv) 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.

(v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance 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 prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence, the question of complying with the provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, does not arise and there has not been any order passed by Company Law Board or National Law Tribunal or Reserve Bank of India or any court of any other tribunal.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

(viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under the provisions of Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.

(ix) a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, 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, Employees State Insurance, income tax, wealth tax, sales tax, customer duty and excise duty service tax and

other material dues were outstanding, as at 31st March 2011 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, Employees State Insurance, sales tax, income-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 made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the company.

(xix) The Company has not issued any debentures. Accordingly clause (xix) of the order is not applicable.

(xx) The Company has not raised any money by public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

**CA. T. K. GUPTA (PARTNER)  
M.NO. 82235**

**PLACE : NEW DELHI  
DATE : 23rd May, 2011**

## AUDITOR'S REPORT

(As per Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008)

To  
The Board of Directors of  
INTEC CAPITAL LIMITED

We have examined the books of accounts and other relevant documents/records of INTEC CAPITAL LIMITED as on 31.03.2011 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 August 11, 1995 and has applied for the registration as provided in section 45-IA of the Reserve Bank of India Act 1934.

ii) The company has received certificate of registration with RBI on 16/06/2000. Registration certificate 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 in terms of its assets / income pattern as on 31.03.2011.

iv) Based on the criteria set forth by the bank in the company circular no. DNBS.PD.CCNO.85/03.02.089/2006-07 dated December 6, 2006 for classification of NBFC's as Asset Finance Company (AFC), yes the company has correctly classified as AFC as defined in Non Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions 1998 with reference to the business carried on by it during the financial year 2010-2011 (For "AFC" Certificate is applied for).

v) The company has passed the Board Resolution for non acceptance of any public deposit on 15.04.2011.

vi) The company has not accepted any public deposit during the financial year 2010-2011.

vii) 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/investments as specified in the directions issued by the Reserve Bank of India in terms of Non-Banking Financial Companies (NBFC) Prudential Norms (Reserve Bank) Directions, 1998. (Revised on 22nd Feb 2007, vide notification no. DNBS. 192/DG (VL)-2007)

viii) 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 determined and such ratio is in compliance with the minimum capital to risk assets ratio prescribed by Reserve Bank of India.

ix) The Company has complied with the prescribed liquidity requirement and the securities which are required to be concerned to the bank are lying with the bank.

x) The company has furnished all the prescribed returns to the Reserve Bank of India within the stipulated period.

xi) The company has opened following branches and offices during the financial year 2010-11:

1. Shop No.1, 2nd Floor, Radhe Mall, Khorkhara Circle, Ahmedabad, Gujarat.
2. A-7, First Floor, Neelam Bata Road, NIT, Eastern Side, Faridabad, Haryana.
3. Shop No. S-6, Second Floor, Situated at Vinayak Plaza, Housing Board Colony, Jharsa road, Sector – 15, Gurgaon, Haryana.
4. 203 DTC Tower, New Plasia Area, Indore, M.P.
5. 3rd floor, 147, Feroze Gandhi Market, Ludhiana.
6. D-31, 2nd Floor, Sector-7, Noida.
7. Unit No.905, GD-ITL Towers, B-8, Netaji Subhash Place, Pitampura, New Delhi-110034
8. Office No. 811 & 812, 5th Avenue, 7 Dhole Patil Road, Ground Floor Park, CTS No. 24 to 28, Pune – 411001.

**PLACE : NEW DELHI  
DATED: 23rd May, 2011**

**FOR T.K. GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(R. NO. 011604N)**

**CA. T.K. GUPTA (PARTNER)  
M. NO. : 82235**

**BALANCE SHEET AS AT 31ST MARCH , 2011**

(Figures In ₹)

	Schedule No.		As at 31.03.2011		As at 31.03.2010
<b>A. SOURCES OF FUNDS</b>					
1. Shareholders' Funds					
a. Share Capital	1	114,424,288		56,100,000	
b. Share Application Money (Pending Allotment)		148,500,000		-	
c. Reserves and Surplus	2	343,539,184	606,463,472	124,940,360	181,040,360
2. Loan Funds					
a. Secured Loans	3	1,742,436,971		711,064,362	
b. Unsecured Loans	4	429,636,111	2,172,073,082	91,964,259	803,028,621
3. Deferred Tax Liabilities			864,758		261,989
<b>TOTAL</b>			<b>2,779,401,312</b>		<b>984,330,970</b>
<b>B. APPLICATION OF FUNDS</b>					
1. Fixed Assets					
a. Gross Block	5	45,926,080		8,575,657	
b. Less: Depreciation		4,345,201	41,580,879	3,016,977	5,558,680
2. Investments	6		913,448		58,000
3. Current Assets, Loans and Advances					
a. Current Assets	7	304,377,117		44,167,659	
b. Loans and Advances	8	2,569,483,091		968,785,561	
		2,873,860,208		1,012,953,220	
Less: Current Liabilities and Provisions					
a. Current Liabilities	9	43,535,874		8,519,657	
b. Provisions		93,417,349		25,719,273	
		136,953,223		34,238,930	
Net Current Assets			2,736,906,985		978,714,290
<b>TOTAL</b>			<b>2,779,401,312</b>		<b>984,330,970</b>
Significant Accounting Policies and Notes to Accounts	14				

Note:- Figures are not comparable as current year figures are post merger figures of Intec Capital Limited & Unitel Credit Private Limited, Whereas previous year figures are Intec's standalone numbers.

As per our report attached  
For and on behalf of  
**T.K. GUPTA & ASSOCIATES**  
Chartered Accountants  
R NO. : 011604N

For and on behalf of Board of Directors

CA. T.K.GUPTA (PARTNER)  
M. No- 082235  
New Delhi, Date: 23rd May, 2011

Sanjeev Goel  
MANAGING DIRECTOR

S.K. Goel  
DIRECTOR

Sudhindra Sharma  
HEAD - F & A

**PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31ST MARCH , 2011**

(Figures In ₹)

	Schedule No.		As at 31.03.2011		As at 31.03.2010
<b>INCOME</b>					
Income from Operations	10		365,473,646		149,605,653
Other Income	11		5,250,619		1,052,454
			<b>370,724,265</b>		<b>150,658,107</b>
<b>EXPENDITURE</b>					
Administrative & other expenses	12		91,057,677		49,282,764
Interest and Other Finance Charges	13		190,162,836		68,715,443
Depreciation			970,060		552,722
Bad Debts Written Off			2,749,401		-
General Provision on Standard Assets			6,423,503		-
Provision on Sub Standard Assets			1,619,294		461,421
Loss on sale of Asset			-		194,215
			<b>292,982,771</b>		<b>119,206,565</b>
<b>PROFIT BEFORE TAXES</b>			<b>77,741,494</b>		<b>31,451,542</b>
Provision for Income Tax					
Current Tax		29,767,753		11,079,554	
Deferred Tax		392,004	<b>30,159,758</b>	36,068	
<b>PROFIT AFTER TAXES</b>			<b>47,581,734</b>		<b>20,335,920</b>
Balance brought forward from previous year			36,912,161		24,043,283
			<b>84,493,895</b>		<b>44,379,203</b>
Excess/ ( Short) Provision for Tax written back			-		(118,148)
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>			<b>84,493,895</b>		<b>44,261,055</b>
<b>APPROPRIATIONS</b>					
Proposed Dividend			5,721,214		2,805,000
Tax on Proposed Dividend			972,035		476,710
Transfer to Reserve Fund u/s 45IC of RBI Act 1934			9,516,347		4,067,184
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>68,284,299</b>		<b>36,912,161</b>
			<b>84,493,895</b>		<b>44,261,055</b>
Earning Per Share					
Basic earnings per share			4.16		3.62
Diluted earnings per share			4.16		3.62

Note:- Figures are not comparable as current year figures are post merger figures of Intec Capital Limited & Unitel Credit Private Limited, Whereas previous year figures are Intec's standalone numbers.

As per our report attached  
For and on behalf of  
**T.K. GUPTA & ASSOCIATES**  
Chartered Accountants  
R NO. : 011604N

For and on behalf of Board of Directors

CA. T.K.GUPTA (PARTNER)  
M. No- 082235  
New Delhi, Date: 23rd May, 2011

Sanjeev Goel  
MANAGING DIRECTOR

S.K. Goel  
DIRECTOR

Sudhindra Sharma  
HEAD - F & A

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Figures In ₹)

	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>67,101,928</b>	<b>31,451,542</b>
Adjustments for :-		
Depreciation	921,835	552,722
Loss on Sale of Assets	-	194,215
Interest Paid	167,346,911	65,206,988
Provision for Gratuity	116,732	789,800
Dividend income	-	(21)
Interest on fixed deposits	(3,774,115)	(657,665)
Profit on sale of shares and mutual funds	-	(101,524)
Asset Discarded	530,839	-
Provision on Substandard Assets	1,698,565	461,421
Bad Debts Written Off	1,948,070	-
General Provision on Standard Assets	6,658,799	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>242,549,565</b>	<b>97,897,478</b>
Adjustments for :-		
(Increase)/Decrease in Loans & Advances	(619,006,130)	(526,332,678)
(Increase)/Decrease in Current Assets(except cash equivalents)	(11,184,475)	(4,441,334)
Increase/(Decrease) in Current Liabilities	43,575,933	(1,699,676)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(344,065,107)</b>	<b>(434,576,209)</b>
Taxes paid	(12,437,862)	(8,423,976)
Gratuity Paid	(119,052)	(2,273,426)
Interest paid	(167,346,911)	(65,206,988)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(523,968,932)</b>	<b>(510,480,599)</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(523,968,932)</b>	<b>(510,480,599)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest on Bank Deposit	3,774,115	657,665
Dividend income	-	21
Profit on sale of shares and mutual funds	-	101,524
Purchase of Fixed Assets	(9,119,235)	(3,390,256)
Sale of Assets	-	1,217,649
(Increase)/Decrease in Investments	-	207,798
Cash & Bank Balance Pursuant to Amalgamation of Unitel Credit Private Ltd.	121,507,225	-
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>116,162,105</b>	<b>(1,205,599)</b>

ANNUAL REPORT 2011

(Figures In ₹)

	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Application Money Received/(Utilised)	148,500,000	-
Dividend Paid including CDT	(3,281,710)	(3,281,710)
Increase/ (Decrease) in Cash Credits	120,756,644	328,497,264
Increase/(Decrease) in other Secured Loans	287,669,463	160,861,031
Increase/(Decrease) in Unsecured Loans	102,559,703	57,599,940
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>656,204,100</b>	<b>543,676,525</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>248,397,272</b>	<b>31,990,327</b>
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	37,226,186	5,235,859
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	<b>285,623,459</b>	<b>37,226,186</b>

for and on behalf of the Board of Directors

Sanjeev Goel  
**Managing Director**  
Place : New Delhi  
Dated : 23rd May, 2011

S.K. Goel  
**Director**

Sudhindra Sharma  
**HEAD - F & A**

## AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Intec Capital Limited for the year ended 31.03.2011. 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 outflows.**

**As per our report attached  
FOR T.K. GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(R. NO. 011604N)**

**PLACE : NEW DELHI  
DATED : 23rd May, 2011**

**CA. T.K. GUPTA (PARTNER)  
M. NO. : 82235**

**SCHEDULE 1 TO 9 FORMING PART OF THE BALANCE SHEET**

(Figures In ₹)

		As at 31.03.2011		As at 31.03.2010
<b>Schedule 1 SHARE CAPITAL</b>				
AUTHORISED 150,00,000 (Previous Year 60,00,000) Equity Shares of ₹ 10/- each		<b>150,00,000</b>		<b>60,00,000</b>
ISSUED, SUBSCRIBED AND PAID UP 114,42,429 (P. Y. 56,10,000) Equity Shares of ₹ 10/- each fully paid up ( 58,32,428.00 equity shares of ₹ 10/- have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash.)		114,424,288		56,100,000
		<b>114,424,288</b>		<b>56,100,000</b>
<b>Schedule 2 RESERVES AND SURPLUS</b>				
GENERAL RESERVES		46,497,606		453,080
SPECIAL RESERVE u/s 45-IC of RBI Act 1934 Opening Balance	24,118,131		8,507,935	
Add :Transferred from Profit and Loss Account	9,516,347	33,634,478	4,067,184	12,575,119
SHARE PREMIUM		195,122,800		75,000,000
SURPLUS IN PROFIT AND LOSS ACCOUNT Transferred from Profit & Loss Account		68,284,299		36,912,161
		<b>343,539,184</b>		<b>124,940,360</b>
<b>Schedule 3 SECURED LOANS</b>				
Working Capital Loan from Banks Punjab National Bank		264,126,774		230,073,228
Bank Of Maharashtra		254,375,216		99,250,870
Indian Overseas Bank		181,392,077		70,797,358
Bank of India		170,368,681		149,669,446
Central Bank of India		98,149,029		-
Axis Bank		91,499,890		-
Term Loans Axis Bank		248,323,661		-
Reliance Capital Limited		157,959,024		160,388,408
Small Industries Development Bank of India		151,496,918		-
HDFC Bank Limited		120,843,195		-
Other Loans		3,902,506		885,052
		<b>1,742,436,971</b>		<b>711,064,362</b>
<b>Schedule 4 UNSECURED LOANS</b>				
Corporate Bodies Shareholders		350,982,720		91,964,259
		78,653,391		-
		<b>429,636,111</b>		<b>91,964,259</b>

**Schedule 5  
FIXED ASSETS**

(Figures In ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2010	ADDITION DURING THE YEAR	SALE/ TRANSFER/ DISCARDED DURING THE YEAR	TOTAL AS ON 31.03.2011	AS ON 01.04.2010	ADDITION DURING THE YEAR	WRITTEN BACK	TOTAL AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
TANGIBLE ASSETS										
VEHICLES	4,175,613	4,120,922	-	<b>8,296,535</b>	1,264,500	490,073	-	<b>1,754,574</b>	<b>6,541,961</b>	2,911,113
OFFICE EQUIPMENT	691,345	206,344	167,370	<b>730,319</b>	164,520	36,381	116,295	<b>84,605</b>	<b>645,714</b>	526,825
DATA PROCESSING EQUIPMENTS	1,932,874	1,827,817	-	<b>3,760,691</b>	758,962	414,156	-	<b>1,173,118</b>	<b>2,587,573</b>	1,173,912
FURNITURE AND FIXTURES	3,104,601	1,702,272	-	<b>4,806,873</b>	757,350	205,290	-	<b>962,640</b>	<b>3,844,233</b>	2,347,251
ELECTRIC INSTALLATIONS	340,583	277,480	-	<b>618,063</b>	59,114	23,356	-	<b>82,470</b>	<b>535,593</b>	281,469
AIR CONDITIONERS	1,061,911	84,400	-	<b>1,146,311</b>	235,251	52,544	-	<b>287,795</b>	<b>858,516</b>	826,660
PLANT & MACHINERY	1,530,525	-	1,530,525	-	995,032	72,700	1,067,732	-	-	535,493
LAND	481,800	-	-	<b>481,800</b>	-	-	-	-	<b>481,800</b>	481,800
GENERATOR	62,100	-	62,100	-	42,180	2,950	45,130	-	-	19,920
CAPITAL WORK IN PROGRESS	-	900,000	-	<b>900,000</b>	-	-	-	-	<b>900,000</b>	-
INTANGIBLE ASSETS										
GOODWILL - refer note 1	-	25,185,488	-	<b>25,185,488</b>	-	-	-	-	<b>25,185,488</b>	-
<b>TOTAL</b>	<b>13,381,352</b>	<b>34,304,723</b>	<b>1,759,995</b>	<b>45,926,080</b>	<b>4,276,909</b>	<b>1,297,448</b>	<b>1,229,157</b>	<b>4,345,201</b>	<b>41,580,879</b>	<b>9,104,443</b>
<b>PREVIOUS YEAR</b>	11,627,417	3,719,356	1,912,521	13,434,252	4,522,554	930,702	-	4,329,808	9,104,444	7,104,864

Note 1:

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

**Schedule 6  
INVESTMENTS**

	Qty. Nos.	As at 31.03.2011	Qty. Nos.	As at 31.03.2010
<b>Long Term Non Trade Investments</b>				
EQUITY SHARES (Unquoted)				
1. Pantec Consultants (P) Ltd.	31,830	101,000	2,900	29,000
2. Pantec Devices (P) Ltd.	89,890	115,990	2,900	29,000
3. Intec Worldwide (P) Ltd.	36,390	85,728	-	-
4. Polym Agencies (P) Ltd.	43,500	111,000	-	-
5. Intec Share & Stock Brokers Ltd.	225,730	225,730	-	-
6. Fima Infotech Pvt.Ltd	34,000	230,000	-	-
7. Starvision Services Pvt.Ltd	44,000	44,000	-	-
	<b>505,340</b>	<b>913,448</b>	<b>5,800</b>	<b>58,000</b>

**SCHEDULE 10 TO 13 FORMING PART OF PROFIT & LOSS ACCOUNT**

(Figures In ₹)

		As at 31.03.2011		As at 31.03.2010
<b>Schedule 7 CURRENT ASSETS</b>				
1. Sundry Debtors		18,753,656		6,941,473
2. Cash in hand		270,071		1,188,780
3. Balance with Scheduled Banks				
- In Current A/c	73,410,545		10,000	
- In Unpaid dividend A/c	750,215		653,372	
- In Fixed Deposits	211,192,629	285,353,389	35,374,034	36,037,406
		<b>304,377,115</b>		<b>44,167,659</b>
<b>Schedule 8 LOANS AND ADVANCES</b>				
(Secured & Considered Good unless otherwise Stated)				
1. Loans (Unsecured to the extent of ₹ 10,93,73,009/- P.Y. ₹ 4,61,59,017/-)				
- Standard	3,925,895,344		1,467,244,885	
- Sub Standard	3,557,215		1,568,089	
- Doubtful Assets	6,665,682		889,954	
	3,936,118,241		1,469,702,928	
Less : Collateral Money received from Borrowers	1,474,344,830	2,461,773,411	520,207,987	949,494,941
2. Advances Recoverable in Cash or in Kind or for Value to be received		69,336,165		4,589,685
3. Advance Tax and Tax Deducted at Source		38,373,515		14,700,935
		<b>2,569,483,091</b>		<b>968,785,561</b>
<b>Schedule 9 CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A. CURRENT LIABILITIES</b>				
1. Unclaimed Dividend		750,215		653,372
2. Expenses Payable		27,699,987		3,740,759
3. Proposed Dividend		6,693,249		2,805,000
4. Statutory Liabilities		6,422,419		1,320,526
5. Other Short Term Liabilities		1,970,004		-
		43,535,874		8,519,657
<b>B. PROVISIONS</b>				
1. Provision for Gratuity		926,767		789,800
2. Contingent Provision against Standard Assets		10,210,180		-
3. Provision on Substandard and Doubtful Debts		6,665,682		889,957
4. Provision for Taxation		75,614,720		24,039,516
		<b>93,417,349</b>		<b>25,719,273</b>

		As at 31.03.2011		As at 31.03.2010
<b>Schedule 10 INCOME FROM OPERATIONS</b>				
1. Interest Income on Loan		323,853,166		143,293,771
2. Loan Processing Charges		41,620,480		6,311,882
		<b>365,473,646</b>		<b>149,605,653</b>
<b>Schedule 11 OTHER INCOME</b>				
1. Interest on Fixed Deposits with Banks		4,874,382		657,665
2. Miscellaneous Income		376,237		394,789
		<b>5,250,619</b>		<b>1,052,454</b>
<b>Schedule 12 ADMINISTRATIVE &amp; OTHER EXPENSES</b>				
Salaries and Other Allowances		37,998,107		19,238,731
Directors Remuneration		3,000,000		1,500,000
Food & Beverage Expenses		1,969,307		1,010,628
Staff Recruitment & Training Expenses		914,772		482,377
Legal and Professional Charges		3,436,123		3,092,709
Rent Expenses		3,583,876		1,277,560
Rates & Taxes Expenses		1,071,686		734,115
Communication Expenses		1,239,266		1,348,755
Printing & Stationery Expenses		2,022,685		1,285,721
Brokerage ,Commission & Collection Charges		21,402,527		9,250,682
Meeting Expenses		307,245		26,090
Insurance Expenses		131,827		325,733
Travelling & Conveyance Expenses		3,245,623		2,460,462
Rebate & Discounts		669,814		534,829
Repairs and Maintenance:				
- Vehicles	2,363,500		1,828,509	
- Office	1,049,124		772,268	
- Computer & Other Assets	613,330	4,025,954	1,012,856	3,613,633
Auditors' Remuneration:				
- Internal Audit Fees	34,120		44,120	
- Audit Fee	63,120		44,120	
- Tax Audit Fee	22,060	119,300	22,060	110,300
Business Promotion Expenses		2,985,229		1,797,425
Advertisement Expenses		457,562		255,981
Electricity & Water Charges		404,840		106,460
Membership Fee & Subscription		93,727		74,941
Diwali Expenses		1,011,202		399,834
Books & Periodicals		257,158		190,012
Assets Discarded		530,839		-
Other Expenses		179,009		165,786
		<b>91,057,677</b>		<b>49,282,764</b>
<b>Schedule 13 INTEREST AND OTHER FINANCE CHARGES</b>				
Interest		183,480,060		65,206,988
Bank Charges and Commission		6,682,776		3,508,455
		<b>190,162,836</b>		<b>68,715,443</b>

## SCHEDULE 14

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### (A) SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis for Preparation of Accounts:

The financial statement has been prepared on the historical cost convention on accrual basis of accounting in accordance with applicable accounting standards in India. A summary of important accounting policies applied consistently is set out below. The financial statements have also been prepared with relevant presentational requirement of the Companies Act, 1956.

#### b) Fixed Assets:

Fixed assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition, construction and installation of the assets concerned.

#### c) Depreciation:

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

#### d) 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.

#### e) Employee Benefits:

##### (i) Gratuity:

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

##### (ii) Leave encashment:

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

##### (iii) Provident Fund:

Provision for provident fund is made as 'The Employees Provident Fund and Miscellaneous Provisions Act, 1952' is applicable to the company. Other employee benefits are accounted for on accrual basis.

#### f) Revenue Recognition:

##### (i) Loan Income

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

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

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

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

#### g) Expense Accounting:

(i) The Company follows the policy of paying Interest on Collateral Money to customers on due basis.

(ii) All other expenditures are accounted for on accrual basis.

#### h) Provisioning:

Provisioning in the case of Non-Performing assets is made in accordance with the guidelines of the prudential norms prescribed by the Reserve Bank of India.

#### i) 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.

(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.

### (B) NOTES TO ACCOUNTS

#### I Disclosures pursuant of requirement of AS-14 issued by the Institute of Chartered Accountants of India.

i. Amalgamation of erstwhile Unitel Credit Private Limited (the Transferor Company) with Intec Capital Limited (the Transferee Company) in terms of the Scheme of Amalgamation framed under Sections 391 and 394 of the Companies Act, 1956, was approved by the Hon'ble High Court of Delhi at New Delhi vide its order dated 20th January, 2011. Certificate copy of the order of Honorable High court at New Delhi was filed on dated 11th February, 2011 with the registrar of companies, NCT of Delhi by erstwhile transferor company and Transferee Company.

ii. The Transferor Company was incorporated on 24th November, 1994 as a Private Limited Company with the name "Unitel Credit Private Limited. The transferor company was a registered NBFC and principal business of the said Company was of assets/equipment funding to the SME sector.

#### The Salient features of the Scheme of Amalgamation were as follows:

1. All assets and liabilities including Income Tax and all other statutory liabilities of the transferor Company will be transferred to and vested in the Transferee Company with effect from the Appointed Date i.e. 1st April, 2009.

2. All the employees of the Transferor Company in service, on the Effective Date shall become the employees of the Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date.

3. The appointed date for Amalgamation is 1st day of April, 2009.

4. The Transferee Company will issue and allot 1.76 (one) Equity Share of ₹ 10/- credited as fully paid-up to the members of the Transferor Company for every 1 (one) fully paid up Equity Share of ₹ 10/- each held in the Transferor Company prior to the amalgamation.

iii. In terms of the Scheme of Amalgamation, as approved by the Hon'ble Delhi High Court, the amalgamation is operative with effect from the Appointed Date i.e. 1st April, 2009. Hence, it has been given effect to in the present audited accounts for the year ended 31st March, 2011. Accordingly, the present audited accounts of the Transferee Company are consists of financial figures of the Transferee Company clubbed with those of Transferor Company, for the year ended 31st March, 2011.

iv. In terms of the Scheme, the Transferee Company has issued and allotted 58,32,428 Equity shares of ₹ 10/- each fully paid-up, which shall rank pari passu in all respect, including dividend, with the existing Equity Shares of the Transferee Company, to the members of the Transferor Company in exchange of 100% Share Capital of the transferor Company.

v. The Scheme of Amalgamation has been accounted for under the Pooling of Interests Method as prescribed under the Accounting Standard-14 (AS-14). Accordingly, all the assets, liabilities and reserves of each of the Transferor Companies have been recorded in the Company's books at their existing book values and in the same form.

vi. Since the Scheme of Amalgamation has been given effect to in the current year accounts as explained elsewhere, the current year figures are not comparable with the previous year figures.

vii. The fixed assets acquired due to merger of Unitel Credit (P) Ltd. are reflected including the values in fixed asset schedule in the gross block as well as written down value as on 01.04.2010.

viii. The proportionate depreciation of ₹ 3,27,387/- claimed by Unitel Credit (P) Ltd. in their profit & loss account upto merger has been reduced from the total depreciation as per the fixed asset schedule and the net amount has been charged to profit & loss account.



ix. The difference between the consideration and the value of net identifiable assets acquired is treated as goodwill in the books of Intec Capital Limited.

#### Other Notes to Accounts

- (1) Balance standing to debit & credit of parties are subject to confirmation.
- (2) 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.
- (3) The Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary.
- (4) There is no employee drawing remuneration in excess of ₹ 60,00,000/- during the year ending 31st March 2011 or ₹ 5,00,000/- per month (Previous Year Nil).
- (5) (i) Additional information pursuant to provision of paragraph 3 of Part – II of Schedule VI to the Companies Act, 1956 - Not Applicable to Finance Company

(ii) Additional information pursuant to provision of paragraph 4 of Part – II of Schedule VI to the Companies Act, 1956 is:

#### Remuneration to the Managing Director:

(Figures In ₹)

	Year Ended 31-03-2011	Year Ended 31-03-2010
Salary & Allowances	30,01,800	15,07,261

The Company has been advised that the computation of the net profit of the current year for the purpose of remuneration to Directors under section 349 of the Companies Act, 1956, need not be enumerated since no commission has been paid to the Directors. Only fixed monthly remuneration has been paid to the Managing Director as per Schedule XIII of the Companies act, 1956.

(iii) Additional information pursuant to provision of paragraph 4B of Part – II of Schedule VI to the Companies Act, 1956 is:

#### Details of remuneration to Auditors:

(Figures In ₹)

	Year Ended 31-03-2011	Year Ended 31-03-2010
(a) Audit Fee	63,120	44,120
(b) Tax Audit	22,060	22,060

(iv) Additional information pursuant to provision of paragraph 4C of Part II of Schedule VI to the Companies Act, 1956 - Not Applicable to Finance Company.

#### (6) Additional information pursuant to provision of paragraph 4D of Part II of Schedule VI to the Companies Act, 1956

#### Earning and Outgoings in Foreign Currency:

	Year Ended 31-03-2011	Year Ended 31-03-2010
Earnings	NIL	NIL
Outgoing	NIL	NIL

#### (7) Secured Loan:

(a) Working Capital facility sanctioned from Indian Overseas Bank, Nehru Place, Delhi-110019 is secured by (a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities–Immovable properties, Quoted share & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel and Fixed Deposits.

(b) Working Capital facility from Bank of Maharashtra, South Ext Part-1, New Delhi is secured by (a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties, Quoted share & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel and Fixed Deposits.

(c) Working Capital facility from Bank of India, Cannaught Place, New Delhi is secured by a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties, Quoted share & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel and Fixed Deposits.

(d) Working Capital facility from Punjab National Bank, Nehru Enclave, Opp. Nehru Place, New Delhi is secured by a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties, Quoted share & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel and Fixed Deposits.

(e) Working Capital facility from Axis Bank, GK-2 Branch New delhi is secured by a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties, Quoted share & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel and Fixed Deposits.

(f) Working Capital facility sanctioned from Central Bank of India, Parliament Street New Delhi is secured by (a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel and Fixed Deposits.

(g) Term Loan from Reliance Capital Ltd is secured by a) Primary Security –First pari passu charge of hypothecation of specific Receivable & Assets financed by the Company, and (b) Collateral Securities- FD with a lien mark to RCL in Kotak Mahindra Bank Ltd.” & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel.

(h) Term Loan from HDFC Bank is secured by a) Primary Security –First pari passu charge of hypothecation of specific Receivable & Assets financed by the Company, and (b) Collateral Securities- FD & personal guarantees of Mr. Sanjeev Goel (MD).

(i) Term Loan from SIDBI is secured by a) Primary Security –First pari passu charge of hypothecation of specific Receivable & Assets financed by the Company, and (b) Collateral Securities- FD & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel.

(j) Term Loan from Axis Bank is secured by a) Primary Security –First pari passu charge of hypothecation of specific Receivable & Assets financed by the Company, and (b) Collateral Securities- FD & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel.

(k) Vehicle Loans are secured by first charge on vehicle acquired from the proceeds of respective loans.

**(8) Contingent Liabilities:** During the year the company has assigned receivables of ₹ 41,27.84 lacs and de-recognized the same from the books. The company has the contingent liability to the extent of principal outstanding to assignees as on 31st of March, 2011 in the event of assigned receivables going delinquent. The amount of contingent liability is ₹ 33,45.88 Lacs.

**(9)** In order to meet the working capital requirements and the present and future capital expenditure for expansion and modernization activities, and to strengthen the equity base of the company for the purpose of raising debt in future for other corporate purposes, as may be required from time to time, the company has issued shares on preferential basis in accordance with the provision of Chapter VII of SEBI(ICDR) Regulations, 2009. The money received from preferential allotment was lying in the current account of the company and was not utilized for any purpose.

#### (10) 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.

**(11) Related Party Disclosures**

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

Key Management Personnel	Relative of Key Management Personnel	Other Directors	Enterprise in which Key Management Personnel and their relatives and company are able to exercise significant influence in the Enterprises.
Mr. Sanjeev Goel	Rajeev Goel Ritika Goel	Mr. Praveen Sethia Mr. Robindra Gupta Mr. S.K.Goel Mr. Rakesh Joshi Mr. Subhash Jindal	Intec Infonet (P) Ltd. Intec Share & Stock Broker Limited Fima Consultants Ltd

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

(Figures In ₹)

Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Enterprise in which key Management Personnel and their relatives and company are able to exercise significant influence being partners in the Enterprises.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Remuneration paid	30,01,800	15,07,261	-	-	-	-
Interest Received on Loan	-	-	-	-	1,26,046	-
Loan Paid	-	-	-	-	48,04,676	-
Purchase of Assets	-	-	-	-	5,64,252	6,86,759
Maintenance Charges Paid	-	-	-	-	56,511	8,273

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

**(12) Earnings per Share as per "Accounting Standard 20" issued by the Institute of Chartered Accountants of India:**

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
(a) Profit/(Loss) after taxation as per Profit and Loss Account (In ₹)	4,75,81,734.00	2,03,35,920.00
(b) Weighted average number of Equity Shares outstanding during the year	1,14,42,429.00	56,10,000.00
(c) Nominal value of Equity shares (In ₹)	10.00	10.00
(d) Basic earnings per share (In ₹)	4.16	3.62
(e) Diluted earning per share (In ₹)	4.16	3.62

(13) 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:

(Figures In ₹)

Particulars	Current Year 31-03-2011	Previous Year 31-03-2010
Timing Difference of Depreciation	(18,14,476)	(1,06,114)
Deferred Tax Assets/ (Liabilities)	-	-
Opening Balance	(2,61,989)	(2,25,921)
Add: Created during the Year	(6,02,769)	(36,068)
Closing Balance	(8,64,758)	(2,61,989)

**(14) 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, 2011. 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.

(15) The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the company has complied with the accounting Standards as applicable to a Small and Medium Sized Company."

(16) Schedule 1 to 14 form integral part of the Balance Sheet & Profit & Loss Account.

As per our report attached

For and on behalf of

For and on behalf of Board of Directors

**T.K. GUPTA & ASSOCIATES**

Chartered Accountants

R NO. : 011604N

CA. T.K.GUPTA (PARTNER)

M. No- 082235

New Delhi, Date: 23rd May, 2011

Sanjeev Goel

MANAGING DIRECTOR

S.K. Goel

DIRECTOR

Sudhindra Sharma

HEAD - F & A

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE  
COMPANIES ACT, 1956.  
BALANCE SHEET ABSTRACT AND A COMPANY'S  
GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No.

L74899DL1994PLC057410

State Code

55

Balance-Sheet as on :

31ST MARCH, 2011

II. Capital raised during the year (₹ in Thousands)

Public Issue

NIL

Bonus Issue

NIL

Right Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of Funds (₹ in Thousands).

Total Liabilities

27,79,401

Source of Funds

Paid-up Capital

1,14,424

Secured Loans

17,42,437

Deferred Tax Liabilities

865

Application of Funds

Net Fixed Assets

41,581

Net Current Assets

27,36,907

Total Assets

27,79,401

Reserve & Surplus

3,43,539

Unsecured Loans

4,29,636

Investments

913

Misc. Expenditure

NIL

IV. Performance of Company (₹ in Thousands)

Turnover

3,70,724

Profit/Loss Before Tax

77,741

Earning per Share in ₹

4.16

Total Expenditure

2,92,983

Profit/Loss After Tax

47,582

Dividend Rate %

5%

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Products Description

Loan Financing/Hire Purchase/Lease

Item Code No.

Not Applicable

**For and on behalf of the Board**  
**Sanjeev Goel**  
**Managing Director**

**S. K. Goel**  
**Director**

**Sudhindra Sharma**  
**Head - F & A**