intec
CAPITAL LIMITED
Sapne Aap Ke Bharosa Apno Ka

2nd December, 2020

To
The General Manager
Department of Corporate Affairs
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Scrip Code: 526871

Subject: Submission of Annual Report along with Notice of 26th Annual General Meeting of Intec Capital Limited for the FY 2019-20.

Dear Sir / Ma'am,

Pursuant to the provisions of Regulations 30 and 34 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR"), we wish to inform that the Twenty Sixth (26th) Annual General Meeting ("AGM")of the members of the Company will be held on Saturday, December 26, 2020 at 12.00 noon (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility in compliance with the applicable provisions of the Companies Act, 2013, rules framed thereunder and the SEBI LODR read with MCA General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and SEBI- Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

We hereby submit a copy of the Annual Report for the FY2019-20 including 26TH AGM Notice.

Further, in terms of Regulation 46 of SEBI LODR, the Annual Report along with the AGM Notice is also available on the website of the Company at www.inteccapital.com.

The Company has dispatched (by electronic means) Notice of 26th AGM and Annual Report for the FY 2019-20 to the shareholders today i.e. 2nd, December 2020.

You are requested to take the same on your records.

Thanking You,
Yours Sincerely,

For Intec Capital Limited

Vandana Das

Intec Capital Limited DELHI

Vandana Das
(Company Secretary & Compliance Officer)
ACS: 53952

Encl: As above

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ANNUAL REPORT

2019-20

Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward- looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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FROM THE DESK OF MANAGING DIRECTOR

Dear Shareholders,

To call this year uneventful would be a farce and ironically, to call this year eventful would be a farce too. Covid-19 caught the entire world by surprise and to control its spread within India, our Prime Minister unexpectedly announced a nation-wide lockdown on 24th March 2020; a decision that challenged the status quo of people, businesses, and even the Government. Both the Government and businesses were forced to make tough calls - cutting salaries, laying off employees and some even permanently closing their establishments. But times like these allow businesses to showcase their resilience. As they say, survival of the fittest. Your company also made its fair share of tough decisions but with great pride I can say that today, we continue to soldier on.

On a positive note, last year, in November 2019, we witnessed history. India announced its first personal insolvency scheme under IBC. This scheme allows creditors (and people themselves) to declare individual people bankrupt through a process similar to that of a company. We believe this scheme can not only help resolve the subsisting NPA (non-performing assets) problem but can also attract foreign investment in India by uplifting our “ease of doing business” ratings. Internally, this scheme provides a great opportunity for recovering our tougher corporate cases.

Internally, 2019 became a year of change. We realigned a larger part of our organization towards the recovery of our NPA pool, focused on learning from each case and developing our competencies in collection and legal recovery strategies.

ECONOMIC OUTLOOK

Our GDP grew by a dismal 4.2% during 2019-20. From the 6-7% growth range, we have been maintaining since the past few years, a number smaller than that is disconcerting at best. Furthermore, expectations from 2020-21 remain subdued at best.

This year, things have been lethargic because of Covid. With the complete lockdown still under effect in some states and intermittent lockdowns in others, maintaining a 1-2% growth rate (which is expected this year) should be looked at positively.

On the flip side, if relations between China and the rest of the world continue to worsen, India may take China’s place as the manufacturer of choice for the world, which may prove to be a golden opportunity for our economy. While I would’ve preferred if India had risen to that position on the back of its own manufacturing prowess, in difficult times like these, any force that positively influences the proverbial economic applecart is certainly welcome. In fact, action is not far from thought here since several large companies have already started mobilising resources and finding Indian partners for setting up new facilities here.

INTEC OUTLOOK

The speed bumps on our runway to success continue as we record a loss of Rs. 36.17 crore this year. This loss has been largely due to additional provisioning made mandatory by the introduction of a new accounting standard (known as IndAs) and due to the write off of non performing assets in this year. We continue to adjust our costs so they remain at a steady percentage relative to our recovery costs and loan book size.

As you know, since the last few years, our entire focus has been on the resolution of our substandard cases. That focus continues as we seek to resolve tougher and tougher cases. The suspension of court activity has put a serious dampener on our recovery trajectory so our fight may have to go on for longer than we had originally expected. There is no doubt that your team is working diligently to reverse the effects that this lockdown has had on your company but I believe it is better to under promise and over deliver than to over promise and disappoint.

Shareholders, this year I also come bearing positive news. Our efforts in NPA resolution through collection and legal efforts have borne some unexpected fruit. Our team has made strides in developing their legal knowledge and as a result of their efforts, we are working on providing legal recovery services as a product to other finance companies. We believe the variety of problems we have resolved through the years will provide a strong advantage in this space. As Mark Twain said, “History never repeats itself but it does rhyme.” And we hope to sing along.

We will continue to work relentlessly as we recover all our non-performing assets and strive towards becoming a profitable company once again. Today, I can safely say that, that time is not far away.

On behalf of the Board of Directors, I would like to extend my gratitude to our shareholders, customers, bankers and all other stakeholders who continue to support us. I would also like to thank our employees whose hard-work and effort has allowed us to remain afloat and thrive in these trying times.

Sanjeev Goel
Managing Director

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CORPORATE INFORMATION

MANAGING DIRECTOR
MR. SANJEEV GOEL

NON-EXECUTIVE INDEPENDENT DIRECTOR
MR. S.K. GOEL
MR. RAKESH KUMAR JOSHI
MRS. KUMUD GUPTA

CHIEF FINANCIAL OFFICER
MS. RADHIKA RAUTELA
(Note - Mr. Raj Kumar Anand had resigned from the post of Chief Financial Officer on 15th June, 2020 and 14th August 2020 was his last date of employment)

COMPANY SECRETARY & COMPLIANCE OFFICER
MRS. SHEFALI SINGHAL
(Note - Mr. Puneet Sehgal had resigned on 20th May, 2020 and 31st July 2020 was his last date of employment)

SUBSIDIARY COMPANY
Amulet Technologies Limited

COMMITTEES OF BOARD
Audit Committee
Asset Liability Cum Risk Management Committee (ALRMC)
(Note: ALRMC was constituted to merge the two committee viz. ALCO and RMC on 9th February 2019)
Corporate Social Responsibility Committee
Nomination and Remuneration Committee Shareholders/Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee

STATUTORY AUDITORS
M/s S.P. Chopra & Co. Chartered Accountants
Firm Registration Number - 000346N
31 – F, Connaught Place, New Delhi – 110001

SECRETARIAL AUDITOR
M/s. Arunesh Dubey & Co.
Office no.302, E-21, Mahesh Bhawan, Jawahar Park,
Laxmi Nagar, New Delhi-110092

BANKERS
Bank of India - Lead Bank
Bank of Maharashtra
Central Bank of India
Dhanlakshmi Bank
HDFC Bank
Indian Overseas Bank
Karnataka Bank
Oriental Bank of Commerce
Punjab National Bank
South Indian Bank
State Bank of India
United Bank of India

REGISTERED AND CORPORATE OFFICE
Intec Capital limited
CIN: L74899DL1994PLC057410.
708, Manjusha Building,
57, Nehru Place, New Delhi-110019
Ph.: 011-46522200/300, Fax: 011-46522333
E-Mail: complianceofficer@inteccapital.com
www.inteccapital.com

Registrar & Share Transfer Agent for Fully Paid-Up Listed Equity Shares
Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor,99, Madangir, Behind LSC, New Delhi – 110062

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting their report on business and operations of the Company together with 26th Annual Audited Accounts for the financial year ended 31st March, 2020.

1. BACKGROUND

Intec Capital Limited ("Company" or "ICL") was incorporated in India on February 15, 1994, was registered with Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) vide certificate No. B-14.00731 dated May 4, 1998 in the name of Intec Securities Limited. Subsequently, due to change in name of the company, the company received a revised certificate of registration ('CoR') in the name of Intec Capital Limited on November 4, 2009 under section 45-1A of Reserve Bank of India Act, 1934.

2. INDUSTRY AND ECONOMIC SCENARIO

Non-Banking Financial Companies ("NBFCs"), along with banks, have been the mainstay for the financial services ecosystem in India. They have served as an alternative channel of credit flow to both retail as well as commercial sectors in a bank-dominated financial system like India, bringing in efficiency and diversity into financial intermediation. NBFCs play an important role in the Indian financial system by complementing and competing with banks, specializing in credit delivery to a wide variety of segments ranging from auto loans to microfinance and consumer durables and infrastructure. They play a critical role in participating in the development of the economy by providing an impetus to employment generation, wealth creation, credit in rural segments and much needed credit support to new customer segments.

In the current financial year, while liquidity and funding costs continued to remain a challenge for the sector, retail NBFCs fared better than their peers who focused on enterprise segments in managing their liquidity position; they were able to raise funds from banks, foreign institutions and portfolio sell-downs while better rated NBFCs were able to tap market funding as well. The larger, well managed NBFCs, based on their promoter standing and operating practices, performed relatively better compared to the smaller and lower rated NBFCs in terms of credit growth and portfolio quality. During the year, while credit flow to industry and services was subdued, growth in retail loans continued its momentum driven by the resilient private consumption. With multiple measures taken by the Government as well as the Regulator during the year to improve the liquidity situation as well as to drive the demand, there were early signs of the economy regaining momentum in the months of January and February 2020.

Globally, over the same period, there were some signs of manufacturing and global trade bottoming out led by still-resilient consumer spending and improved business spending. However, downside risks associated with geo-political tensions, social unrest, trade policy uncertainty and idiosyncratic stress in key developing markets continued to pose a risk to the global economic activity. Moreover, monetary policy easing continued during the latter half of 2019 in several economies, with central bank rate cuts along with various other measures. Some countries with fiscal space also rolled out multiple demand stimulus initiatives during the year to support their economies.

However, in the month of March 2020, the spread of COVID-19 pandemic across the country and the globe, has changed the macro-economic as well as financial services sector outlook. The pandemic has sharply curtailed any hope for recovery of the economy, including financial services and has in fact, exacerbated the situation where the sector was already facing demand slowdown, worsening asset quality issues and limited credit availability. This has affected March 2020 new business which typically witnesses significant volumes and is expected to unfavourably impact vulnerable borrower segments such as self-employed as well as Micro, Small and Medium Enterprises or entities which have relatively moderate risk profiles and have limited funding avenues, more than the others and therefore, curtail their ability to generate cash flows and service their loans.

To arrest this situation, the Government and the Regulator have announced a number of measures to support these vulnerable segments as well as facilitate availability of funds at favourable rates for the financiers. With this much needed support, coupled with a relentless execution, it is possible that the economy may be able to maintain an overall positive growth rate with an earlier-than-expected recovery during the next financial year.

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Furthermore, managing asset quality may take higher precedence over loan growth and the sector may see some consolidation. Intec Capital has a cautious outlook for the next year while keeping a close watch on the fiscal and monetary policy measures to support the economy, monsoons, commodity prices as well as protectionist tendencies of large global economies.

3. FINANCIAL HIGHLIGHTS

The performance of the Company for the Financial Year ended March 31, 2020 is summarized below:

(Amounts in Rs. lakhs)

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Total Revenue	1725.21	4292.92	1621.39	4200.21
Less: Total expenses	6443.89	4532.49	6461.18	4550.71
Loss before Taxation	4718.68	239.57	4839.79	350.50
Tax expenses:				
Deferred tax	(979.60)	590.82	(979.60)	590.82
Earlier year tax	(121.43)	-	(121.43)	-
Loss after Tax	3617.65	830.38	3738.76	941.32

Notes: The above figures are extracted from the Consolidated and Standalone Financial Statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

4. TRANSFER TO RESERVES

As per Section 45-IC of the Reserve Bank of India Act, 1934 ('RBI Act'), every NBFC is required to transfer a sum not less than twenty percent of its net profit for the year to the 'Statutory Reserve as per Section 45-IC of RBI Act'. As during the year there is no profit (Previous Year: no profit), there is no transfer to the said reserve.

5. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Highlights of the Company's consolidated performance for the financial year ended 31st March, 2020 are as under:

- Consolidated Revenue: Rs. 16.21 Crore
- Consolidated Net Loss: Rs. 37.38 Crore

In accordance with the provisions of the Companies Act 2013, Regulation 33 of the SEBI Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

The Audited Financial Statements including the Consolidated Financial Statements of the Company as stated above and all other documents required to be attached thereto are available on the Company's website at http://www.inteccapital.com/investors/financials/financial-results/. The financial results of the Company and its Subsidiaries are elaborated in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of subsidiary Company in the prescribed form AOC-1 has been annexed at Annexure-1 to this report and forms integral part of the Annual Report.

6. DISCLOSURE OF ACCOUNTING TREATMENT

Implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS)

As mandated by Companies (Indian Accounting Standards) Rules, 2015, Non-Banking Financial Company (NBFCs) whose equity or debt securities are listed on any stock exchange in India or outside India and having net worth less than rupees five hundred crore are required to comply with the Indian Accounting Standards (IND AS) for Financial Statements for accounting periods beginning from April 1, 2019 onwards, with comparatives for the period ending March 31, 2019.

Accordingly, the annual financial statements are prepared as per Indian Accounting Standards.

7. PRESENTATION OF FINANCIAL STATEMENTS

The Audited Financial Statements of the Company for the financial year under review have been disclosed as per Division III of Schedule III to the Act.

8. COVID – 19 PANDEMIC

The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain.

In order to address this risk and to seamlessly carry out normal operations, the Company immediately activated its Business Continuity Plan ("BCP").

The Company has assessed the potential impact of COVID-19 on the carrying value of its assets and investments and have considered internal and external information available, upto the date of approval of the financial statements of the Company i.e. July 09, 2020.

9. SHARE CAPITAL

The Issued, Subscribed and paid-up Equity Share Capital of the Company as on 31st March 2020 is Rs. 18,36,62,500.00 (Rupees eighteen crores Thirty Six Lakhs Sixty Two thousand Five Hundred Only).

There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

10. DIVIDEND

The company continues to evaluate and manage its dividend policy to build long term shareholder value. Due to paucity of funds, your Directors does not recommend dividend during this year.

11. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY/CHANGE IN THE NATURE OF THE BUSINESS

With the evolving and aggravating impact of the COVID-19 pandemic and subsequent lockdowns imposed, there has been a reduction in the cash flow of Company in the first quarter of the Financial Year 2020-21. The Company is continuously endeavoring to deal with the situation and boost collections by means of incentivizing customers to make regular payments. However, the extent of impact is difficult to crystallize.

Save and except the affect of the above, there have been no material changes and commitment affecting financial position of the Company/change in the nature of the business.

12. ASSOCIATES COMPANIES, JOINT VENTURE AND SUBSIDIARY COMPANIES

As on March 31st , 2020, the Company does not have any associate company, Joint venture but have a 100% Wholly Owned Subsidiary i.e. Amulet Technologies Limited which was incorporated as private limited company on 30th April 2011. It was converted in public limited company on 27th March 2012.

The Primary objective of company is to offer consultancy, advisory & all related services in all areas of information technology including computer hardware & software, data communication, telecommunications, manufacturing & process control & automation, artificial intelligence, natural language processing.

13. CREDIT RATING

During the year under review, the credit ratings / revision in Credit Ratings were done by CARE Ratings, India's 2nd Largest Rating Agency incorporated in India as "Credit Analysis & Research Limited".

The ratings done by CARE during Financial Year ended 31st March 2019 is as follows:

CARE Ratings			
Facilities	**Amount (Rs. in Crores)**	**Ratings**	**Remarks**
Long-term Bank Facilities	Rs. 95.36 (Rupees Ninety Five Crores and Thirty six Lakhs only) (reduced from Rs. 153.35 Crores)	CARE D	Rating Action: Reaffirmed
Total Facilities	Rs. 95.36 (Rupees Ninety Five Crores and Thirty six Lakhs only)		

Notes: The rating Reaffirmation of the long term bank facilities of Intec Capital Limited , factors in ongoing delays in servicing of the company's scheduled debt obligation and over-drawl of the drawing power for a period exceeding 30 consecutive days.

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14. RISK MANAGEMENT

The Company has in place a Risk Management Policy in line business requirement. The Risk Management Committee was constituted originally on 8th January 2013 and was reconstituted from time to time according to need of the company. The Risk Management Committee has been entrusted with the responsibility of Formulation of policies, procedures and practices to identify, evaluate, address and monitor risk and to ensure business growth plans are supported by effective risk infrastructure. The Risk practices and conditions adopted are appropriate for the business environment and to assist the Board in discharge of its duties & responsibilities and in overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The detailed information on Risk Management Committee its constitution, its meeting held and attended during the year under review is separately mentioned in Corporate Governance Report Section.

The Company has introduced several improvements to existing internal policies / processes / framework / audit methodologies to mitigate / minimize the enterprise risk.

15. INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Board of Directors confirms that the company has established systems, standards, processes and structure which supports to implement Internal Financial controls across the organization and which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Directors Responsibility Statement (DRC) also emphasis that company's IFC are adequate and operating effectively with respects to financial statements.

16. INTERNAL CONTROL SYSTEMS

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

The Company's internal control system is commensurate with its size and the nature of its operations.

17. HUMAN RESOURCES

The Company recognizes the importance of Human Resource and the continuous need for development of the same. The Company stresses on the need to continuously upgrade the competencies of its employees and equip them with the latest developments. In order to achieve this, the Company organizes various programs including in- house training and professional skills development programs across all levels of employees. The company also focused on Regional Level Induction & training covering corporate presentations & function specific knowledge and skills.

18. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, your Company has a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board.

The company firmly believes that our society can truly progress , if every individual is included and empowered in the story of development. Thereby, company is not just focused around the offices of the Company, but also improves a healthy & prosperous environment and to improve the quality of life for the next generation.

Company undertakes to combat illiteracy for the children of vulnerable sections of society and work towards the goal to make them self-reliant. We are investing through variety of effective programs by not only providing them elementary education

but have also undertaken sponsorship for higher education for girl child. In addition to this company has provided infrastructure for education by providing school bags & other facilities. Company focusses on various career counselling sessions, vocational courses, remedial education classes, sports activities to strengthen skill set of children.

The CSR Policy is available on the Company's website at http://www.inteccapital.com/wp-content/uploads/2019/07/11CSR-Policy-24-5-2018.pdf.

However, in view of aggregate losses as per the calculation of net profits as per the provisions of the Act, your Company was not required to spend any amount towards CSR during the financial year under review. Accordingly, no CSR activity was undertaken by the Company.

The Annual Report on Corporate Social Responsibility (CSR) and on CSR Activities Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed at Annexure–2 to this report which forms integral part of Annual Report.

Further details on the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

19. COMPLIANCE

The Company is registered with the RBI as a Non-Systemically Important Non-Deposit taking - Non-Banking Financial Company. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations.

With respect to provisioning of Non-Performing Assets, the Company follows stricter norms than those prescribed by RBI.

The snapshot of the Capital Adequacy Ratio (CAR) of the company in comparison with the previous year on standalone basis and on consolidated basis is as follows:

CAPITAL ADEQUECY RATIO

Particulars	Standalone		Consolidated	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Tier I Capital	119.18	5,281.34	1,291.40	6,482.95
Tier II Capital	66.28	30.38	66.28	300.24
Total Capital Funds	185.46	5,581.58	1,357.68	6,783.19
Risk Weighted Assets	10,021.13	17,238.41	9,504.59	16,843.04
CET1 capital ratio	1.19%	30.64%	13.59%	38.49%
CET2 capital ratio	0.66%	1.74%	0.70%	1.78%
Total capital ratio	1.85%	32.38%	14.29%	40.27%

20. NON ACCEPTANCE OF PUBLIC DEPOSITS

The Company has not accepted any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 2014 or Chapter V of the Act and guidelines and directions of Non-Banking Financial Companies (Acceptance of Public Deposits) (Reserve Bank) Directions, 2016 as prescribed by Reserve Bank of India in this regard and as such no details are required to be furnished.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report pursuant to Section 134(3) (g) of the Companies Act, 2013.

22. BOARD OF DIRECTORS

22.1 Appointment of Directors

During the year under review, no director was appointed on the board of the company.

22.2 Re-appointment of director liable to retire by rotation

In the ensuing 26th Annual General Meeting of the Company the Directors recommends the re-appointment Mr. Sanjeev Goel (DIN: 00028702) Managing Director on the Board of Directors of the Company who is liable to retire by rotation and being eligible, offer himself for re-appointment, and his re-appointment shall not tantamount to break in the tenure of appointment as Managing Director and all other terms and conditions of the re-appointment shall also remain unchanged pursuant to the provisions of Companies Act, 2013.

22.3 Re-appointments of Directors

Mr. Surendra Kumar Goel (DIN: 00963735) and Mr. Rakesh Kumar Joshi (DIN: 02410620) are re-appointed as Non-executive

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Independent Director of the Company in the Board Meeting held on 27th August 2019 to hold office for a period of 5 years starting from 7th August 2019 till 6th August 2024 subject to approval of shareholder in their meeting by way of special resolution.

22.4 Resignation

During the year under review no director resigned from the company.

22.5 Independent Directors and their declaration

During the year under review, all the independent directors had submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149 (6) of the Companies Act, 2013 read with applicable provisions of SEBI LODR, 2015 or as per applicable regulation of SEBI LODR, 2015.

In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in the Act and Listing Regulations and have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and are independent of the management.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar ("IICA"). Further, the Independent Directors are required to undertake an online proficiency self-assessment test conducted by the IICA within a period of one year from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test would be undertaken by the Independent Directors of the Company within the stipulated time period.

22.6 Fit and proper criteria for Directors

During the year under review, all the non-executive independent directors had submitted the 'Fit and Proper Criteria Declaration' required pursuant to Revised Regulatory Framework for NBFC notified by RBI vide notification dated 10th November 2015 as part of Corporate Governance norms.

22.7 Directors' Profile

Detailed profile of the above Directors pursuant to Schedule V to the Companies Act, 2013, Regulation 36(3) of Listing Regulations and relevant provisions of Secretarial Standard on General Meetings is given as follows:

1. **Mr. Sanjeev Goel** is the Founder & Managing Director of Intec Capital Ltd. With over 27 years of experience, he's the main driving force behind the success of Intec Capital Ltd. Sanjeev stepped into the corporate world more than 26 years ago as a Financial Controller of Jay Bharat Maruti Ltd. His aspiration to become an entrepreneur led to the genesis of Intec Securities (now Intec Capital Limited) in 1994 with a vision to place the Company as the most preferred financial service provider for every Indian entrepreneur. His rich experience of the financial market and in SME segment, coupled with his ability to gain the confidence of stakeholders and customers and positioned the Company as one of the leading Non- Banking Financial Institutions in India. Mr. Goel is a Chartered Accountant and holds a Master's Degree in International Finance from the University of Iowa.

2. **Mr. S. K. Goel** has more than 42 years of experience in the technical field and his technical expertise has come in very handy for the company as most of the enterprises funded by Intec are technology based enterprises. In the past, he has served in industries such as Power (Nuclear, Coal, and Gas & Hydro), Petrochemical, and Marine, Defense & Structural (Bridges and Buildings). He has held esteemed positions at Hindustan Engineering Inspection Services and ISGEC. Presently he is associated with Atlas Engineering & Inspection Services Private Limited as Director. Mr. Goel holds a Bachelor's degree in Science. He is a certified Level III professional and is also a member

of American Society for Nondestructive Testing and American Welding Society.

3. **Mr. Rakesh Kumar Joshi** has over 32 years of experience in the field of Accounts, Finance & General Administration. In the past, he has held various senior positions in Media, Engineering, Software, Telecommunication, Real Estate, Hospitality & Infrastructure industries. He also served as Alternate Director in addition to Vice President (Finance) during his association with Carl Schenck AG (German MNC). He has also served as Group Finance Controller for a large conglomerate group at the international level in Africa. Presently, he is Chief Financial Officer of an infrastructure company, which is a subsidiary of Ahluwalia Contracts (India) Limited. Mr. Joshi is a Chartered Accountant. He also holds Diploma in Corporate Law from Indian Law Institute (Ford Foundation) & Master's in Business Administration from FMS- University of Delhi.

4. **Mrs. Kumud Gupta** is a Non-Executive Independent Woman Director on the Board of Directors of Intec Capital limited. She is a Bachelor of Science from Jadavpur University, Kolkata. Being a matured woman having age of 73 years and being a science graduate Mrs. Kumud Gupta will add diversity to the Board of Directors and her vast knowledge will prove to be of significant value addition to Intec Capital Limited.

22.8 EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI LODR, 2015 and other applicable regulations, circulars etc., the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

Pursuant to the provisions of the Companies Act, 2013 and in terms of requirement of other applicable provisions of SEBI LODR, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management on Thursday, February 13th 2020 and discussed, inter-alia, the performance of non-independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non- Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of Director's performance during Financial Year 2019-20.

23. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The Nomination and Remuneration Committee as on March 31, 2020 comprises of the following Directors viz. Mr. S.K. Goel (Non-executive Independent Director), Mr. Rakesh Joshi (Non-executive Independent Director) and Mrs. Kumud Gupta (Non-executive Independent Woman Director).

Further, all recommendations of Nomination and Remuneration Committee were accepted by the Board of Directors. The detailed Nomination and Remuneration Committee and its terms of reference and meetings held and attended by the members during the year are mentioned in Corporate Governance Report Section.

The Board of Directors of your Company has, on recommendation of the Nomination & Remuneration Committee, framed the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013.

During the year under review, the company has complied the requirements of Section 178 of the Companies Act, 2013 read with applicable regulation 19 of SEBI LODR, 2015.

The Policy is annexed at Annexure-3 to this report which forms integral part of this report. The contents of the policy are uploaded in company website www.inteccapital.com.

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24. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER

SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

During the year under review, the information related to Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2020 is annexed at Annexure-4 & 4A which forms part of this report.

None of directors is holding any shares in the company except Mr. Sanjeev Goel, Managing Director holding 644464 fully paid equity shares as individual promoter category

During the year ended March 31, 2020, Mr. Sanjeev Goel, Managing Director was paid the remuneration amounting Rs. 1,30,39,996.00 (Rupees 130.39 Lakhs) the break-up of which is mentioned in corporate governance report which forms part of this report is in compliance with the applicable provisions of the Companies Act, 2013 read with rules made there under in compliance with Schedule–V of the Companies Act, 2013.

25. SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

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

26. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, Mr. Sanjeev Goel, Managing Director, Mr. Puneet Sehgal, Company Secretary, Mr. Raj Kumar Anand and Chief Financial Officer ("CFO") were the Key Managerial Personnel ("KMP") of the Company as on March 31, 2020.

Further, Mr. Puneet Sehgal ceased to be the Company Secretary of the company with effect from July 31st, 2020 and Mr. Raj Kumar Anand ceased to be the Chief Financial Officer ("CFO") with effect from August 14th, 2020 and consequently both ceased to be KMP of the company upon their resignation from the services of the Company.

Ms. Shefali Singhal has been appointed as the Company Secretary and KMP of the company and Ms. Radhika Rautela has been appointed as Chief Financial Officer ("CFO") and KMP with effect from September 11th, 2020.

Accordingly, as on date of this Report, Ms. Shefali Singhal, Company Secretary, Ms. Radhika Rautela, Chief Financial Officer ("CFO") and Mr. Sanjeev Goel, Managing Director are the KMPs of the Company.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards and guidance provided by The Institute of Chartered Accountants of India have been followed and that there are no material departures thereof;

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

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

d) they had prepared the annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

These Financial Statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

28. CORPORATE GOVERNANCE REPORT (Annexure-5)

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best governance practices. The report on Corporate Governance for the financial year ended on March 31, 2020 along with Certificate issued by the M/s Shashank Tondon and Associates, Practising Company Secretaries confirming the compliance to applicable requirements related to corporate governance as stipulated under Schedule-V of the Listing Regulations forms part of this Annual Report as Annexure-5A.

29. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors, along with its Committees, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

The size of the Board is commensurate with the size and business of the Company. As on March 31, 2020, the Board comprised four Directors viz. Mr. Sanjeev Goel, Mr. Surender Kumar Goel, Mr. Rakesh Kumar Joshi, Ms. Kumud Gupta.

Mr. Surender Kumar Goel, Mr. Rakesh Kumar Joshi and Ms. Kumud Gupta are the Independent Directors ("ID") while Mr. Mr. Sanjeev Goel is the Managing director of the company.

During FY 2019-20, four Meetings of the Board of Directors were held on the following dates:

May 24, 2019; August 27, 2019; November 29, 2019; February 13, 2020.

The details of Board and committee meetings held during the financial year ended on 31st March, 2020 and attendance thereto are set out in the Corporate Governance Report enclosed as Annexure-5A which forms part of this report.

30. COMMITTEES OF THE BOARD

The Board has constituted Committees with specific terms of reference to focus effectively on specific issues and ensure expedient resolution of diverse matters. These include the Audit Committee; Asset Liability Cum Risk Management Committee; Stakeholders/ Investors' Grievances Cum Share Transfer Cum Stakeholder Relationship Committee; the Nomination and Remuneration Committee; the Corporate Social Responsibility Committee.

The Company Secretary is the Secretary of all the aforementioned Committees.

The Board of Directors and the Committees also take decisions by Resolutions passed through Circulation which are noted by the Board / respective Committees of the Board at their next meetings. The Minutes of meetings of all Committees of the Board are circulated to the Board of Directors for noting.

Other details of the committees of the board are disclosed in the corporate governance report.

31. DISCLOSURES ON SECRETARIAL STANDARDS

The Company is in compliance with SS – 1 i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General meetings issued by The Institute of Company Secretaries of India (ICSI).

32. VIGIL MECHANISM

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy / vigil mechanism in terms of requirement of Section 177 (9) and other applicable provisions of the Companies Act, 2013 read with Regulation 4(2) (d) (iv) of SEBI LODR, 2015 wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as maybe notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

The Whistle Blower / Vigil Mechanism Policy is also available on our Company website to report any genuine concerns about unethical behavior, any actual or suspected fraud or violation of Company's Code of Conduct in terms of regulation 46(2)(e) of SEBI LODR, 2015.

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33. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place.

During FY 2019-20, the complaints received and the details relating thereto were as follows for the period under review:

Particulars	Nos.
No. of Complaints Pending at the Beginning of the Year	NIL
No. of Complaints Received and Resolved during the year	NIL
No. of Complaints Pending at the End of the Year	NIL

34. AUDITORS AND AUDITOR'S REPORT

➢ **STATUTORY AUDITORS**

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors viz. S. P. Chopra & Co., Chartered Accountants (Firm No. 000346N), who were appointed in the Annual General Meeting held on Wednesday 27th September 2017 for a first block of five (5) years to hold office from the conclusion of 23rd Annual General Meeting scheduled to be held in Calendar Year 2017 till conclusion of 28th Annual General Meeting scheduled to be held in Calendar Year 2022 for conducting the Annual Statutory Audit for the respective Financial Years viz. starting from Financial Year 2017-2018 till Financial Year 2021-2022.

➢ **EXPLANATION ON STATUTORY AUDITORS' REPORT**

Qualification reported by Statutory Auditors

The Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Holding Company is un-able to service term loans and working capital facilities including interest thereon to certain banks. The interest of Rs. 712.95 lakhs accrued on these loans, has not been accounted /provided by the holding company, due to the reasons as described by the holding co. in the note no. 5 to these consolidated financial results. The same has resulted in the non-compliance of the Ind AS and inconsistency in the application of the accounting policies of the Group, and if the said interest would have been accounted / provided for, the Group's total comprehensive loss for the year, borrowings and other equity as at the Balance Sheet date would have been Rs. 4,451.34 lakhs and Rs. 9,192.39 lakhs, and RS. 2255.20 lakhs, as against the reported figures of Rs. 3,738.39 lakhs and Rs. 8,479.44 lakhs and Rs. 2,968.15 lakhs respectively.

Board's reply:

As the Holding Company is in the talks/discussion with banks for restructuring /one time settlement ,the company feels because of COVID-19,the company will be able to get the interest not provided , waived off from the banks ,hence the interest amounting to Rs. 712.95 lakhs has not been provided.

➢ **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Arunesh Dubey & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure-6

The qualifications/ adverse remarks /observation /suggestions/disclosure made by M/s. Arunesh Dubey & Associates in their Secretarial Audit Report dated 27th November 2020 , on the Secretarial and other related records of the Company, for FY 2019-20 are mentioned below along with the Board's reply.

1. We have been informed by the management of company that it has received mail from the Bombay Stock Exchange dated 10th Day of August, 2020 with reference to non-compliance

with the provision of Corporate Governance Report subject to Regulation 27(2) of SEBI (LODR) Regulation, 2015 for June 2020 seeking submission for not having the minimum number of Director in Intec Capital Limited.

As per the clarification provided the Company is having 4 directors in its Board of Intec Capital Limited whereas it is required to appoint minimum 6 directors in Board of Intec Capital Limited.

Board's reply:

The Company has applied to BSE for an extension of six months w.e.f. 14 September 2020 to have minimum number of Directors as per the provisions due to Company being NBFC has to look for competent professionals and to take RBI approvals as well (if required).

2. The Company has provided two Internal Audit report, first unsigned report from MAZARS for period April, 2019 to September, 2019 and second signed quarter report ended June, 2020 from SGSR & Co., LLP for period October, 2019 to March, 2020 pursuant to provision of Section 138 of the Company Act, 2013 read with rule 13 (1) of Companies (Accounts) Rules, 2014.

Board's reply:

The Internal Audit report from MAZARS internal auditor of the Company for period April, 2019 to September, 2019 was received through mail from the official mail id of the internal auditor firm.

3. The NBFCs are required to file online return to RBI in NBS_8 which is required to be submitted within 60 days for the closing of financial year ending March, 2020 i.e. 30th May, 2020. The company has filed its online return in NBS_8 dated 06th Day of August, 2020 and has delayed 68 days.

Board's reply:

The delay was on account of CoVID-19 & nationwide lockdown from March 2020 to July 2020.

4. The Company was required to submit the Secretarial Compliance Report annually to Bombay Stock Exchange within 60 days of the end of financial year ended March, 2019 i.e. 30th May, 2019 pursuant to provision of Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has delayed 83 days in filing of Secretarial Compliance Report to Bombay Stock Exchange. Further for the period ended March, 2020 SEBI has vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated 25th June, 2020 further extended time for submission of Annual Secretarial Compliance Report (ASCR) by listed entities due to the continuing impact of the CoVID-19 pandemic to 31st July 2020. The Company has filed Secretarial Compliance Report to Bombay Stock Exchange for the period ended March, 2020 on 31st Day of October, 2020 and has delay for a period of 88 Days.

Board's reply:

The Annual Secretarial Compliance Report for the period ended on March 2019, was delayed due to the newly introduced provision, hence it took time to comply with the provision. The Annual Secretarial Compliance Report for the period ended on March 2020 was delayed as the Company's office was not operational till September 2020 due to impact of CoVID-19 and its place of business in the crowded market place.

35. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

Some of the Company's lenders bank have declared the working capital facilities maintained with them as NPA during the Financial Year, majorly due to the shortfall in Drawing Power whereas the repayment of the terms loans were regular and part servicing of interest of cash credit facilities were paid in time till Dec. 2019 whereas the Bank of India, Lead Bank of Consortium haven't declared the account as NPA till the end of Financial Year .

The interest on credit facilities have not been provided for the financial year, anticipating the reversal of the same by all the lending banks (qualification to this effect is also given by the statutory auditors) as per the proposal for resolution of the defaults in credit facilities which is under consideration with all the lending banks.

36. RELATED PARTY TRANSACTIONS

During the year, all the related party transactions were in accordance with Section 188 of the Act, Regulation 23 of Listing Regulations and IND AS-24 and are disclosed in the Standalone Financial Statements for the year ended March 31, 2020. The transactions were in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the

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Shareholders. However, prior approval of the Audit Committee was sought for entering into the Related Party Transactions as required under the Act, read with rules made thereunder and Regulation 23 (2) of Listing Regulations.

Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

The Company has adopted a policy on materiality of related party transactions in dealing with Related Party Transactions and the same is disclosed on the website of the Company and can be accessed at http://www.inteccapital.com/wp-content/uploads/2018/03/Related-party-transaction-Intec-09-11-2016.pdf

37. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

a) Conservation of energy

1. *Steps taken / impact on conservation of energy:*

   The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy.

2. *Steps taken by the Company for utilising alternate sources of energy*:

   The company during the financial year 2019-20 did not take any additional step for *utilising alternate sources of energy*.

3. *Capital investment on energy conservation equipments:*

   In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipments.

b) Technology absorption:

1. *The efforts made towards technology absorption*;

   Your Company being a Non-Banking Finance Company, its activities do not require adoption of any specific technology. However, your Company has been in the forefront in implementing latest information technologies & tools towards enhancing our customer convenience and continues to adopt and use the latest technologies to improve the productivity and quality of its services. The Company's operations do not require import of technology.

2. The benefits derived like product improvement, cost reduction, product development or import substitution;- N/A

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): - N/A

   (a) The details of technology imported:- N/A
   (b) The year of import:- N/A
   (c) Whether the technology been fully absorbed:- N/A
   (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:- N/A
   (e) The expenditure incurred on Research and Development:- N/A

c) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflow was also Nil.

38. MANAGING DIRECTOR AND CFO CERTIFICATE

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report as Annexure -7.

39. EXTRACT OF ANNUAL RETURN

Pursuant to section 134 (3) (a) and section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, an extract of Annual Return as on March 31, 2020 in form MGT-9 has been prepared and enclosed as Annexure-8 which forms part of this report and is also available on the website of the Company, www.inteccapital.com.

40. UNCLAIMED DIVIDEND TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund ('IEPF') Pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends of Shareholders for the Financial Year 2012-13 lying in the unclaimed dividend account of the Company as on October 30, 2020 will be transferred to IEPF on the due date i.e. November 28, 2020. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the unpaid dividend account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government. Accordingly, the Company has transferred unclaimed dividend and eligible Shares to IEPF Demat Account within statutory timelines. For the Financial Year 2011-12 amount of unclaimed dividend transferred to IEPF Rs. 1,84,205.

The details of unclaimed dividends to IEPF during Financial Year 2019-20 are as follows:

Details of date of declaration & due date for transfer to IEPF			
Financial Year	**Dividend Per Share**	**Date of Declaration**	**Due date for Transfer to IEPF**
2012-2013	Rs. 0.50 (i.e. 5%) per Equity Share having face value of Rs. 10/- each	25-09-2013	28-11-2020
2013-2014	Rs. 0.50 (i.e. 5%) per Equity Share having face value of Rs. 10/- each	24-09-2014	27-11-2021
2014-2015	Rs. 0.50 (i.e. 5%) per Equity Share having face value of Rs. 10/- each	24-09-2015	27-11-2022
2015-2016	Rs. 0.25 (i.e. 2.5%) per Equity Share having face value of Rs. 10/- each	24-09-2016	28-11-2023
2016-2017	No Dividend Declared	No Dividend Declared	No Dividend Declared
2017-2018	No Dividend Declared	No Dividend Declared	No Dividend Declared
2018-2019	No Dividend Declared	No Dividend Declared	No Dividend Declared

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. ***Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/ interest/ principal amount, if any, standing to the credit of their account.***

41. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, pursuant to Regulation 34 of Listing Regulations is annexed herewith as Annexure-9, forming part of the Annual Report.

42. FAMILIARIZATION POLICY AND PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place a familiarization Programme for its Independent Directors which shall be given to new Independent Directors upon joining and to existing Independent Directors on "need basis". The objective of the familiarization Programme is to provide training to new Independent Directors at the time of their joining so as to enable them to understand the Company-its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. Besides, the Independent Directors are made aware of their role and responsibilities and liabilities at the time of their appointment through a formal letter of appointment, which also stipulates their roles and responsibilities and various terms and conditions of their appointment. Additionally, regular updates on relevant statutory and regulatory changes are regularly circulated to all the Directors including Independent Directors.

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The familiarization Programme for its Independent Directors is annexed at Annexure-10 to this report which forms integral part of this report. The Familiarization policy is also uploaded on the company website and can be accessed via web link: (http://www.inteccapital.com/about-us/board-of-directors/familiarization-programme/)

43. COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

In compliance with the Listing Regulations and Act, the Company has framed and adopted a code of conduct and ethics ("the code"). The code is applicable to the members of the Board, the executive officers and all the employees of the Company.

All the members of the Board and Senior Management Personnel have affirmed compliance to the code for the financial year ended on March 31, 2020 and a declaration to this effect signed by the Managing Director forms part of the Corporate Governance Report as Annexure-11

44. ANNUAL SECRETARIAL COMPLIANCE REPORT (ASCR)

Mr. Shashank Tandon, Company Secretary in Practice (hereinafter referred to as "PCS" is engaged for providing the Annual Secretarial Compliance Report (ASCR) in terms of regulations 24A of SEBI Listing Regulations, 2015 which is annexed herewith as a Annexure-12

The ASCR for the year under review does contain qualifications made by the secretarial auditor.

45. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

46. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies and other Government and Regulatory agencies and to convey their appreciation to ICL, the holding company, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on Behalf of the board
For Intec Capital Limited

Date: 28th November, 2020
Place: New Delhi
Registered Office: 708, Nehru Place,
57 Manjusha Building
New Delhi-110019

Sd/-
S.K. Goel
Non Executive –Independent Director
(DIN: 00963735)

Sd/-
Sanjeev Goel
Managing Director
(DIN:00028702)

ANNEXURE - 1

Form No. AOC-1

related to Statements under section 129(3) of the Companies Act, 2013 of the subsidiary company viz. Amulet Technologies Limited

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S.No.	Particulars	Amount (in Rs.)
1	Name of the subsidiary	Amulet Technologies Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N/A
4	Share capital	25, 00,000
5	Reserves & surplus	(2,29,75,290)
6	Total assets	12,37,75,170
7	Total Liabilities	12,37,75,170
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	(1,21,11,420)
11	Provision for taxation	NIL
12	Profit after taxation	(1,21,11,420)
13	Proposed Dividend	NIL
14	% of shareholding	99.99%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B":

Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. NO.	Name of Associates & Joint Ventures	Name 1	Name 2	Name 3
1	Latest audited Balance Sheet Date	NA	NA	NA
2	Shares of associates /Joint Ventures held by the company on the year end	NA	NA	NA
	i) No.	NA	NA	NA
	ii) Amount of Investments in Associates/ Joint Ventures	NA	NA	NA
	iii) Extend of Holding	NA	NA	NA
3	Description of how there is significant influence	NA	NA	NA
4	Reason why the associates /Joint ventures is not consolidated	NA	NA	NA
5	Net worth attributable to shareholding as per latest audited balance sheet	NA	NA	NA
6	Profit/ Loss for the year	NA	NA	NA
	i) Considered in consolidation	NA	NA	NA
	ii) Not Considered in consolidation	NA	NA	NA

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

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ANNEXURE-2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) Annual Report on CSR Activities
[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Sl. No.	Particulars	Remarks
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and	Intec Capital ('Company') has developed this Policy titled 'Intec's CSR Policy' (Policy) encompassing the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanisms for undertaking various programs in accordance with section 135 of the Companies Act, 2013 ('the Act') for the community at large .
		The Company is committed to play a broader role in the communities in which it operates by way of supporting various initiatives through funding, fund raising and/or volunteering activities.
		In order to achieve its goal, the company will undertake and support the under privileged children in following manner:
		a) Providing elementary education
		b) Providing vocational knowledge
		c) Providing Financial literacy and Mathematical enhancement
		d) Eradication of poverty and providing basic amenities of Food, shelter and health to such children.
2.	A reference to the web-link to the CSR policy and project or programs.	www.inteccapital.com
3.	The Composition of the CSR Committee.	Mr. Sanjeev Goel – Managing Director Mr. Rakesh Kumar Joshi – Non-Executive Independent Director Mr. S. K. Goel – Non-Executive Independent Director
4.	Average net profit of the Company for last three financial years.	Average Net Profit for last three previous year 2016-17, 2017-18 and 2018-19 is Net Loss of Rs. 3,145.49 Lakhs
5.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	Nil because there was Net Loss of Rs. 3145.49 Lakhs in preceeding three FY.
6.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any: c) Manner in which the amount spent during the financial year is detailed below	

1	2	3	4	5	6	7
Sl. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects / Programmes	Amount spent on the project/ programme	Cumulative Spend upto to the reporting period.	Amount spent: Direct/ through implementing agency*
	NA	NA	NA	NIL	NIL	NIL

	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report	The reason for not incurring CSR Expenditure is not required to be mentioned in board's report as there was a net loss of Rs.3145.49 lakhs in preceding three financial years.

Sl. No.	Particulars	Remarks
	A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy, is in compliance with then CSR objectives and the policy of the company	It is noted that CSR Committee is in place. Further noted that no CSR activities were undertaken during the FY 2019-20.

For and on Behalf of the board
For Intec Capital Limited

Date: 28th November, 2020
Place: New Delhi
Registered Office: 708, Nehru Place,
57 Manjusha Building
New Delhi-110019

Sd/-
S.K. Goel
Non Executive –Independent Director
(DIN: 00963735)

Sd/-
Sanjeev Goel
Managing Director
(DIN:(DIN:00028702)

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ANNEXURE-3

Nomination and Remuneration Policy and Selection

Criteria & due diligence of Directors, Key Managerial Personnel and Senior Management of Intec Capital Limited

1. Preamble

1.1. This Nomination and Remuneration Policy is being formulated in terms of section 178 (1) of the Companies Act, 2013, read with regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "SEBI LODR 2015") as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

1.2. This policy shall act as guidelines on matters relating to the remuneration, sittings fees, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

2. The Constitution and Terms of reference of NRC Committee

2.1. The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Bosch policies and applicable statutory requirements.

3. Key Role of NRC

3.1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3.2. To formulate the criteria to carry out evaluation of every director's performance and recommend to the board his /her appointment and removal based on the performance.

3.3. To formulate the criteria identifies persons who may be appointed in senior management in accordance with the criteria laid down.

3.4. To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management including appointment of KMP and Senior Management positions;

3.5. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation;

3.6. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;

3.7. To develop a succession plan for the Board;

3.8. To recommend on Diversity of the Board

3.9. To determine remuneration based on Company's financial position, trends and practices on remuneration prevailing in the industry;

3.10. To do such role as prescribed by the Companies Act, 2013 and SEBI LODR, 2015 as amended from time to time.

4. Policy Guidelines and selection criteria and other positive attributes for appointment, re-appointment selection of Board Members in compliance with provision of the Companies Act, 2013 and SEBI LODR, 2015, Listing Agreement and also regulatory framework prescribed by Reserve Bank of India

4.1. For appointment of any director or director seeking reappointment, his / her updated profile shall be submitted to members of the Nomination and Remuneration Committee (NRC). Profile should content details of contribution made by the member of the board seeking reappointment in his role of member of the board and committees.

4.2. The NRC shall ensure that proposed director shall meet with the criteria as laid down in the Companies Act, 2013 read with rules made thereunder as amended from time to time and also regulation as prescribed by Reserve Bank of India.

4.3. NRC to examine detailed profile of the proposed director including meeting with him and ask for further information and to ensure see whether its meets the below mentioned applicable criteria / parameters.

4.3.1. To see existing Director Director's Contribution in the Board Meetings and Committee Meetings and General Body Meetings.

4.3.2. To see the existing director performance in regularly attending the attending the Board Meetings and Committee Meetings etc.

4.3.3. To see the proposed Director brings fresh perspective to help the Company adopt suitable approach and direction for the future.

4.3.4. To see the existing / proposed Director are not convicted by any court, authority etc.

4.3.5. To see the existing / proposed director enjoys a good reputation in the industry.

4.3.6. To see the existing / proposed director shall not be lunatic or of unsound mind or declared insolvent.

4.3.7. To ensure that the Age criteria of all directors shall be as per applicable guidelines of Reserve Bank of India (RBI) or as prescribed by the Companies Act, 2013 from time to time or as prescribed by SEBI Laws, or as prescribed by any other regulator / authority / law if any, as applicable.

4.3.8. To examine that existing / proposed Director has willingness to contribute to strategy and to help executives on strategy and other matters, as necessary.

4.3.9. To examine that existing / proposed Director has willingness to adapt to business, its market sectors and also role of Director.

4.3.10. To examine that existing / proposed Director is capable of exercising Independence of mind.

4.3.11. To examine that existing / proposed Director monitor results and operational parameters and press for appropriate corrective action when necessary.

4.3.12. To examine that existing / proposed Director participate in board decisions on major issues of business development.

4.3.13. To examine that existing / proposed Director has sufficient time to devote to the needs of the business.

4.3.14. To examine that existing / proposed Director has ability to contribute to financial issues.

4.3.15. To examine that existing / proposed Director carry out specific functions as assigned via Board/ COB committees.

4.3.16. To ensure that every person proposed to be appointed as a Director he is not disqualified to become a director under this Companies Act 2013 in terms of section 152(6) of the Companies Act, 2013.

4.3.17. To ensure that in case of an Independent Director, obtain "Certificate of Independence" pursuant to Section 149 of the Companies Act, 2013 and "Declaration in terms of SEBI LODR, 2015.

4.3.18. To ensure that proposed director should disclose relationship with board members or with any KMP or with any employee or with any firm discharging auditing services to the company.

4.3.19. To ensure to have information and declaration to "Fit and Proper Criteria Declaration" as prescribed by RBI from time to time.

4.3.20. To scrutinize the declarations submitted by the existing / proposed Director.

4.3.21. To obtain annually as on 31st March a declaration from the directors that the information already provided has not undergone change and where there is any change; requisite details are furnished by them forthwith.

4.3.22. To ensure that director once appointed shall execute the deeds of covenants in the format prescribed by the RBI.

4.3.23. To give recommendation to the Board that an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re- appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report and shall hold office for more than two consecutive terms.

4.3.24. To give recommendation in the opinion of NRC that the proposed appointment of an independent director fulfils the conditions specified in this Companies Act 2013 for such an appointment to enable the Board to give statement that proposed appointment fulfils the conditions specified in this Companies Act 2013 for such an appointment.

4.3.25. NRC to seek confirmation from Company Secretary that proposed appointment of Independent Director is not in contravention of provisions of section 149(6) of the Companies Act, 2013 read with rules made thereunder and read with SEBI LODR, 2015.

4.4. The Nomination and Remuneration committee recommends below remuneration by way of sitting fee for attending meetings of Board in compliance of applicable provisions of the Companies Act, 2013 read with rules made.

5. Remuneration and sittings fees to Directors and Remuneration to Key Managerial Personnel (KMP),

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Senior Management Personnel and other Employees

5.1. All Directors whether Executive or Non-Executive Directors shall get Sitting Fees as per below mentioned table for attending per Board Meeting.

Name of the Director	Designation	Director Sitting fee (Rs.)
Mr. Sanjeev Goel	Managing Director	Rs. 10,000/-
Mr. S.K. Goel	Non-executive Independent Director	Rs. 40,000/-
Mr. Rakesh Kumar Joshi	Non-executive Independent Director	Rs. 40,000/-
Mrs. Kumud Gupta	Non-executive Independent Woman Director	Rs. 40,000/-

5.2. No directors shall get any fees for attending the various Committees of the Board as constituted/ re-constituted from time to time.

5.3. In compliance with Companies Act, 2013 read with rules made thereunder, the Board of Directors as per their discretion are entitled to have separate consulting contracts / agreement with any of our Directors or with any entity / companies / firms / LLP etc. wherein our directors have direct or indirect interest or relationship as defined in Companies Act, 2013

5.4. The Key Managerial Personnel, Senior Management, Personnel and other employees shall be paid remuneration as per the Compensation and Benefit policy of the Company as revised through the Annual Salary Review process from time to time

6. Amendments to the Nomination and Remuneration Policy:

6.1. The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

6.2. The Policy shall be reviewed as and when required.

7. Disclosure of Nomination and Remuneration Policy

7.1. The policy of the committee to be disclosed in the board's report and wherever required as per Companies Act 2013 read with SEBI LODR, 2015

8. Preamble

8.1. This Nomination and Remuneration Policy is being formulated in terms of section 178 (1) of the Companies Act, 2013, read with regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "SEBI LODR 2015") as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

8.2. This policy shall act as guidelines on matters relating to the remuneration, sittings fees, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

9. The Constitution and Terms of reference of NRC Committee

9.1. The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Bosch policies and applicable statutory requirements.

10. Key Role of NRC

10.1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

10.2. To formulate the criteria to carry out evaluation of every director's performance and recommend to the board his /her appointment and removal based on the performance.

10.3. To formulate the criteria identifies persons who may be appointed in senior management in accordance with the criteria laid down.

10.4. To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management including appointment of KMP and Senior Management positions;

10.5. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation;

10.6. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;

10.7. To develop a succession plan for the Board;

10.8. To recommend on Diversity of the Board

10.9. To determine remuneration based on Company's financial position, trends and practices on remuneration prevailing in the industry;

10.10. To do such role as prescribed by the Companies Act, 2013 and SEBI LODR, 2015 as amended from time to time.

11. Policy Guidelines and selection criteria and other positive attributes for appointment, re-appointment selection of Board Members in compliance with provision of the Companies Act, 2013 and SEBI LODR, 2015, Listing Agreement and also regulatory framework prescribed by Reserve Bank of India

11.1. For appointment of any director or director seeking reappointment, his / her updated profile shall be submitted to members of the Nomination and Remuneration Committee (NRC). Profile should content details of contribution made by the member of the board seeking reappointment in his role of member of the board and committees.

11.2. The NRC shall ensure that proposed director shall meet with the criteria as laid down in the Companies Act, 2013 read with rules made thereunder as amended from time to time and also regulation as prescribed by Reserve Bank of India.

11.3. NRC to examine detailed profile of the proposed director including meeting with him and ask for further information and to ensure see whether its meets the below mentioned applicable criteria / parameters.

11.3.1. To see existing Director Director's Contribution in the Board Meetings and Committee Meetings and General Body Meetings.

11.3.2. To see the existing director performance in regularly attending the attending the Board Meetings and Committee Meetings etc.

11.3.3. To see the proposed Director brings fresh perspective to help the Company adopt suitable approach and direction for the future.

11.3.4. To see the existing / proposed Director are not convicted by any court, authority etc.

11.3.5. To see the existing / proposed director enjoys a good reputation in the industry.

11.3.6. To see the existing / proposed director shall not be lunatic or of unsound mind or declared insolvent.

11.3.7. To ensure that the Age criteria of all directors shall be as per applicable guidelines of Reserve Bank of India (RBI) or as prescribed by the Companies Act, 2013 from time to time or as prescribed by SEBI Laws, or as prescribed by any other regulator / authority / law if any, as applicable.

11.3.8. To examine that existing / proposed Director has willingness to contribute to strategy and to help executives on strategy and other matters, as necessary.

11.3.9. To examine that existing / proposed Director has willingness to adapt to business, its market sectors and also role of Director.

11.3.10. To examine that existing / proposed Director is capable of exercising Independence of mind.

11.3.11. To examine that existing / proposed Director monitor results and operational parameters and press for appropriate corrective action when necessary.

11.3.12. To examine that existing / proposed Director participate in board decisions on major issues of business development.

11.3.13. To examine that existing / proposed Director has sufficient time to devote to the needs of the business.

11.3.14. To examine that existing / proposed Director has ability to contribute to financial issues.

11.3.15. To examine that existing / proposed Director carry out specific functions as assigned via Board/ COB committees.

11.3.16. To ensure that every person proposed to be appointed as a Director he is not disqualified to become a director under this Companies Act 2013 in terms of section 152(6) of the Companies Act, 2013.

11.3.17. To ensure that in case of an Independent Director, obtain "Certificate of Independence" pursuant to Section 149 of the Companies Act, 2013 and "Declaration in terms of SEBI LODR, 2015.

11.3.18. To ensure that proposed director should disclose relationship with board members or with any KMP or with any employee or with any firm discharging auditing services to the company.

11.3.19. To ensure to have information and declaration to "Fit and Proper Criteria Declaration" as prescribed by RBI from time to time.

11.3.20. To scrutinize the declarations submitted by the existing / proposed Director.

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11.3.21. To obtain annually as on 31st March a declaration from the directors that the information already provided has not undergone change and where there is any change; requisite details are furnished by them forthwith.

11.3.22. To ensure that director once appointed shall execute the deeds of covenants in the format prescribed by the RBI.

11.3.23. To give recommendation to the Board that an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re- appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report and shall hold office for more than two consecutive terms.

11.3.24. To give recommendation in the opinion of NRC that the proposed appointment of an independent director fulfils the conditions specified in this Companies Act 2013 for such an appointment to enable the Board to give statement that proposed appointment fulfils the conditions specified in this Companies Act 2013 for such an appointment.

11.3.25. NRC to seek confirmation from Company Secretary that proposed appointment of Independent Director is not in contravention of provisions of section 149(6) of the Companies Act, 2013 read with rules made thereunder and read with SEBI LODR, 2015.

11.4. The Nomination and Remuneration committee recommends below remuneration by way of sitting fee for attending meetings of Board in compliance of applicable provisions of the Companies Act, 2013 read with rules made.

12. Remuneration and sittings fees to Directors and Remuneration to Key Managerial Personnel (KMP),

Senior Management Personnel and other Employees

12.1. All Directors whether Executive or Non-Executive Directors shall get Sitting Fees as per below mentioned table for attending per Board Meeting.

Name of the Director	Designation	Director Sitting fee (Rs.)
Mr. Sanjeev Goel	Managing Director	Rs. 10,000/-
Mr. S.K. Goel	Non-executive Independent Director	Rs. 40,000/-
Mr. Rakesh Kumar Joshi	Non-executive Independent Director	Rs. 40,000/-
Mrs. Kumud Gupta	Non-executive Independent Woman Director	Rs. 40,000/-

12.2. No directors shall get any fees for attending the various Committees of the Board as constituted/ re-constituted from time to time.

12.3. In compliance with Companies Act, 2013 read with rules made thereunder, the Board of Directors as per their discretion are entitled to have separate consulting contracts / agreement with any of our Directors or with any entity / companies / firms / LLP etc. wherein our directors have direct or indirect interest or relationship as defined in Companies Act, 2013

12.4. The Key Managerial Personnel, Senior Management, Personnel and other employees shall be paid remuneration as per the Compensation and Benefit policy of the Company as revised through the Annual Salary Review process from time to time

13. Amendments to the Nomination and Remuneration Policy:

13.1. The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

13.2. The Policy shall be reviewed as and when required.

14. Disclosure of Nomination and Remuneration Policy

14.1. The policy of the committee to be disclosed in the board's report and wherever required as per Companies Act 2013 read with SEBI LODR, 2015

ANNEXURE - 4

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2020

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the statistical analysis of the remuneration paid to Directors and Key Managerial Personnel (KMP) as against the other employees of the company and with respect to the performance of the company (PAT) is given below:-

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20:-**

Name of Director	Designation	Ratio*
Mr. Sanjeev Goel	Managing Director	35.6:1
Mr. S.K. Goel#	Non-Executive Independent Director	0.43:1
Mr. Rakesh Kumar Joshi#	Non-Executive Independent Director	0.43:1
Mrs. Kumud Gupta#	Non-Executive Independent Woman Director	0.31:1

Note: * For calculating ratio, remuneration includes the sitting fees paid during the F.Y. 2019-20.
The remuneration consist of sitting fees paid during the F.Y. 2019-20.

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20:-**

   There is no increase in remuneration of the Chairman, Managing Director, Executive Director, Company Secretary. While the remuneration of the Chief Financial Officer was increased by 7.50%.

   Since none of the other Directors were paid remuneration in the financial year 2019-2020 and 2018-19, therefore there is no increase in remuneration, during the year.

3. **The percentage increase in the median remuneration of employees in the financial year 2019-20:-** 7.50%

4. **The number of permanent employees on the rolls of company**: as on 31st March 2020- 71

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-**

   Average % increase in the salary of employees other than Managerial Personnel: -

   2019-2020 **- 8.39%**

   Average % increase in the Salary of the Managerial Personnel:-

   2019-2020 - **7.97%**

6. **Affirmation**: : It is confirmed that the remuneration paid to employees are as per the remuneration policy of the company.

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ANNEXURE - 4A

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2020

A.	Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than ONe crore and two lakh rupees	
Rule	Rule description	
5(2)	Name of such employee	Sanjeev Goel
5(3)(i)	Designation of such employee	Managing Director
5(3)(ii)	Remuneration received (in Rs.)	1,30,39,996.00
5(3)(iii)	Nature of employment (whether contractual or otherwise)	Whole Time Director
5(3)(iv)	Qualifications	CA, MBA (Finance)
5(3)(iv)	Experience of such employee (in Years)	28
5(3)(v)	Date of commencement of employment	15/02/1994
5(3)(vi)	The age of such employee (in Years)	57
5(3)(vii)	The last employment held by such employee before joining the company	NIL
5(3)(viii)	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above;	6.77
5(3)(ix)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	N/A

B.	Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh and Fifty Thousand rupees per month;			
Rule	Rule description	1	2	3
5(2)	Name of such employee	NIL	NIL	NIL
5(3)(i)	Designation of such employee	NIL	NIL	NIL
5(3)(ii)	Remuneration received (in Rs.)	NIL	NIL	NIL
5(3)(iii)	Nature of employment (whether contractual or otherwise)	NIL	NIL	NIL
5(3)(iv)	Qualifications	NIL	NIL	NIL
5(3)(iv)	Experience of such employee (in Years)	NIL	NIL	NIL
5(3)(v)	Date of commencement of employment	NIL	NIL	NIL
5(3)(vi)	The age of such employee (in Years)	NIL	NIL	NIL
5(3)(vii)	The last employment held by such employee before joining the company	NIL	NIL	NIL
5(3)(viii)	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above;	NIL	NIL	NIL
5(3)(ix)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	NIL	NIL	NIL

C.	Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.			
Rule	Rule description	1	2	3
5(2)	Name of such employee	NIL	NIL	NIL
5(3)(i)	Designation of such employee	NIL	NIL	NIL
5(3)(ii)	Remuneration received (in Rs.)	NIL	NIL	NIL
5(3)(iii)	Nature of employment (whether contractual or otherwise)	NIL	NIL	NIL
5(3)(iv)	Qualifications	NIL	NIL	NIL
5(3)(iv)	Experience of such employee (in Years)	NIL	NIL	NIL
5(3)(v)	Date of commencement of employment	NIL	NIL	NIL
5(3)(vi)	The age of such employee (in Years)	NIL	NIL	NIL
5(3)(vii)	The last employment held by such employee before joining the company	NIL	NIL	NIL
5(3)(viii)	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above;	NIL	NIL	NIL
5(3)(ix)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	NIL	NIL	NIL

ANNEXURE-5

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2020.

Also certificate on Corporate Governance from Practicing Company Secretary has been received by the company for the financial year 2019-20 and the same has been duly attached herewith in the annual report.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high-quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure. Without financial reporting premised on sound and reliable numbers, capital markets will collapse upon themselves.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India with a global footprint, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the company.

The Board functions either as a full Board or through various Committees constituted to oversee specific functions. The Senior Management provides your Board detailed reports on the Company's performance periodically.

Your Company continuously strives to achieve excellence in Corporate Governance through its values-Integrity, Commitment, Passion, Seamlessness and Speed.

2. BOARD COMPOSITION AND CATEGORY OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

The Board comprises of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors. As on date of this Report, the Board consists of four Directors with adequate combination of Independent/ Non Independent, Executive, Non-executive and Nominee Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

Composition and category of Board of Directors as on 31st March, 2020 is as follows

S. No.	Name	Designation	Category	DIN	Date of joining Board
1	Mr. Sanjeev Goel	Managing Director	Executive Director	00028702	15/02/1994
2	Mr. S. K. Goel	Non-Executive Independent Director	Non-Executive Independent Director	00963735	13/02/1998
3	Mr. Rakesh Kumar Joshi	Non-Executive Independent Director	Non-Executive Independent Director	02410620	27/02/2002
4	Mrs. Kumud Gupta	Non-Executive Independent Woman Director	Non-Executive Independent Director	00294724	10/11/2017

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None of the Directors on the Board holds Directorship in more than ten public companies acts as a Chairperson in more than five Committees and holds membership in more than ten Committees of listed entities except Intec Capital Ltd.

None of the Directors on the Board including any alternate Directorship holds Directorship in more than twenty Companies at the same time.

None of the Independent Directors on the Board serves as an Independent Director in more than seven listed Company.

2.1 BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. All meetings of the Board are held in Delhi. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director of the Company.

The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the F.Y. ended 31st March 2020 Four (4) Board Meetings were held on the below mentioned dates

Day	Date
Friday	24th May, 2019
Tuesday	27th August, 2019
Friday	29th November, 2019
Thursday	13th February, 2020

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days. The necessary quorum was present at all meetings.

Number of Board meetings the Directors were entitled to attend, attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM), and number of other Directorships and Chairmanships/ Memberships of Committee of each Director for the year under review, is given below:

a) Attendance of each director at the meeting of the board of directors and the last annual general meeting

S. no.	Name of the Director	No. of Board Meeting(s)		Whether Last AGM attended (Held on 27.09.2019)
		Held during their tenure from 01.04.2019 to 31.03.2020	Attended	
1	Mr. Sanjeev Goel	4	4	Yes
2	Mr. S. K. Goel	4	4	Yes
3	Mr. Rakesh Joshi	4	4	Yes
4	Mrs. Kumud Gupta	4	3	Yes

b) Number of other board of directors or committees in which a directors is a member or chairperson

Name	Designation & Category	DIN	Date of joining the Board	No. of shares held in the company	Directorship in other companies	Membership(s) of Committees of other companies	Chairmanship(s) of Committees of other companies
Mr. Sanjeev Goel	Managing Director	00028702	15/02/1994	644464	9	Nil	Nil
Mr. S. K. Goel	Non-Executive Independent Director	00963735	13/02/1998	Nil	2	Nil	Nil

Name	Designation & Category	DIN	Date of joining the Board	No. of shares held in the company	Directorship in other companies	Membership(s) of Committees of other companies	Chairmanship(s) of Committees of other companies
Mr. Rakesh Kumar Joshi	Non-Executive Independent Director	02410620	27/02/2002	Nil	Nil	Nil	Nil
Mrs. Kumud Gupta	Non-Executive Independent Woman Director	00294724	10/11/2017	Nil	Nil	Nil	Nil

#Excluding Directorship(s) /Committee Membership(s)/Chairmanship in Intec Capital Limited

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations).

c) **INTER-SE RELATION AMONG DIRECTORS:**

Mrs. Kumud Gupta, Non- Executive Independent Woman Director is mother in law of Mr. Sanjeev Goel, Managing Director of the company.

d) **NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:**

None of the non-executive director is holding any share and convertible instruments of the company.

e) **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

During the year under review no new Independent Directors were inducted into the Board and hence no familiarization were required to be given pursuant to Familiarization Policy of the Company.

The Familiarization policy is uploaded in the company website on our website (http://www.inteccapital.com/about-us/board-of-directors/familiarization-programme/)

Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

f) The Board has identified the following skills/ expertise/competencies required in the Context of the Company's business which are available with the Board :

i) **PART A – GOVERNANCE SKILLS**

Strategy	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.
Policy	Policy development	Ability to identify key issues and opportunities for the Company, and develop appropriate policies to define the parameters within which the Company should operate.
Finance	Financial performance	Qualifications and experience in accounting and/or finance and the ability to: • analyse key financial statements; • critically assess financial viability and performance; • contribute to strategic financial planning; • oversee budgets and the efficient use of resources; • and oversee funding arrangements and accountability.
Risk	Risk and compliance oversight	Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems
IT	Information technology strategy	Knowledge and experience in the strategic use and governance of information management and information technology within the Company.

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Executive Management	Executive management	Experience at an executive level including the ability to: • appoint and evaluate the performance of the CFO and senior executive managers; • oversee strategic human resource management including workforce planning, and employee and industrial relations; and oversee large scale organisational change.

ii) PART B: PERSONAL ATTRIBUTES

Attributes	Description
Integrity (ethics)	A commitment to: • understanding and fulfilling the duties and responsibilities of a Director, and maintain knowledge in this regard through professional development; • putting the Company's interests before any personal interests; • acting in a transparent manner and declaring any activities or conduct that might be a potential conflict; and • maintaining Board confidentiality at all times.
Effective listener and communicator	The ability to: • listen to, and constructively and appropriately debate, other people's view points; • develop and deliver cogent arguments; and • communicate effectively with a broad range of stakeholders.
Constructive questioner	The preparedness to ask questions and challenge management and peer Directors in a constructive and appropriate way about key issues.
Contributor and team player	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Board.
Commitment	A visible commitment to the purpose for which the Company has been established and operates, and its on- going success.
Influencer and negotiator	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain stakeholder support for the Board's decisions.
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily distil key issues, and develop innovative approaches and solutions to problems.
Leader	Innate leadership skills including the ability to: • appropriately represent the Company; • set appropriate Board and Company culture; and • make and take responsibility for decisions and actions.

In the table below, the specific areas of focus or expertise of individual Board members have been provided:-

Area of Expertise	Directors			
	Mr. Sanjeev Goel	Mr. Rakesh Kumar Joshi	Mr. S.K. Goel	Mrs. Kumud Gupta
PART A: GOVERNANCE SKILLS				
1. Strategy	✓	✓	✓	✓
2. Policy	✓	✓	✓	✓
3. Finance	✓	✓	×	×
4. Risk	✓	✓	✓	✓
5. IT	×	×	✓	×
6. Executive Management	✓	✓	✓	✓

Area of Expertise	Directors			
	Mr. Sanjeev Goel	Mr. Rakesh Kumar Joshi	Mr. S.K. Goel	Mrs. Kumud Gupta
PART B: PERSONAL SKILLS				
1. Integrity	✓	✓	✓	✓
2. Effective listener and communicator	✓	✓	✓	✓
3. Constructive questioner	✓	✓	✓	✓
4. Contributor and team player	✓	✓	✓	✓
5. Commitment	✓	✓	✓	✓
6. Influencer and negotiator	✓	✓	✓	✓
7. Critical and innovative thinker	✓	✓	✓	✓
8. Leader	✓	✓	✓	✓

g) CONFIRMATION BY BOARD OF DIRECTORS

Based on the declarations received from the Independent Directors, the Board of the Company confirms that all the Independent Directors of the Company fulfill all the conditions as specified in listing regulations and are independent of the management.

h) COMPLIANCE WITH THE CODE OF CONDUCT

All the members of the Board and Senior Management Personnel have affirmed compliance to the code for the financial year ended on March 31, 2020 and a declaration to this effect signed by the Managing Director forms part of this Report and annexed as annexure-10.

3 COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review.

Board has in place various Committees of the Board constituted/reconstituted from time to time in compliance with provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

As on 31st March 2020, the following below mentioned Committees of Board (COB) were in place:

1. Audit Committee (AC)
2. Nomination and Remuneration Committee
3. Shareholders/Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee
4. Asset Liability Cum Risk Management Committee (ALRMC) (Note: ALRMC was constituted to merge the two committee viz. Asset Liability Committee (ALCO) and RMC (Risk Management Committee) on 9th February 2019)
5. Corporate Social Responsibility Committee

a) AUDIT COMMITTEE (AC)

Terms of reference of the Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;

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- review management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems; valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened. In these meetings, the Audit Committee reviews various businesses/ functions, business risk assessment and control assurance reports of all the major divisions of the Company. The Committee is governed by the Terms of Reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company and cases reported thereunder.

The composition and Attendance record of the Audit Committee meetings during the financial year ended 31st March, 2020 are as follows

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairperson	Non-Executive Independent Director	4	4
Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	4	4
Mrs. Kumud Gupta	Member	Non-Executive Independent Director	4	3

All the members of the Committee have relevant experience in financial matters. During the financial year ended 31th March, 2020, Four (4) Audit Committee meetings were held on Friday, 24th May, 2019; Tuesday, 27th August, 2019; Friday, 29th November, 2019; Thursday, 13th February, 2020.

b) NOMINATION AND REMUNERATION COMMITTEE (NRC)

Terms of reference of Nomination and Remuneration Committee

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Nomination and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

The role of Nomination and Remuneration Committee is as follows:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/recommend the criteria for qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.

The composition and Attendance record of the Nomination and Remuneration Committee meetings during the financial year ended 31st March, 2020 are as follows

During the financial year ended 31st March, 2020, Four (4) Nomination Remuneration Committee meetings were held on Friday, 24th May, 2019; Tuesday, 27th August, 2019; Friday, 29th November, 2019; Thursday, 13th February, 2020

Criteria for Performance Evaluation of Independent Directors and the Board

During the year under review the company in its Nomination and Remuneration and Committee Meeting and subsequently Board Meeting held on 24th May 2019 has reviewed a formal annual evaluation by the Board of its own performance and that of its committees and individual directors as per requirement of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015)

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Schedule-IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The framework includes the evaluation of directors on various parameters as mentioned below and involving the rating viz. Excellent, Good, Satisfactory, Fair, Needs Improvement

- Attendance at the Board and Committee meetings.
- Understands the business and products of the Company.
- Brings in new ideas for business advancement and improvement.
- Study of agenda in depth prior to meeting and active participation at the meeting.
- Participates constructively and actively in the Committees of the Board in which he is a member.
- Strive to attend the general meetings of the Company.
- Contributes to discussions on strategy as opposed to focus only on agenda.

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairperson	Non-Executive Independent Director	4	4
Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	4	4
Mrs. Kumud Gupta	Member	Non-Executive Independent Director	4	3

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- The Director actively challenges management thinking and motivates them to excel continuously.
- The Director actively works towards cordiality and cohesiveness at meetings, while challenging current thinking.
- The Director is able to bring in best practices from his experience and other Board Memberships.
- The Director remains abreast of developments affecting the company, independent of his being apprised at meetings.

Remuneration of Directors

- There is no pecuniary relationship or transactions of the non-executive Directors vis-a-vis the Company.
- Following is the snap shot of remuneration paid to the Directors during the year under review:

(Amounts in Rs.)

Name of the Director	Fixed Salary		Bonus	Stock Option	Pension	Sitting Fees	Total
	Base Salary	Perquisites/ Benefits					
Executive Director - Managing Director							
Mr. Sanjeev Goel	1,29,99,996/-		-	-	-	40,000/-	1,30,39,996/-
Independent Directors							
Mr. S.K. Goel	-	-	-	-	-	1,60,000	1,60,000
Mr. Rakesh Kumar Joshi	-	-	-	-	-	1,60,000	1,60,000
Mrs. Kumud Gupta	-	-	-	-	-	1,20,000	1,20,000

The tenure of office of the Managing Director is 5 (Five) years from their date of appointment. There is no separate provision for payment of severance fees and performance linked incentives. The remuneration excluding sitting fees as mentioned above comprises only of fixed components. Further complete details of remuneration, of Directors and Key Managerial Personnel have been provided in MGT-9 forming part of Board's Report.

iii) SHAREHOLDERS INVESTORS GRIEVANCE COMMITTEE (SHIC) CUM STAKEHOLDERS SHARE TRANSFER COMMITTEE (STC) CUM STAKEHOLDERS RELATIONSHIP (SRC):

The Shareholders Investors Grievance Committee (SHIC) cum Stakeholders Share Transfer Committee (STC) cum Stakeholders Relationship (SRC) is formed in accordance with Section 178 of the Companies read with Regulation 20 SEBI LODR 2015.

TERMS OF REFERENCE OF STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The terms of reference of the Stakeholders' Relationship Committee inter alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition and Attendance record of the Shareholders Investors Grievance Committee (SHIC) cum Stakeholders Share Transfer Committee (STC) cum Stakeholders Relationship (SRC) meetings during the financial year ended 31st March, 2020 are as follows:

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairperson	Non-Executive Independent Director	1	1
Mr. Sanjeev Goel	Member	Non-Executive Independent Director	1	1
Mrs. Kumud Gupta	Member	Non-Executive Independent Director	1	1

During the financial year ended 31st March, 2020, one Shareholders Investors Grievance Committee (SHIC) cum Stakeholders Share Transfer Committee (STC) cum Stakeholders Relationship Committee (SRC) meetings was held on 12th March, 2020.

Details of Shareholders' / Investors' Complaints

Mr. Puneet Sehgal, Company Secretary, was the Compliance Officer for resolution of Shareholders' / Investors' complaints. During the financial year ended 31st March, 2020, complaints received from the shareholders as follows, in terms of report received from Company's Registrar and Share Transfer Agent viz. Beetal Financial and Computer Services Private Limited:

No. of Complaints received during the year	0
No. of Complaints disposed off during the year	0
No. of Complaints not resolved to the satisfaction of shareholders	0
No. of Pending Complaints	0

IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on CSR activities of the Company;
- reviewing the performance of Company in the area of CSR;
- providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- monitoring CSR Policy of the Company from time to time;
- monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.

The composition and Attendance record of the Corporate Social Responsibility Committee meetings during the financial year ended 31st March, 2020 are as follows:

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. Sanjeev Goel	Chairperson	Non-Executive Independent Director	1	1
Mr. S.K. Goel	Member	Non-Executive Independent Director	1	1
Mrs. Kumud Gupta	Member	Non-Executive Independent Director	1	1

During the financial year ended 31st March, 2020, only 1 meeting of the Corporate Social Responsibility Committee was held i.e. on the date 24st May, 2019.

V) ASSET LIABILITY CUM RISK MANAGEMENT COMMITTEE (ALRMC)

The terms of reference of the Committee is as follows:

- Oversee the implementation of Risk Management Systems and Framework
- Review the Company's financial and risk management policies
- Assess risk and procedures to minimize the same;
- Frame, implementing and monitoring the risk management plan for the Company
- To identify, quantify, integrate, monitor, manage and control the different type of risks associated with NBFC.
- To assist the Board of Directors in Balance Sheet planning, putting in place a progressive risk management system, developing a risk return perspective including the strategic management of interest and liquidity risk Asset Liability Cum Risk Management Committee (ALRMC) was constituted by board of directors in its meeting held on 9th February 2019 by merging the two existing Committees of the Company committee viz. Asset Liability Management Committee (ALCO) and Risk Management Committee (RMC).

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The composition and Attendance record of the ALRMC Committee meetings during the financial year ended 31st March, 2020 are as follows:

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. Sanjeev Goel	Chairperson	Non-Executive Independent Director	2	2
Mr. S.K. Goel	Member	Non-Executive Independent Director	2	2
Mrs. Kumud Gupta	Member	Non-Executive Independent Director	2	0
Mr. Rakresh Joshi	Member	Non-Executive Independent Director	2	1

During the financial year ended 31st March 2020, two meeting of ALRMC were held on wedensday,01st May, 2019; Friday, 25th October, 2019.

4 SEPARATE INDEPENDENT DIRECTORS' MEETINGS

The Company's Independent Directors meet at least once in every financial year without the presence of Managing Director, Non-independent Directors or Management Personnel.

During the Financial year 2019-20, the Independent Directors viz., Mr. S.K. Goel, Mr. Rakesh Kumar Joshi, and Mrs. Kumud Gupta met on 13th February 2019 and inter alia had discussed:

a) To confirm the minutes of previous Separate Meeting of Independent Directors vide meeting no. FY-2018-19/01 dated Friday, 08th February, 2019.

b) To review the performance of Board as a whole during FY 2019-20.

c) To review the performance of non-independent Directors during Financial Year 2019-20 viz. Managing Director.

d) To review the performance of the Chairperson of the company during Financial Year 2019-20, taking into account the views of executive directors and non-executive directors

e) To assess the quality, quantity and timeliness of flow of information during Financial Year 2019-20 between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Such meetings are conducted formally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director.

The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

In addition to these formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

5 GENERAL BODY MEETINGS

Details of location and time of holding the last three AGM:

Financial Year	Venue	Day and Date	Commencement Time	Special Resolution Passed
2018-19	B.C. Pal Memorial A-81, Chittranjan Park, New Delhi-110019	Friday, September 27, 2019	11:15 A.M.	Yes
2017-18	B.C. Pal Memorial A-81, Chittranjan Park, New Delhi-110019	Tuesday, September 25, 2018	11:15 A.M.	Yes
2016-17	B.C. Pal Memorial A-81, Chittranjan Park, New Delhi-110019	Wednesday, September 27, 2017	11:15 A.M.	Yes

- Details of Special Resolutions passed in previous three Annual General Meetings:

Date of AGM	Number of Special Resolution Passed	Details of Special Resolution passed
Friday, September 27, 2019	Yes, Two (2) resolution was passed as special resolution	(1) Approve the Remuneration payable to Mr. Sanjeev Goel, Managing Director for three (3) Financial Years i.e. from Financial 2019 - 2020, 2020 - 2021 and 2021 - 2022. (2) Approval of Re-classification of Intec Infonet Private Limited, Promoter Company of the company as non- promoter company of the company under regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with circulars, notifications, rules and regulations as amended from time to time.
Tuesday, September 25, 2018	Yes, Three (3) resolution was passed as special resolution	(1) Revision in overall borrowing powers of the Company in terms of Section 180(1) (c) of the Companies Act, 2013 (2) Creation of Mortgage/Charge on the assets of the Company in terms of Section 180(1)(a) of the Companies Act, 2013 (3) Approve the Remuneration payable to Mr. Sanjeev Goel, Managing Director for three (3) Financial Years i.e. from Financial 2019 - 2020, 2020 - 2021 and 2021 - 2022.
Wednesday, September 27, 2017	Yes, One (1) resolution was passed as special resolution	To consider and approve the change in terms of appointment of Managing Director to made him liable to retire by rotation and being eligible offer himself for re-appointment and tenure of Managing Director for five (5) years shall be subject to him getting re-appointed and such re-appointment shall not tantamount to break in the tenure of his appointment as Managing Director, pursuant to section 152 by changing the terms of appointment of Managing Director.

- Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) in the last three years - Nil
- any special resolution passed last year through postal ballot - NIL
- any special resolution is proposed to be conducted through postal ballot - NIL
- Procedure of Postal Ballot- During the period under review, no matters were transacted through postal Ballot. None of the resolution to be passed in the AGM notice required to be conducted through postal ballot.

6 MEANS OF COMMUNICATION

- **Quarterly Results and Newspapers wherein results normally published**

  Quarterly Results are published in 'Hari Bhoomi' and 'Financial Express'. Simultaneously they are also posted on the website of the Company (www.Inteccapital.com) and disclosed to the stock exchange (www.bseindia.com).

- **News Releases, presentations**

  Official news releases and media releases are sent to the stock Exchange and are hosted on the website of the Company.

  During the year Company have released several press releases in connection to the Financial Results of the Company.

- **Presentations made to institutional investors or to the analysts: NIL**

7 GENERAL SHAREHOLDER INFORMATION

- **ANNUAL GENERAL MEETING (Date, Time and Venue)**

  26th Annual General Meeting:

  Day, Date and Time: Saturday, 26th December,2020 at 12:00 noon.

  Venue: The Company is conducting its 26th Annual General Meeting through VC / OAVM pursuant to the Ministry of Corporate Affairs ("MCA") Circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and Securities and Exchange Board of India (SEBI) Circular dated May 12, 2020 as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

- **Financial Year:** April 1, 2019 to March 31, 2020
- **Dividend Payment Date** - N.A
- **Listing information:**

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The Company's equity shares are listed on the following Stock Exchange:

Name of Stock Exchange	Address	Stock Code
BSE LIMITED	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001- (Maharashtra)	526871

The Company has paid the requisite Annual Listing Fees to the BSE Stock Exchange for the financial year 2019-20. The Securities have not been suspended from trading.

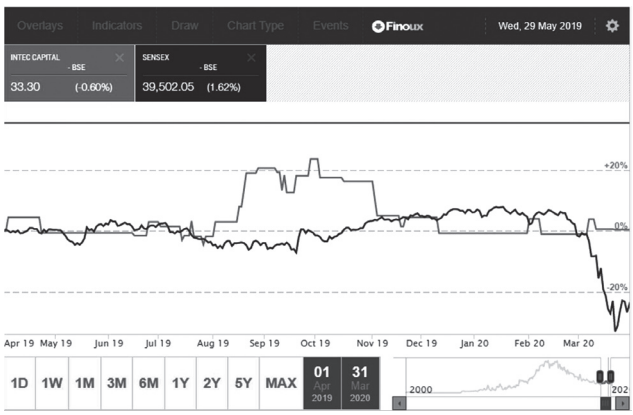
The ISIN Number of the Company for listed fully paid Equity Shares is INE017E01018

➢ **MARKET PRICE DATA HIGH LOW DURING EACH MONTH IN THE FINANCIAL YEAR 2019-20:**

The monthly high and low quotations, as well volume of shares traded at the BSE for the current year are provided as follows:-

Month 2019-2020	High (Rs.)	Low (Rs.)	Volume of Shares Traded
Apr 19	35.00	33.30	264
Jun 19	34.50	33.00	9
Jul 19	34.60	32.00	128
Aug 19	40.45	34.50	75
Sep 19	41.45	37.75	15
Oct 19	39.40	39.00	75
Nov 19	39.00	34.00	60
Dec 19	33.25	33.25	11
Jan 20	34.85	33.25	4
Feb 20	34.85	33.15	201
Mar 20	34.80	33.65	3,168

➢ **The Company's share performance compared to the BSE Sensex for FY 2019-2020**



➢ **REGISTRAR AND SHARE TRANSFER AGENTS: Beetal Financial and Computer Services Private Limited**

Address: Beetal House, 3rd Floor, 99 Mandangir, Khanpur Behind Baba Harsukhdas Mandir
Tel. No. 011-29961281-283; Fax 011-29961284
Email: beetalrta@gmail.com

➢ **SHARE TRANSFER SYSTEM**

In terms of Regulation 40 (1) Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f April 01, 2019 except in case of request received for transmission/ transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialize form. Transfer of equity shares in electronic form are affected through the depositories with no involvement of the Company.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of Certificate for transfer, sub division, consolidation, renewal, exchange or endorsement of calls/ allotment monies and submits a copy thereof to the Stock exchanges in term of Regulation 40(9) of Listing Regulations. Further the Compliance Certificate under Regulation 7 (3) of Listing Regulations confirming that all the activities in relation to both physical and electronic share transfer facility are maintained by Register and Share Transfer Agent registered with the Board is also submitted to Stock Exchange on a half yearly basis.

➢ **DISTRIBUTION OF SHAREHOLDING**

Table I & II below gives the distribution pattern of shareholding of the Company by size and ownership respectively as on March 31st, 2020.

Table I: Distribution of shareholding by size as on March 31st, 2020:

Share Holding of Nominal Value of Rs.10	No. of Share-holders	% of Total	No of Shares	Amount in Rs.	% of Total
up to 5000	885	83.96	119433	1194330.00	0.65
5001 to 10000	78	7.40	57570	575700.00	0.31
10001 to 20000	48	4.55	67690	676900.00	0.37
20001 to 30000	7	0.66	16564	165640.00	0.09
30001 to 40000	6	0.56	20582	205820.00	0.11
40001 to 50000	6	0.56	28313	283130.00	0.15
50001 to 100000	6	0.56	45172	451720.00	0.25
100001 and above	18	1.70	18010926	180109260.00	98.07
Total	**1054**	**100.00**	**18366250**	**183662500.00**	**100.00**

➢ **Table II: Distribution of shareholding by ownership as on March 31, 2020:**

Category	No. of shares held	Percentage of shareholding (%)
PROMOTER'S HOLDING		
Promoters- Indian Promoters	10064522	54.8
Foreign Promoters	3646142	19.85
Persons acting in Concert	-	
Sub-Total	**13710664**	**74.64**
NON-PROMOTER'S HOLDING		
Institutional Investors	-	_
Mutual Funds & UTI	-	_
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions	-	_
Foreign Institutional Investors	-	_
Sub-Total	**-**	**_**
Others	_	-
Private Corporate Bodies	4141637	22.55
Indian Public	377531	2.055
NRIs/OCBs	999	0.0054
Any other (please specify)	135419	0.74
Sub-Total	**4655586**	**25.36**
Total	**18366250**	**100.00**

➢ **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

As the members are aware, the Company's shares are compulsorily tradable in electronic form.

As on March 31, 2020, the Company's total paid-up Capital representing number of shares is in dematerialized form and in physical form is mentioned below.

Sl. No.	Category	Number of equity shares	% age of the Company's total paid-up share Capital
1	Demat	18257769	99.41
2	Physical	108481	0.59
	Total	**18366250**	**100.00**

In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories.

➢ **OUTSTANDING GDRS/ADRS/WARRANTS/ CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY**

The Company does not have any outstanding GDRs/ ADRs / warrants / convertible instruments.

➢ **COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Considering the Business of the Company, no such risks are associated with the Company.

➢ **PLANT LOCATIONS –**

The Company being NBFC is engaged in the business of Financing, Hence there is no such Plant Location.

➢ **ADDRESS FOR CORRESPONDENCE**

Compliance Officer- Mrs. Shefali Singhal
Registered office: Intec Capital Limited
708, Manjusha, 57 Nehru Place,
New Delhi-110 019, India
Phone No. : 011-46522200/300,
E-mail Id: complianceofficer@inteccapital.com

➢ **LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR:**

During the year under review, the credit ratings / revision in Credit Ratings were done by CARE Ratings, India's 2nd Largest Rating Agency incorporated in India as "Credit Analysis & Research Limited".

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The ratings done by CARE during Financial Year ended 31st March 2019 is as follows:

CARE Ratings			
Facilities	**Amount (Rs. in Crores)**	**Ratings**	**Remarks**
Long-term Bank Facilities	Rs. 95.36 (Rupees Ninety Five Crores and Thirty six Lakhs only)-(reduced from Rs. 153.35 Crores)	CARE D	Rating Action: Reaffirmed
Total Facilities	Rs. 95.36 (Rupees Ninety Five Crores and Thirty six Lakhs only)		

Notes: The rating Reaffirmation of the long term bank facilities of Intec Capital Limited , factors in ongoing delays in servicing of the company's scheduled debt obligation and over-drawl of the drawing power for a period exceeding 30 consecutive days.

8. OTHER DISCLOSURES:

a) Disclosures on materially significant related party transactions

There are no materially significant transaction entered into by the Company which may have potential conflict with the interests of the Company, further the Company has a policy on dealing with Related Party Transaction and the same is disclosed on the website of the Company.

Weblink: http://www.inteccapital.com/wp-content/uploads/2019/07/23Related-Party-Transaction-Policy.pdf

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

Bombay Stock Exchange has levied a penalty of Rs. 49,560 on the company for Non submission of Annual Report within the period prescribed under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) 2015.

Other then the above no Penalties has been imposed on the Company by stock exchange, SEBI or any other statutory authority, nor any instance of non-compliance with any legal requirements, or any matter related to capital market, during the last three years.

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

The Company has a Whistle Blower Policy to provide vigil mechanism for Directors/ Employees to voice their concerns in a reasonable and effective manner regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. It also provides adequate safeguards against victimization of Directors/ Employees who avail the mechanism and are free to report violations of applicable laws and regulations and the code of conduct. The Company affirms that during FY 2019-20, no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy is available on the website of the Company.

Weblink: http://www.inteccapital.com/wp-content/uploads/2019/07/9-Vigil-Mechanism-Whistle-Blower-Policy.pdf

d) Details Of Compliance With Mandatory Requirements and adoption of the non-mandatory compliances

The status of compliance with non-mandatory recommendations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.
- Reporting of Internal Auditor: The Internal Auditors of the Company make presentation to the Audit Committee on their reports.

e) Web link where policy for determining 'material' subsidiaries :

http://www.inteccapital.com/wp-content/uploads/2018/03/Material-Subsidiary-Policy.pdf

f) Web link where policy on dealing with related party transactions:

http://www.inteccapital.com/wp-content/uploads/2019/07/23Related-Party-Transaction-Policy.pdf

g) Disclosure of commodity price risks and commodity hedging activities

Considering the Business of the Company, no such risks are associated with the Company.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

i) A certificate from a company secretary in practice that none of the directors have been debarred or disqualified

M/s Krishna Kumar Sharma & Co. ,Company Secretaries, has issued a certificate as required under the Listing regulations confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs, Reserve Bank of India or any such statutory authority is given in Annexure 13 to this Report.

j) Total fees paid to the statutory auditor:

During the year, total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as follows:

Type of Service	F.Y 2019-2020	F.Y 2018-2019
Statutory Audit	5.50	5.50
Tax Audit	1.00	1.00
Limited Reviews	3.00	3.00
Other services	0.1	0.3
Out-of-pocket Expenses	0.62	1.56
Total	**10.22**	**11.36**

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place.

During FY 2019-20, the complaints received and the details relating thereto were as follows for the period under review:

Particulars	Number of Complaints
Number of Complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

l) All the recommendations of the various committees were accepted by the Board.

m) Corporate Governance report for the whole of financial year is given in table below:

1. Disclosure on website in terms of Listing Regulations:

	Compliance status (Yes / No / NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes

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	Compliance status (Yes / No / NA)
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	Yes
New name and the old name of the listed entity	Yes

2. Annual Affirmations:

Sl. No.	Particulars	Regulation Number	Compliance status (Yes / No / NA)
1.	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility	16(1)(b) & 25(6)	Yes
2.	Board composition	17(1)	Yes
3.	Meeting of Board of directors	17(2)	Yes
4.	Review of Compliance Reports	17(3)	Yes
5.	Plans for orderly succession for appointments	17(4)	Yes
6.	Code of Conduct	17(5)	Yes
7.	Fees/compensation	17(6)	Yes
8.	Minimum Information	17(7)	Yes
9.	Compliance Certificate	17(8)	Yes
10.	Risk Assessment & Management	17(9)	Yes
11.	Performance Evaluation of Independent Directors	17(10)	Yes
12.	Composition of Audit Committee	18(1)	Yes
13.	Meeting of Audit Committee	18(2)	Yes
14.	Composition of nomination & remuneration committee	19(1) & 19(2)	Yes
15.	Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
16.	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
17.	Vigil Mechanism	22	Yes
18.	Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
19.	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
20.	Approval for material related party transactions	23(4)	NA
21.	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
22.	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	Yes
23.	Annual Secretarial Compliance Report (ASCR) ** It was noted that this compliance was delayed complied on 31st October 2020. In future we shall ensure the timely compliance of the same.*	24A	Yes (*)
24.	Maximum Directorship & Tenure	25(1) & (2)	Yes
25.	Meeting of independent directors	25(3) & (4)	Yes
26.	Familiarization of independent directors	25(7)	Yes
27.	Memberships in Committees	26(1)	Yes
28.	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
29.	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
30.	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

n) Non-compliance of any requirement of corporate governance report:

The company has complied with all the requirements of corporate governance report of sub-paras (2) to (10) of part C of Schedule V of SEBI (LODR), 2015.

o) It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

p) M/s Shashank Tandon & Associates, Company Secretaries, has issued a compliance certificate as required under the Listing regulations confirming compliances of conditions of corporate governance is given in Annexure-5A to this Report.

9. SUBSIDIARY COMPANY MONITORING FRAMEWORK

The Company has only one Subsidiary Company viz. Amulet Technologies Limited which is non-material Subsidiary Company in terms of applicable laws read with Company's Material Subsidiary Company. The Subsidiary Company is managed by their respective Board of Directors in the best interest of their stakeholders.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements are reviewed on annual basis by the Company's Audit Committee.
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.
- Review / Scrutiny of investments in the Subsidiary Company by the Audit Committee and Board of Directors in their meeting.

For and on behalf of Intec Capital Limited

	Sd/- **S.K.Goel** **Non-Executive Independent Director** **DIN:00963735**	**Sd/-** **Sanjeev Goel** **Managing Director** **DIN:00028702**
Date: 28th November, 2020 **Place**: New Delhi		

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ANNEXURE - 5A

CIN of the Company: L74899DL1994PLC057410
Nominal Capital: Rs. 50,00,00,000/-

To,
The Board of Directors & Members
Intec Capital Limited
708, Manjusha Building,
57 Nehru Place,
New Delhi-110019.

ANNUAL CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

I, Shashank Tandon of M/s Shashank Tandon & Associates, Company Secretaries, have examined the relevant records of 'Intec Capital Limited' (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended on 31st March, 2020. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of this certification.

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

On the basis of our examination of the records produced, explanations and the information furnished, we certify that the Company has complied with all the mandatory conditions of Regulation 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the following:

Regulation 24A of SEBI (LODR):

The Secretarial Compliance Report for the Financial Year ended on 31st March, 2019 was due to be filed by 30th May, 2019, however, the same was filed on 21st August, 2019. Accordingly, there has been a delay of approximately 2 months & 21 days for meeting with the requirements of the said compliance.

Further, the management has confirmed that there is no unlisted material subsidiary Company of the Company incorporated in India.

For M/s Shashank Tandon & Associates

Shashank Tandon
(Practicing Company Secretary)
ACS No: 35126
C P No: 14722
UDIN: A035126B001122102

Place: Delhi
Date: 31st October, 2020

ANNEXURE - 6

FORM MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[***Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014***]

To,
The Members,
INTEC CAPITAL LIMITED
708, Manjusha Building,
57, Nehru Place, New Delhi- 110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INTEC CAPITAL LIMITED** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **INTEC CAPITAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained and also the information and explanation furnished and Management Representation Letter provided to us by the Company and legal opinion taken, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under and circular and notification issued by MCA from time to time;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange

Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and (Prohibition of Insider Trading) Amendment Regulation 2018 notified on dated 21.01.2019;

(c) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 - **Not Applicable during Audit Period**;

(d) The Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2009; **Not Applicable during the financial year under review as the company has not issued further capital;**

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 – **Not Applicable as the Company has not delist its equity shares during the financial year under review;**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the financial year under review; as the Company has not issued any debt securities**;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable during the financial year under review; as the company is not registered as Registrar to issue and Share Transfer Agent;**

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(h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable during the financial year under review;**

(vi) Other Applicable Acts:

a) The Minimum wages Act, 1948 and rules made there under,

b) Employees' State Insurance Act, 1948, and rules made there under,

c) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and rules made there under,

d) Payment of Gratuity Act, 1972, and rules made there under,

e) The Maternity Benefit Act, 1961 and rules made there under,

f) The Reserve Bank of India Act, 1934 along with the master circular and directions issued by Reserve Bank of India ('RBI') for the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies from time to time.

We have also examined compliance with the applicable clauses of the following:

i. The Listing Agreements entered into by the Company with Bombay Stock Exchange with SEBI (Listing Obligations and Disclosure Requirements), 2015forEquity Shares (ISIN-INE017E01018),

ii. Secretarial Standards (SS-1 and SS-2 and its revised version) issued by The Institute of Company Secretaries of India.

We further report that during the audit period, there were no instances of:

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.;

(ii) Redemption / buy-back of securities;

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

(iv) Merger / amalgamation / reconstruction, etc.;

(v) Foreign technical collaborations.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observation:

Please refer Annexure-B for our various qualification/ adverse remark/ observation/suggestions/ discloser and matter of emphasis:

For Arunesh Dubey & Co
Company Secretaries

Arunesh Kumar Dubey
(Proprietor)
M. No.: F7721
CP No.: 14054

Place: New Delhi
Date: 27-11-2020
UDIN: F007721B001325279

Note:

1. **This report is to be read with our letter of odd date which is annexed as Annexure- A as well as Annexure- B and both these Annexure Forms an integral part of this report.**
2. **Para wise details of the Audit finding are place at Annexure B to the report along with measures/ actions as taken by the company against some of our observation/remarks reported at the respective points.**

ANNEXURE - A

To,
The Members,
INTEC CAPITAL LIMITED
708, Manjusha Building,
57, Nehru Place, New Delhi- 110019

Our Secretarial Audit report, for the Financial Year 2019-20, of odd date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation including addendum about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

For **Arunesh Dubey & Co.**
Company Secretaries

Arunesh Kumar Dubey
(Proprietor)
M. No.: F7721
CP No.: 14054

Place: New Delhi
Date: 27-11-2020
UDIN: F007721B001325279

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ANNEXURE - B

A. Companies Act, 2013 and Secretarial Standard-1 and Secretarial Standard-2 as issues by the Institute of Company Secretaries of India

1. We have been informed by the management of company that it has received mail from the Bombay Stock Exchange dated 10th Day of August, 2020 with reference to non-compliance with the provision of Corporate Governance Report subject to Regulation 27(2) of SEBI (LODR) Regulation, 2015 for June 2020 seeking submission for not having the minimum number of Director in Intec Capital Limited.

   As per the clarification provided the Company is having 4 directors in its Board of Intec Capital Limited whereas it is required to appoint minimum 6 directors in Board of Intec Capital Limited.

2. The Company is required to maintain below mentioned registered under the provisions of Companies Act, 2013 and rules thereunder;

   i. Register of Debenture Holders as per the provision of Section 88 (1) read with Rule 4 of the Companies (Management and Administration) Rules, 2014

   ii. Index of Debenture Holders as per the provision of Section 88 (2) of Companies Act, 2013

   iii. Register and Index of Beneficial Owner as per the provision of Section 88 (3) of Companies Act, 2013

   iv. Foreign Register of Members, Debenture holders, other security holders or beneficial owners residing outside India in Form- MGT-3 as per the provision of Section 88(4) read with Rule 7 of the Companies (Management and Administration) Rules, 2014

   v. Register of Renewed and Duplicate Share Certificate in Form SH-2 pursuant to Rule 6 of the Companies (Share Capital and Debentures) Rules, 2014.

   vi. Register of Directors and KMPs as per the provision of Section 170(1) and Rule 17 of the Companies (Appointment and Qualification of Directors) Rules, 2014

   vii. Register of Charges in Form CH-7 as per the provision of Section 85 and Rule 7 of the Companies (Registration of Charges) Rules, 2014

   viii. Register of Loans/Guarantee/Security and Acquisition by Company in Form MBP-2 as per the provision of Section 186 and Rule 12 of the Companies (Meeting of Board and its Powers) Rules, 2014

   ix. Register of Investments not held in its own name in Form MBP-3 as per the provision of Section 187 and Rule 14 of the Companies (Meeting of Board and its Powers) Rules, 2014

   x. Register of Contracts or Arrangements in which Directors are interested in Form MBP-4 as per the provision of Section 189 and Rule 16 of the Companies (Meeting of Board and its Powers) Rules, 2014

   As per our visit to the registered office of Intec Capital Limited the management of the Company has produced the statutory registers only for the period of Audit under review.

3. We have been provided the Minutes of Board Meetings, its Committees and General Meetings for the period of Audit under review. It is suggested to maintain minutes book in proper manner as per the provision of section 118 (10) of the Companies Act, 2013 and applicable Secretarial Standard-1 and Secretarial Standard-2 as issues by the Institute of Company Secretaries of India for maintenance of Minutes.

4. The Company has maintained the proxy forms and authorized representation for the 25th Annual General Meeting held on 27th Day of September, 2019. It is suggested to maintain a proper register for proxy forms and authorized representation in manual register as per the provision of Companies Act, 2013 instead of maintaining the same in spiral binding form.

5. On review of Minutes of Annual General Meeting dated 27th Day of September, 2019, it was found that approval of reclassification of Intec Infonet Private Limited, Promoter group company as Non-promoter Company under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars, notification, rules and regulations as amended from time to time has been made vide Special Resolution passed at the annual general meeting of the company held on 27th Day of September, 2019, whereas the effect of the approval has not been shown in list of promoter

and promoter group holding till September, 2020. We have been informed that the application for reclassification has been rejected from Bombay Stock Exchange but no such rejection letter from the authority has been provided for verification.

6. The Company has provided two Internal Audit report, first unsigned report from MAZARS for period April, 2019 to September, 2019 and second signed quarter report ended June, 2020 from SGSR & Co., LLP for period October, 2019 to March, 2020 pursuant to provision of Section 138 of the Company Act, 2013 read with rule 13 (1) of Companies (Accounts) Rules, 2014.

7. The Company has delayed for filing of e-Form No. IEPF-2 with an addition fee of Rs. 3600/- for appointment of Mr. Puneet Sehgal, as Nodal officer to coordinate with IEFP Authority.

8. During the Audit period under review, no Treasury Committee meeting has been held.

B. Reserve Bank of India Guidelines:

1. The NBFCs are required to file online return to RBI in NBS_8 which is required to be submitted within 60 days for the closing of financial year ending March, 2020 i.e. 30th May, 2020. The company has filed its online return in NBS_8 dated 06th Day of August, 2020 and has delayed 68 days.

C. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Company has delayed in filing of Shareholding Pattern for the quarter ended September, 2019 for One (1) day i.e. 22nd Day of October, 2019 (Last due date for filing was 21st Day of October, 2019) pursuant to provision of Regulation 31(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

2. The Company has filed Corporate Governance Report for the quarter ended September, 2019 pursuant to provision of Regulation 27(2)(a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 on last due date i.e. 15th Day of October, 2019, further re-submission has been made on 22nd Day of October, 2019.

3. The Company was required to submit the Secretarial Compliance Report annually to Bombay Stock Exchange within 60 days of the end of financial year ended March, 2019 i.e. 30th May, 2019 pursuant to provision of Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has delayed 83 days in filing of Secretarial Compliance Report to Bombay Stock Exchange. Further for the period ended March, 2020 SEBI has vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated 25th June, 2020 further extended time for submission of Annual Secretarial Compliance Report (ASCR) by listed entities due to the continuing impact of the CoVID-19 pandemic to 31st July 2020. The Company has filed Secretarial Compliance Report to Bombay Stock Exchange for the period ended March, 2020 on 31st Day of October, 2020 and has delay for a period of 88 Days.

4. The Company has received a mail from Bombay Stock Exchange for Non-submission of the Annual Report within the period prescribed for the year ended March, 2019. The Company has filed the Annual Report pursuant to provision of Regulation 34 (1) and 36 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 dated 27th Day of September, 2019 and has delay for period of 21 days and have paid the penalty of Rs. 49560/- (inclusive of GST).

D. Other Emphasis

1. We have been informed by the management of the Company that Company's lenders bank have declared the working capital facilities maintained with them as Non-Performing Assets ("NPA") during the Financial Year 2020-21, majorly due to the shortfall in Drawing Power, whereas the repayment of the terms loans were regular and part servicing of interest of cash credit facilities were paid in time till December, 2019 whereas the Bank of India, Lead Bank of Consortium have not declared the account as NPA till the end of Financial Year and even till the date of this report. The interest on credit facilities have not been provided for the financial year, anticipating the reversal of the same by all the lending banks (qualification to this effect is also given by the statutory auditors) as per the proposal for resolution of the defaults in credit facilities which is under consideration with all the lending banks.

For Arunesh Dubey & Co.
Company Secretaries

Arunesh Kumar Dubey
(Proprietor)
M. No.: F7721
CP No.: 14054

Place: New Delhi
Date: 27-11-2020
UDIN: F007721B001325279

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ANNEXURE - 7

MD & CFO CERTIFICATE ON FINANCIAL STATEMENTS

To

The Board of Directors of Intec Capital Limited
708, Manjusha Building, 57,
Nehru Place, New Delhi: 110019

Subject: Managing Director Certificate under Regulation 33(2)(a) of SEBI (LODR) Regulation 2015 for the Financial Year ended 31st March, 2020

We, Mr. Sanjeev Goel, Managing Director and Mr. Raj Kumar Anand, Chief Financial Officer (CFO) of Intec Capital Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Annual Audited Financial Results of the company;

1.1. These Annual Audited Financial Results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

1.2. These Annual Audited Financial Results together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are no transactions entered into by the Company during the financial year ended 31st March, 2020 that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's Auditor Report for financial year ended 31st March 2020 and the Company's Audit Committee of the Board of Directors.

3. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

4. I have indicated to the Auditors and the Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the quarter subject to change in the same and that the same have been disclosed in the notes to the financial statements; and

(iii) that there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

4. I affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.

For Intec Capital Limited

Sanjeev Goel
Managing Director
DIN: 00028702
Date: 9th July, 2020
Place: New Delhi

For Intec Capital Limited

Raj Kumar Anand
Chief Financial Officer

ANNEXURE - 8

EXTRACT OF ANNUAL RETURN IN MGT-9 AS ON THE FINANCIAL YEAR END

MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i.	CIN	**L74899DL1994PLC057410**
ii.	Registration Date	15th February, 1994
iii.	Name of the Company	Intec Capital Limited
iv.	Category/Sub-Category of the Company	Public Company/Limited by shares
v.	Address of the Registered office and contact details	708, Manjusha, 57, Nehru Place, New Delhi-110019 Tel No. 011-46522200/300 Fax No. 011-46522333
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Beetal Financial & Computer Services Pvt. Limited Beetal House, 3rd Floor, 99 Madangir Near Dada Harsukhdas mandir, New Delhi-110062 Phone: 91-11-2996 1281-83 Fax: 91-11-2996 1284 Email: beetal@beetalfinancial.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Non-Banking Financial Services	6592	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Amulet Technologies Limited 708, Manjusha Building 57, Nehru Place, New Delhi - 110019	U74140DL2011PLC217880	Subsidiary	99.99 %	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup As Percentage of Total Equity)

a. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	644464		644464	3.51	644464	-	644464	3.51	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp	7135702	-	7135702	38.85	7135702	-	7135702	38.85	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other Trust	2284356	-	2284356	12.44	2284356	-	2284356	12.44	-
Sub-total (A)(1):-	**10064522**		**10064522**	**54.80**	**10064522**	**-**	**10064522**	**54.80**	**-**
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	3646142	-	3646142	19.85	3646142	-	3646142	19.85	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	**3646142**	**-**	**3646142**	**19.85**	**3646142**	**-**	**3646142**	**19.85**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	4143008	2000	4146008	22.57	4141237	400	4141637	22.55	(0.02)
b) Individuals Individual shareholders holding nominal share capital upto Rs. 2 lakhs	233668	121441	355109	1.93	235036	107711	342747	1.88	(0.05)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	34784	-	34784	0.19	34784	-	34784	0.19	-
c) Others (Trusts)	-	18	18	0.0001	-	18	18	0.0001	-
d) Other - N R I - REPATARIABLE	998	-	998	0.01	998	-	998	0.01	-
e) Other- NRI- Non Repatriable	1	-	1	0.00	1	-	1	0.00	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Other - Individual HUF	18085	352	18437	0.10	18384	352	18736	0.10	0.002
f) Other - IEPF Authority	101231	-	101231	0.55	116665	-	116665	0.64	-
Sub-total (B)(2)	**4531775**	**123811**	**4655586**	**25.35**	**4547105**	**108481**	**4655586**	**25.35**	**-**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**4531775**	**123811**	**4655586**	**25.35**	**4547105**	**108481**	**4655586**	**25.35**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**18242439**	**123811**	**18366250**	**100**	**18242439**	**123811**	**18366250**	**100.00**	**-**

b. Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1. Sanjeev Goel	644464	3.51	-	644464	3.51	-	-
2. Intec Infonet Private Limited	65400	0.36	-	65400	0.36	-	-
3. Intec Worldwide Private Limited	519267	2.83	-	519267	2.83	-	-
4. India Business Excellence Fund-II	2284356	12.44	-	2284356	12.44	-	-
5. India Business Excellence Fund-IIA	3646142	19.85	-	3646142	19.85	-	-
6. Pantec Devices Private Limited	4497264	24.49	-	4497264	24.49	-	-
7. Pantec Consultants Private Limited	1453771	7.92	-	1453771	7.92	-	-
8. Escrow Account- India Business Excellence Fund-II	600000	3.27	-	600000	3.27	-	-
Total	**13710664**	**74.65**	**-**	**13710664**	**74.65**	**-**	**-**

c. Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	**13710664**	**74.65**	**13710664**	**74.65**
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	**NA**	**NA**	**NA**	**NA**
At the End of the year	**13710664**	**74.65**	**13710664**	**74.65**

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d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	At Beginning/ At the End	Shareholding at the beginning / End of the year		Increase / Decrease in Shareholding			Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	Date	No. of Shares	Reason	No. of shares	% of total shares of the company
1.	Spectacle Advisory Solutions Private Limited	01/04/19	856014	4.66	-	-	-	856014	4.66
		31/03/20	856014	4.66	-	-	-		
2.	Satish Auto Gas Private Limited	01/04/19	855440	4.66	-	-	-	855440	4.66
		31/03/20	855440	4.66	-	-	-		
3.	Spherical Collection Agency Private Limited	01/04/19	834880	4.55	-	-	-	834880	4.55
		31/03/20	834880	4.55	-	-	-		
4.	Surindra Metals Private Limited	01/04/19	784400	4.27	-	-	-	784400	4.27
		31/03/20	784400	4.27	-	-	-		
5.	Fima Infotech Pvt. Ltd.	01/04/19	629374	3.43	-	-	-	629374	3.43
		31/03/20	629374	3.43	-	-	-		
6.	Krysys Metallurgy And Testing Services Pvt Ltd	01/04/19	161920	0.88	-	-	-	161920	0.88
		31/03/20	161920	0.88	-	-	-		
7.	Hitesh Ramji Javeri	01/04/19	34784	0.19	-	-	-	34784	0.19
		31/03/20	34784	0.19	-	-	-		
8.	Harsha Hitesh Javeri	01/04/19	15000	0.08	-	-	-	15000	0.08
		31/03/20	15000	0.08	-	-	-		
9.	Deepak Kumar	01/04/19	11844	0.06	29-06-2019	59	Sell	11785	0.06
		31/03/20	11785	0.06	-	-	-	-	-
10.	Neeraj Aggarwal	01/04/19	10000	0.05	28-02-2020	110	Sell	9890	0.05
		31/03/20	9890	0.05	-	-	-	-	-

h. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Sanjeev Goel** **Managing Director**				
	At the beginning of the year	644464	3.51	644464	3.51
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	644464	3.51	644464	3.51
2.	**S. K. Goel** **Non-Executive Independent Director**				
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	**Rakesh Kumar Joshi** **Non-Executive Independent Director**				
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA
4.	**Kumud Gupta** **Non-Executive Independent Woman Director**				
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA
5.	**Puneet Sehgal** **(Company Secretary and KMP as per Companies Act, 2013 upto 31th March 2020)**				
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA
6.	**Raj Kumar Anand** **(Chief Financial Officer and KMP as per Companies Act, 2013 upto 31th March 2020)**				
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

V. Indebtness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in lakhs)

Particular	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal amount	10,883.78	-	-	10,883.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	120.38	-	-	120.38
Total (i+ii+iii)	**11,004.16**	**-**	**-**	**11,004.16**
Changes in indebtedness during the financial year				
-Addition	-	-	-	-
-Reduction	2,404.34	-	-	2,404.34

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Particular	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtness
Net Change	**(2,404.34)**	**-**	**-**	(2,404.34)
Indebtedness at the end of the financial year				
i) Principal amount	8,479.44	-	-	8,479.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	111.88	-	-	111.88
Total (i+ii+iii)	**8,591.32**	**-**	**-**	**8,591.32**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amounts in Rs. lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Sanjeev Goel	
1.	Gross salary	129.99	129.99
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission		
	– as %of profit	NIL	NIL
	– Others, specify…	NIL	NIL
5.	Others, (Director Sitting Fee)	0.40	0.40
	Total (A)	**130.39**	**130.39**

B. Remuneration to other directors:

(Amounts in Rs. lakhs)

Sl. No.	Particulars of Remuneration	Name of other Directors			Total Amount
	Independent Directors	Mr. Rakesh Kumar Joshi	Mr. S. K. Goel	Ms. Kumud Gupta	
1.	• Fee for attending board committee meetings	1.60	1.60	1.20	4.4
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	**1.60**	**1.60**	**1.20**	**4.4**
2.	Other Non-Executive Directors • Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B) = (1+2)	**1.60**	**1.60**	**1.20**	**4.4**
	Total Managerial Remuneration				**135.79**
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary		1338563.00	1416480.00	2755043.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable		-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - Others, specify		-	-	-
5.	Others		2,00,581.00	62064.00	262645.00
	Total		1539144.00	**1478544.00**	**3017680.00**

D. Penalties/Punishment/Compounding of offences

Type	Section of the companies Act/ Any other Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty	Under Reg. 34 of SEBI (LODR), 2015	Delay in submitting Annual Report to BSE	Rs. 49560/- including 18% GST	BSE	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on Behalf of the board
For Intec Capital Limited

Date: 28th November, 2020
Place: New Delhi
Registered Office: 708, Nehru Place,
57 Manjusha Building
New Delhi-110019

Sd/-
S.K. Goel
Non Executive –Independent Director
(DIN: 00963735)

Sd/-
Sanjeev Goel
Managing Director
(DIN:00028702)

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ANNEXURE - 9

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

1. INDUSTRY AND ECONOMIC SCENARIO

NBFCs (Non-Banking Financial Companies) play an important role in promoting inclusive growth in the country, by catering to the diverse financial needs of bank excluded customers. Further, NBFCs often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs) most suitable to their business requirements. NBFCs do play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance.

In 2018-19 Indian economy retained its tag of the fastest growing major economy in the world. However, overall growth for 2018-19 slumped to a five-year low of 6.8% compared with 7% projected in the second advance estimates released in February. A few factors that have helped India in maintaining its status quo as the fastest growing nation are following viz. Policy reform, increased FDI limits, Goods and Services Tax (GST), Improvement in infrastructure, construction of smart cities; Government Development campaigns viz. Make in India and 'Start up India' etc led to creation of jobs and bringing more businesses into the organized sector. It also improved the ease of doing business, thus benefitting the economy in a major way.

In the current financial year, while liquidity and funding costs continued to remain a challenge for the sector, retail NBFCs fared better than their peers who focused on enterprise segments in managing their liquidity position; they were able to raise funds from banks, foreign institutions and portfolio sell-downs while better rated NBFCs were able to tap market funding as well.

During the year, while credit flow to industry and services was subdued, growth in retail loans continued its momentum driven by the resilient private consumption. With multiple measures taken by the Government as well as the Regulator during the year to improve the liquidity situation as well as to drive the demand, there were early signs of the economy regaining momentum in the months of January and February 2020.

However, in the month of March 2020, the spread of COVID-19 pandemic across the country and the globe, has changed the macro-economic as well as financial services sector outlook. The pandemic has sharply curtailed any hope for recovery of the economy, including financial services and has in fact, exacerbated the situation where the sector was already facing demand slowdown, worsening asset quality issues and limited credit availability. This has affected March 2020 new business which typically witnesses significant volumes and is expected to unfavourably impact vulnerable borrower segments such as self-employed as well as Micro, Small and Medium Enterprises or entities which have relatively moderate risk profiles and have limited funding avenues, more than the others and therefore, curtail their ability to generate cash flows and service their loans.

To arrest this situation, the Government and the Regulator have announced a number of measures to support these vulnerable segments as well as facilitate availability of funds at favourable rates for the financiers. With this much needed support, coupled with a relentless execution, it is possible that the economy may be able to maintain an overall positive growth rate with an earlier-than-expected recovery during the next financial year. Furthermore, managing asset quality may take higher precedence over loan growth and the sector may see some consolidation.

Intec Capital has a cautious outlook for the next year while keeping a close watch on the fiscal and monetary policy measures to support the economy, monsoons, commodity prices as well as protectionist tendencies of large global economies.

2. OPPOURTUNITIES AND THREAT

As per the RBI Relief Package, the lending institutions *inter alia* NBFCs (including housing finance companies) were permitted to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020

and May 31, 2020. Even this now stands extended by another three months i.e., from June 1, 2020 to August 31, 2020, vide the notification dated May 23, 2020 issued by the RBI. Primarily, NBFCs utilise the cash inflows from the payments made by their borrowers to repay the liability owed towards their lenders. Granting a moratorium to its borrowers on payment of loan instalments spells trouble for the sector as the NBFCs operate on very thin short-term liquidity on their balance sheets.

NBFCs who are well prepared with their business continuity and contingency plan can quickly respond back post the coronavirus outbreak slows down. A well-prepared organization can definitely bounce back, and NBFCs with proper planning can overcome the impact of this disruption.

In addition, on a positive side and being very optimistic, the weakening economy due to COVID-19 may force Indian government & regulators to take necessary measures andintroduce other policy measures to strengthen NBFCs. The critical thing to do now is to stabilize the system, give confidence to the consumers, businesses and industry with capital and reduced interest rates.

3. SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE OF THE COMPANY

The Company operates in single segment, i.e. providing loans and finance in India. The revenue from operations from the aforesaid sector during the year was Rs. 1589.50 Lakhs.

4. OUTLOOK

With the uncertain growth and a slowdown in credit demand, NBFCs are expected to turn cautious, going forward. The sector faced liquidity pressure with higher funding cost and is expected to face headwinds for asset quality. The profitability of NBFCs is expected to be under pressure, with lower credit growth and higher credit cost. Business models of NBFCs will be tested for resilience as the economy gradually recovers from the pandemic. The players with their strong liability profiles and strong risk controls in the assets size, are expected to be better positioned.

Intec Capital is well-equipped to build future growth. Intec Capital foresees opportunity across the spectrum of its customers, out of which the SME and retail opportunity is estimated to be the largest. Besides the asset quality, effective implementation of technology and cost optimization would remain the company's key focus areas for achieving profitable and sustainable growth.

5. RISKS AND CONCERNS

A company in its normal course of working takes on many risks. For a Non-Banking Finance Company the risks that are most important are operational risk, credit risk and competition risk. The identification, monitoring and mitigation of these risks are integral to the success of the company.

Risk Management at the Company broadly covers Operational Risk, Liquidity risk, Credit risk, etc. The Risk Management Committee ("RMC") of the Board assists the Board in its oversight of various risks mentioned above. The RMC reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposures related to specific issues and provides oversight of risk across the organisation.

All company processes have a SOP (Standard Operating Procedure) which ensures clarity and efficiency in all processes. Most processes have been quantified to ensure that they can measure in the most effective way. Frequent review systems of these systems have been set to make sure they are up to date. The board also has an operations review committee looking into operational management.

Further, the company has always maintained strict credit norms and processes to ensure financial assistance is granted only to able borrowers.

To mitigate the liquidity risk there is a special treasury team to manage this issue who reports directly to the managing director. The company has tapped various means of funding such as term loans, working capital limits, non- convertible debentures and cash credit limits.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

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The Company's internal control system is commensurate with its size and the nature of its operations.

7. DISCUSSION ON FINANCIAL PERFORMANCE

Snapshot of the Company's financial performance on standalone basis for the last two years is as follows:

(Amount in Lakhs)

Year	Total Revenue	Loss after Tax (LAT)	EPS
2019-20	1589.50	3617.65	(19.70)
2018-19	4033.08	830.38	(4.52)

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human resources are a valuable asset for any organization. The Company is committed to create an environment of constant learning and development, drive an effective and transparent performance culture and build a culture of appreciation & transparent communication. The Company is giving emphasis to upgrade the skills of its human resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals. Total number of employees as on 31st March 2020 stood at 60.

9. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE, INCLUDING:

There were no significant changes in the key financial ratios as compared to the immediately previous financial year, details of the same are as follows:

Particular	F.Y. 2018-19	F.Y. 2019-20	Change in %	Reason (if more than 25% change)
(i) Debtors Turnover	NA	NA	NA	NA
(ii) Inventory Turnover	NA	NA	NA	NA
(iii) Interest Coverage Ratio	0.88	(5.01)	5.89	Reduction in ratio of current year due to increase of losses of current year
(iv) Current Ratio	0.44	0.50	(0.06)	Due to reduction in current liability increase in current asset ratio
(v) Debt Equity Ratio	1.22	1.59	(0.38)	Due to losses in current year shareholder's equity reduced that's why increase in debt equity ratio in 2019-20.
(vi) Operating Profit Margin (%)	NA	NA	NA	NA
(vii) Net Profit Margin (%)	-19%	-210%	190%	Due to reduction in total revenue from last year and increase of losses

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH

Particulars	For the Financial Year 2019-20	For the Financial Year 2018-19
Net worth		
Share Capital	1,836.63	1,836.63
Special Reserve	1,415.96	1,415.96
Securities Premium	8,843.84	8,843.84
Surplus in P & L	(3,153.43)	(6,776.02)
Total Net worth	**8,943.00**	**5,320.40**
PAT	**(3,617.65)**	**(830.38)**
Return on Net worth	**-40%**	**-16%**

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities/ Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

For and on Behalf of the board
For Intec Capital Limited
Registered Office: 708, Nehru Place,
57 Manjusha Building
New Delhi-110019

Sd/-
S.K. Goel
Non Executive–Independent Director
(DIN: 00963735)

Sd/-
Sanjeev Goel
Director Managing
(DIN:00028702)

Date: 28th November, 2020
Place: New Delhi

ANNEXURE - 10

FAMILIARIZATION POLICY AND PROGRAMME FOR DIRECTORS

1. Preamble:

1.1. This Familiarization Policy / Programme for Independent Directors of **Intec Capital Limited** is formulated in terms of requirement of regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "SEBI LODR 2015") as amended from time to time.

1.2. This Familiarization Policy / Programme for Independent Directors has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. Objective

2.1. To provide insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company.

3. Orientation / Familiarization module for New Independent Directors upon joining:

Orientation / Familiarization module for new Independent Directors upon Joining		
Sl. No.	**Headings**	**Description of Policy / Programme**
3.1	Programme "as needed" basis	This module will be restructured as and when necessary and will be conducted for new Independent Directors upon joining and on need basis.
3.2	Induction program on joining of an Independent director	The company may organize familiarization Programme on structured module to update the Independent Directors and shall organize an induction program on joining of an Independent director to familiarize them with the following aspect: (a) Roles, Rights and Responsibilities (b) Board dynamics & functions; (c) Human Resource management ; (d) Nature of the Industry in which Company operates; (e) Business Model of Company; (f) Financial Performance, Budgeting and Planning ; (g) an other relevant information
3.3	Intec's various Committee of Board (COB) and their Terms of Reference (TOR)	Further, Independent Directors were made to appraise with Intec's various Committees of Board (COB), their members, their terms of reference (TOR) with roles and responsibilities of COB. The members include highly experienced Director-Members and Executive-Members with strong execution capability and a proven track record.
3.4	Auditors, and Bankers	Further, Independent Directors were made to appraise with Intec's Statutory Auditor, Internal Auditor. Secretarial Auditors and Existing Bankers.
3.5	Management Team and Organization Structure	Further, Independent Directors were made to interact with Management Team and appraise with Intec's Organization Structure which includes highly experienced Management Team.
3.6	Internal Policies, processes and documents etc.	Independent Directors are made to interact with senior management personnel and are given all internal policies, processes and documents sought by them for enabling a good understanding of the Company, its operations and the industry of which it is a part.
3.7	Sponsor the paid seminar and programmes	The Company may nominate and sponsor the new Independent Directors for various programmes on relevant topics organized by ICAI, ICSI, MCA, RBI and other leading institutions and Auditing Firms and Law Firms.
3.8	Visit the Branches of Company	The Programme may include the Independent Directors visits to the Branches of the company from time to time to make them aware about the product lines of the Company.
3.9	Statutory Compliances	The above Programme may also include the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities.
3.10	Business overview	The Independent directors were made to appraise about the Business overview and an outline of Corporate Plan and Annual targets

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Orientation / Familiarization module for new Independent Directors upon Joining		
Sl. No.	Headings	Description of Policy / Programme
3.11	Overview of sales and Marketing	The Independent directors were made to appraise the Overview of sales and marketing and operational efficiency level.
3.12	Introduction to Product profile	The Independent directors were made to appraise about the Introduction to Product profile etc.
3.13	Criteria of independence	Criteria of independence applicable to Independent Directors as per SEBI LODR, 2015 on Corporate Governance and the Companies Act, 2013;
3.14	Board Meetings and COB process and procedures;	The Independent directors were made to appraise about Board Meetings and Committees of Board (COB) and its processes and procedures;
3.15	Directors Statutory Disclosures and compliances	The Independent directors were made to appraise about their statutory disclosures and compliances and submissions under Companies Act, 2013, SEBI LODR, 2015, Listing Agreement and RBI Regulatory Framework and RBI Fit and proper criteria etc.
3.16	Whistle Blower and Vigil Mechanism	The Independent directors were made to appraise about company's Whistle Blower and Vigil Mechanism framework and its Redressal Mechanism.
3.17	The Fully functional Website of the Company	The Independent directors were made to appraise that Company's website is fully functional and prepared in compliance with Companies Act, 2013 read with rules made thereunder and SEBI LODR, 2015 and applicable Laws.

4. "On-going" Familiarization Policy / Programme on business and operational performance for both new and continuing Independent Directors:

On-going Familiarization Programme on business and operational performance for both new and continuing/existing Independent Directors		
Sl.	Headings	Description of Programme
4.1	Programme "as needed" basis	This module will be restructured as and when necessary and will be conducted "as needed" basis during the year. The programmes will be conducted for new and continuing Independent Directors of the Company depending upon the need.
4.2	The Agenda / business transactions, presentations in the Board Meetings etc.	The Agenda / business transactions and presentation of various Board Meeting and various committees of Board and Annual General Meeting etc. covers proper recitals and background of business transactions thereby enables them to informed and fair decision.
4.3	The presentations Agenda / business transactions of various statutory meeting	The Agenda / business transactions of various statutory meeting viz. Board Meetings. And various committees of Board and Annual General Meeting etc. covers proper recitals and background of business transactions thereby enables them to informed and fair decision.
4.4	Session by the Auditors to understand the various applicable laws and its impact on Companies	The Management arranges session by the Auditors on the current legal scenario for the companies, compliance management, risk mitigation as well as the changing role and responsibilities of the Board of Directors. One such session on the newly introduced Companies Act 2013 and its impact on the company and its Board of Directors were arranged by the Management during.
4.5	Strategy, Business and Operations and Business Model etc.	The Company shall through its Managing Director Senior Managerial Personnel conduct programmes / presentations periodically to familiarize the Independent Directors. Such programmes/presentation will provide an opportunity to the Independent Directors to interact with the senior leadership and management teams of the Company and help them to understand the following viz. Company's Strategy, Annual Operating Plan (AOP), Business Model of the Company, Business and operations; Services and Product offerings; Organization Structure; Financial Performance/Results, Budgeting and Planning and control processes; Sales and Marketing; Human Resources, Credit Policy Framework; Risk Policy and its framework with mitigation strategy; System driven process for comprehensive credit assessment.

On-going Familiarization Programme on business and operational performance for both new and continuing/existing Independent Directors		
Sl.	**Headings**	**Description of Programme**
4.6	Regular updates on the key developments	The regular updates on the key developments happening in and /or affecting the Company /Industry will be communicated to the Independent Directors from time to time.
4.7	Regulatory updates	The Company may also circulate news and articles related to the industry from time to time and may provide specific regulatory updates viz. SEBI Regulations, Companies Act, RBI (acts & rules), listing agreements etc.
4.8	Off-site meeting	The Independent Directors may be made to interact with Management Teams at one or two levels below top management during Off-site meeting.

5. Programme and disclosure:

5.1. As and when Familiarization Policy / Programme are conducted, the same will be disclosed on the website of the Company.

5.2. The Programme shall also be disclosed in the Annual Report of the Company as required under SEBI LODR, 2015 as amended from time to time and web link thereto shall be given in the Annual Report.

6. Amendment and review of the Familiarization Policy / Programme :

6.1. The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

6.2. The Familiarization Policy / Programme shall be reviewed as and when required.

ANNEXURE - 11

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

In Compliance with the Requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to confirm that all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Year ended on March 31, 2020.

Date: 28th November, 2020
Place: New Delhi

For Intec Capital Ltd.
Sanjeev Goel
Managing Director
DIN: 0028702

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ANNEXURE - 12

To,
The Board of Directors & Members
Intec Capital Limited
708, Manjusha Building,
57 Nehru Place,
New Delhi-110019.

ANNUAL SECRETARIAL COMPLIANCE REPORT

of 'Intec Capital Limited' for the Financial Year ended 31st March, 2020.

I, Shashank Tandon, of M/s Shashank Tandon & Associates, Company Secretaries, have examined:

(a) all the documents and records made available to us and explanation provided by the subject Company ("the Listed Entity"),

(b) the filings/ submissions made by the Listed Entity to the stock exchanges,

(c) website of the Listed Entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended, 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
This clause is not applicable to the Listed Entity as there was no reportable event.

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
This clause is not applicable to the Listed Entity as there was no reportable event.

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
This clause is not applicable to the Listed Entity as there was no reportable event.

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
This clause is not applicable to the Listed Entity as there was no reportable event.

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
This clause is not applicable to the Listed Entity as there was no reportable event.

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
This clause is not applicable to the Listed Entity as there was no reportable event.

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

(a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 34 under SEBI (LODR) The Listed Entity shall submit to the Stock Exchange a copy of the Annual Report sent to the Shareholders along with the Notice of the Annual General Meeting not later than the day of commencement of dispatch to its Shareholders.	The date of dispatch of the Annual Report and the Notice of Annual General Meeting to the Shareholders was 2nd September, 2019 but the same was submitted to BSE on the date of Annual General Meeting i.e., 27th September, 2019.	It has been observed that there has been a delay of over 21 days in giving effect to the said compliance. The details regarding the imposition of the Penalty & the respective payment in this regard has been mentioned in relevant Column below.
2.	Regulation 30 under SEBI (LODR) Outcome of Board Meeting to be sent within 30 minutes of the closure of Meeting to the BSE.	The begin & conclusion time of the Board Meetings has not been mentioned in the filings made with BSE.	We have referred to the Minutes of the Board Meetings of the Company to ascertain whether the intimations were made within the stipulated time or not & it was found that the relevant time was stipulated in the office copy of the Minutes as provided to shown to us but apparently the copy filed with the BSE mistakenly seems to have been submitted without the mentioning of the said time durations.
3.	Regulation 44 under SEBI (LODR) The Listed Entity shall submit within 48 Hours from conclusion of its General Meeting, details regarding the Voting Results in the Format specified by the BSE.	The Annual General Meeting during the year under review was held on 27th September, 2019 and its Voting Results were to be filed with the BSE within 48 hours from its conclusion but the same appears to have been filed on 30th September, 2019.	There appears to be a delay of approximately 1 day in meeting with the said compliance by the Listed Entity and the said delay was clarified by the management to have been occurred on account the forth Saturday & Sunday wherein, the instant Company being an NBFC & holding huge monetary sums/ bank balances, does not give access to any employees regarding any activities.
4.	Regulation 42 under SEBI (LODR) Notice for Record Date/ Corporate Action	There has been no document/ disclosure found on the WEB Portal of BSE regarding the said Compliance as no material event under the said compliance has occurred as per the information given by the management.	In view of the adjoining column, the same appears to be not applicable to the Listed Entity.
5.	Compliance with the Rule 24A of SEBI (LODR)	The Secretarial Compliance Report for the Financial Year ended on 31st March, 2019 was due to be filed by 30th May, 2019, however, the same was filed on 21st August, 2019.	It has been observed that there has been a delay of approximately 2 months & 21 days for meeting with the requirements of the said compliance. As per the clarification given by the management of the Company it was apprised that since, the said compliance was introduced for the during year for the first time, there were some ambiguities regarding same and it took a reasonable time for the Management to find a professional for certifying the said report.

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(b) The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

(c) The following are the details of actions taken against the Listed Entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action taken by the Listed Entity, if any	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	**Regulation 34 under SEBI (LODR)** The necessary intimation was given by the Listed Entity to the BSE but with a delay of over 21 days.	There was a delay of over 21 days in submitting the copy of the Annual Report along with the Notice of Annual General Meeting to the BSE.	A penalty of Rs. 49,560/- including GST @18% i.e., 7,560 was imposed upon the Listed Entity by the 'Bombay Stock Exchange' in this regard.	The Listed Entity appears to have complied with the directions of the Bombay Stock Exchange thereby paying off the stipulated penalty of Rs. 49,560/-.

(d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous Reports	Observations made in the Secretarial Compliance Report for the Year ended 30thMarch, 2019	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
1	There was a delay of 1 day in filing of the 'Unaudited Financial Statements' as required under Regulation 33 of SEBI (LODR) during the previous reporting period and the same was mentioned in the 'Secretarial Compliance Report' for the Previous Year.	A penalty of Rs. 5000/- plus GST @ 18%was imposed upon the Listed Entity by the 'Bombay Stock Exchange' in this regard during the previous year itself.	The said amount of fine /penalty was duly paid by the Listed Company.	The Listed Entity has complied with the directions of the 'Bombay Stock Exchange' thereby paying off the stipulated penalty of Rs. 5,000/- plus GST@18%.

NOTE:

The aforesaid penalty of Rs. 5,000/- plus GST @ 18% imposed on the Listed Entity by the 'Bombay Stock Exchange' was not disclosed by the Listed Entity in the Director's Report in its adjoining Form MGT-9 for the Financial Year 2018-19, which is a violation under the Companies Act, 2013.

For M/s Shashank Tandon & Associates

Shashank Tandon
(Practicing Company Secretary)
ACS No: 35126
C P No: 14722
UDIN: A035126B001121783

Place: Delhi
Date: 31st October, 2020

ANNEXURE - 13

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members
INTEC CAPITAL LIMITED
708, Manjusha Building
57 Nehru Place, New Delhi -110019.

I/We have examined the relevant registers, records, forms, returns and disclosures received from the directors of INTEC CAPITAL LIMITED having CIN: L74899DL1994PLC057410 and having registered office at 708, Manjusha Building, 57 Nehru Place New Delhi -110019 (herein after referred as the 'Company'), produced before me/us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Para C Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No.	Name of Director	DIN	Date of Appointment
1.	Sanjeev Goel	00028702	15/02/1994
2.	Kumud Gupta	00294724	10/11/2017
3.	Surender Kumar Goel	00963735	13/02/1998
4.	Rakesh Kumar Joshi	02410620	27/02/2002

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Krishna Kumar Sharma & Co
Company Secretaries

(Krishna Kumar Sharma)
CP No.: 7747
UDIN : F007082B001083894

Place : Delhi
Date : 28/10/2020

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 'INTEC CAPITAL LIMITED' ON STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying standalone financial statements of **Intec Capital Limited** (the "Company"), which comprise the standalone Balance Sheet as at 31 March, 2020, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') and the directions and guidelines issued by Reserve Bank of India as applicable to Non-Systemically Important Non-Deposit taking Non Banking Financial Company ('NBFC Regulations'), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020 and its loss (including Other Comprehensive Income), its changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Company is un-able to service term loans and working capital facilities including interest thereon to certain banks. The interest of Rs. 712.95 lakhs accrued on these loans has not been accounted / provided for by the Company, due to the reasons as described by the Company in note no. 32.10 to these standalone financial statements. The same has resulted in the non-compliance of the Ind AS and inconsistency in the application of the accounting policies of the Company, and if the said interest would have been accounted / provided for, the Company's total comprehensive loss for the year and borrowings and other equity as at the Balance Sheet date would have been Rs. 4,330.23 lakhs and Rs. 9,192.39 lakhs and Rs.2770.82 as against the reported figures of Rs. 3,617.28 lakhs and Rs. 8,479.44 lakhs and Rs. 3,483.77 lakhs respectively.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our qualified opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Impairment of Financial Assets including Loans to the Customers (Expected Credit Lossess) Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets including loans to customers (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach.	**Our Audit Procedure:** We obtained and evaluated the management's estimations and specifically performed the work as under: - Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. - Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.

Key Audit Matter	How the matter was addressed in the audit
Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including unbiased, probability weighted outcome under various scenarios, time value of money, impact arising from forward looking macro-economic factors and availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as grouping of borrowers based on homogeneity by using appropriate statistical techniques, staging of loans and estimation of behavioral life, determining macro-economic factors impacting credit quality of receivables, estimation of losses for loan products with no / minimal historical defaults. Considering the significance of such allowance to the overall financial statements (and the degree of estimation involved in computation of expected credit losses), this area is considered as a key audit matter.	- Tested the ECL model, including assumptions and underlying computation. - Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. **Our Results:** The results of our testing were satisfactory and we considered the fair value of the financial assets including loans to customers recognised to be acceptable.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, (but does not include the standalone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this Auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and the NBFC Regulations, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended 31 March, 2019 and the transition date opening Balance Sheet as at 01 April, 2018, included in these standalone financial statements of the current year (which have been prepared in accordance with the Indian Accounting Standards), are based on the previously issued standalone financials statements prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended, which were audited by us, on which we expressed the unmodified opinion dated 24 May, 2019 and 24 May, 2018 for the years ended 31 March, 2019 and 31 March, 2018

respectively. These standalone financial statements have been considered in the standalone financial statements of the current year prepared in accordance with Ind AS, after adjustment for the differences in the accounting principles adopted by the Company on transition to the Ind AS as detailed in Note 32.19 of the standalone financial statements.

Our qualified opinion on the standalone financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-'A',** a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c. the Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendement Rules, 2016, as amended, to the extent they are not inconsistent with the accounting principles prescribed in the NBFC Regulation.
   e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-'B'**;
   g. In our opinion, the remuneration paid by the Company to its Director is in accordance with the provisions of Section 197 read with Schedule V of the Act; and
   h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32.1 to the standalone financial statements;
      ii. The Company has not entered into any long-term contracts including derivative contracts.
      iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

(Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 20092529AAAABX7277

Place : New Delhi
Dated : 09 July, 2020

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ANNEXURE - 'A'
TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under `Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Intec Capital Limited for the year ended 31 March, 2020)

(i) In respect of its property, plant and equipments;

a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.

b. As explained to us, the property, plant and equipments are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 12 on property, plant and equipments to the standalone financial statements, are held in the name of the Company.

(ii) As the Company is a NBFC enagaged in the business of the financing, no inventories are held by it, and therefore the said clause is not applicable to the Company.

(iii) According to the information and explanations given to us and based on our examination of the records, the Company has not granted any loans, secured or unsecured to any party covered in the Register maintained under Section 189 of the Companies Act, 2013, hence this clause is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of loans and advances, wherever given to the subsidiary, the director including entities in which they are interested, have been complied by the Company.

(v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.

(vi) As the Company is a NBFC enagaged in the business of financing, and there are no manufacturing or trading activites the said clause regarding maintenance of cost records is not applicable to the Compnay.

(vii) In respect of statutory dues:

a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other statutory dues as applicable with the appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2020 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues, which have not been deposited on account of any dispute.

(viii) Based on the audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of loans and borrowings to financial institutions and banks. The detail of the defaults have been given in the note no. 17.3 and 32.10 to the standalone financial statements.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.

(xi) The managerial remuneration paid/provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records

of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable. The details of such transcations have been disclosed in the standalone financial statements, as required by the Ind AS 24 – Related Party Disclosures.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.

(xvi) According to the information and explanations given to us, the Company is a Non- Systemically Important Non-Deposit taking Non-Banking Financial Company, and has got it registered as such under section 45-IA of the Reserve Bank of India Act, 1934.

For S. P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

(Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 20092529AAAABX7277

Place : New Delhi
Dated : 09 July, 2020

intec CAPITAL LIMITED
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ANNEXURE - 'B'
TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under `Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Intec Capital Limited for the year ended 31 March, 2020)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Intec Capital Limited** ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

(Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 20092529AAAABX7277

Place : New Delhi
Dated : 09 July, 2020

intec CAPITAL LIMITED
Sapne Aapke, Bharosa Apno Ka

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2020

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	5	232.93	265.12	94.78
Bank Balance other than cash and cash equivalents	6	3.56	62.09	1,208.08
Loans	7	7,460.74	14,440.68	23,591.35
Investments	8	777.21	777.21	779.51
Other financial assets	9	1,674.10	1,834.21	1,180.21
Non-financial assets				
Current tax assets (net)	10	468.75	485.21	692.26
Deferred tax assets (net)	11	3,556.57	2,575.24	3,166.77
Property, plant and equipment	12.a	61.22	78.96	96.59
Capital work-in-progress	12.b	5.19	4.91	6.81
Intangible assets	13	31.82	37.54	44.40
Right-of-use assets	14	79.75	-	-
Other non-financial assets	15	31.97	50.62	101.30
Non-current assets held for sale	16	15.90	-	-
Total assets		**14,399.71**	**20,611.79**	**30,962.06**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Borrowings	17	8,479.44	10,883.78	20,216.91
Lease liabilities	32.6	92.11	-	-
Other financial liabilities	18	496.15	760.66	916.88
Non-financial liabilities				
Provisions	19	4.48	8.13	9.68
Other non-financial liabilities	20	7.13	16.22	47.23
EQUITY				
Equity share capital	21	1,836.63	1,836.63	1,836.63
Other equity	22	3,483.77	7,106.38	7,934.73
Total liabilities and equity		**14,399.71**	**20,611.80**	**30,962.06**

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date: 09 July, 2020

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

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from operations			
Interest income	23	1,495.66	3,850.74
Fees and commission income	24	42.83	104.88
Recoveries of financial assets written off	25	51.01	77.46
Total revenue from operations		**1,589.50**	**4,033.08**
Other income	26	135.71	259.84
Total income		**1,725.21**	**4,292.92**
Expenses			
Finance costs	27	784.98	2,023.30
Impairment on financial instruments	28	4,489.18	1,037.88
Employee benefits expenses	29	528.84	702.52
Depreciation and amortization	30	61.10	44.68
Other expenses	31	579.79	724.11
Total expenses		**6,443.89**	**4,532.49**
Loss before tax		**4,718.68**	**239.57**
Tax expense			
Earlier year's tax		(121.43)	-
Deferred tax	13.iii	(979.60)	590.82
Total tax expense		**(1,101.03)**	**590.82**
Loss for the year		**3,617.65**	**830.38**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plan		0.50	2.75
Income tax effect	13.iv	(0.13)	(0.71)
Other comprehensive income / (loss)		**0.37**	**2.04**
Total comprehensive loss for the year		**3,617.28**	**828.34**
Earnings per share: (Nominal value per share Rs. 10/-)	32.7		
Basic/Diluted earnings per share (in Rs.)		(19.70)	(4.52)

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date: 09 July, 2020

For and on behalf of
Intec Capital Limited

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

intec CAPITAL LIMITED
Sapne Aapke, Bharosa Apno Ka

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MAR, 2020

(All amounts in INR lakhs,unless otherwise stated)

Particulars	year ended 31 March, 2020	year ended 31 March, 2019
Cash flow from operating activities		
(Loss) before tax	**(4,718.68)**	**(239.57)**
Adjustments for:		
Depreciation and amortisation	61.10	44.68
Profit on sale of investment	-	(16.40)
Impairment on financial instruments	4,489.18	1,037.88
Liabilities no longer required written back	(116.64)	(200.02)
Loss on sale of property, plant and equipment (net)	1.30	7.39
Finance cost	784.98	2,023.30
Operating profit before working capital changes	**501.24**	**2,657.26**
Movement in working capital:		
Decrease in loans	2,702.77	8,112.78
Increase in other financial assets	(51.89)	(654.00)
Decrease in other non-financial assets	18.65	50.69
Decrease in other financial liabilities	(139.37)	(57.81)
(Decrease)/increase in provisions	(3.27)	1.19
Decrease in other non-financial liabilities	(8.98)	(31.01)
Cash flow from operations	**3,019.15**	**10,079.10**
Taxes refund (net)	137.89	207.05
Net cash flow from operating activities (A)	**3,157.04**	**10,286.15**
Cash flow from investing activities		
Purchase/(sale) of property, plant and equipment and intangible asset (net)	(16.03)	(25.68)
Recognition of non currebt in Assets held for sale	(15.90)	-
Proceeds from investment measured at amortised cost	-	18.70
Fixed deposits (Free from lien)	58.53	1,145.99
Net cash flow from investing activities (B)	**26.60**	**1,139.01**
Cash flow from financing activities		
Repayments of secured loans	(2,404.34)	(9,328.79)
Repayment of unsecured loans	-	(4.33)
Payment of principal portion of lease liabilities	(18.01)	-
Payment of interest portion of lease liabilities	(13.47)	-
Finance cost	(780.01)	(1,921.70)
Net cash used in financing activities (C)	**(3,215.83)**	**(11,254.82)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(32.19)**	**170.34**
Cash and cash equivalents at the beginning of the year	265.12	94.78
Cash and cash equivalents at the end of the year	**232.93**	**265.12**

Notes:

1. The above Standalone Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS) - 7 'Statement of Cash Flow'
2. Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

- Cash on hand	9.81	11.95
- Balance with banks		
- in current accounts	62.76	253.17
- in term deposits having original maturityof 3months or less	160.37	-
	232.94	**265.12**

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date: 09 July, 2020

For and on behalf of
Intec Capital Limited

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in INR lakhs, unless otherwise stated)

(A) Equity Share Capital

For the year ended 31 March, 2020

(Rs. In Lakhs)

Balance as at 01 April, 2019	Changes in equity share capital during the year	Balance as at 31 March, 2020
1,836.63	-	1,836.63

For the year ended 31 March, 2019 and as at 01 April, 2018

(Rs. In Lakhs)

Balance as at 01 April, 2018	Changes in equity share capital during the year	Balance as at 31 March, 2019
1,836.63	-	1,836.63

(B) Other Equity

Particulars	Reserves & Surplus			Other Items of Other Comprehensive Income - Re-measurement gains on defined benefit plan	Total
	Statutory Reserve as per Section 45-IC of RBI Act, 1934	Securities Premium	Retained Earnings		
Balance as at 31 March, 2019	1,415.96	8,843.84	(3,155.47)	2.04	7,106.38
Adjustment on adoption of Ind AS 116 (Refer note 32.6)	-	-	(5.33)	-	(5.33)
Restated balance as at 01 April, 2019	**1,415.96**	**8,843.84**	**(3,160.80)**	**2.04**	**7,101.05**
Loss for the year	-	-	(3,617.65)	-	(3,617.65)
Other Comprehensive Income	-	-	-	0.37	0.37
Balance as at 31 March, 2020	**1,415.96**	**8,843.84**	**(6,778.45)**	**2.41**	**3,483.77**

Particulars	Reserves & Surplus			Other Items of Other Comprehensive Income - Re-measurement gains on defined benefit plan	Total
	Statutory Reserve as per Section 45-IC of RBI Act, 1934	Securities Premium	Retained Earnings		
Balance as at 01 April, 2018	1,415.96	8,843.84	(2,325.07)	-	7,934.73
Loss for the year	-	-	(830.38)	-	(830.38)
Other Comprehensive Income	-	-	-	2.04	2.04
Balance as at 31 March, 2019	**1,415.96**	**8,843.84**	**(3,155.46)**	**2.04**	**7,106.38**

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date: 09 July, 2020

For and on behalf of
Intec Capital Limited

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

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Notes to standalone financial statements for the year ended 31 March, 2020

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

1. COMPANY INFORMATION

Intec Capital Limited (the 'Company') incorporated in India on 15 February, 1994, was registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') *vide* Certificate No. B-14.00731 dated 4 May, 1998 in the name of Intec Securities Limited. Subsequently, due to change in name of the Company, the Company received a revised Certificate of Registration ('CoR') in the name of Intec Capital Limited on 4 November, 2009 under Section 45-1A of the Reserve Bank of India Act, 1934. Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).

The standalone financial statements for the year ended 31 March, 2020, were approved by the Board of Directors and authorized for issue on 09 July, 2020, and recommended for consideration and adoption by the shareholders in their ensuing annual general meeting.

2. BASIS OF PREPARATION

2.1 Compliance with Indian Accounting Standards (Ind – AS):

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, and the other relevant provisions of the Companies Act, 2013 (the 'Act'), and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (the 'NBFC Regulations') issued by RBI, as amended from time to time. The notified Indian Accounting Standards (Ind AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulations.

For all periods up to and including the year ended 31 March, 2019, the Company had prepared its standalone financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the applicable NBFC Regulations (hereinafter referred as 'Previous GAAP'). These standalone financial statements for the year ended 31 March, 2020 have been prepared in accordance with Ind AS and the other relevant provisions of the Act, and the NBFC Regulations, considering that the Company was categorized as 'Non-Systemically Important Non-Deposit taking Non-Banking Financial Company' w.e.f. 01 April, 2018, as its total assets as per the audited financial results as at 31 March, 2018, were less than Rs. 500 crores, whereas, till 31 March, 2018 it was categorised as 'Systemically Important Non-Deposit taking Non-Banking Financial Company', in terms of RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated 01 September, 2016.

The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption and an explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 32.19.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 01 April, 2018 being the date of transition to Ind AS.

2.2 Presentation of standalone financial statements:

The Company presents its Balance Sheet in order of liquidity. The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except,

Notes to standalone financial statements for the year ended 31 March, 2020
(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

certain financial assets and liabilities, measured at fair value,

2.4 Functional and present currency

The standalone financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of standalone financial statements in conformity with Ind AS requires the management to make use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of standalone financial statements, and the reported amount of revenues and expenses during the reporting period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

- Fair value of financial instruments

  Fair value of financial instruments is required to be estimated for financial reporting purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market- observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, based on the inputs to these models taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- Impairment of financial assets – Expected Credit Loss

  The measurement of impairment loss allowance for financial asset measured at amortised cost requires use of statistical models, significant assumptions about future economic conditions and credit behavior (e.g. likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the Company makes judgements about the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance. Further, judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets as well as for homogeneous grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

- Non recognition of income on Credit Impaired Loans

  As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realization is higher than the gross loan amount outstanding.

- Taxes

  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations

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of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- Useful life of property, plant and equipment

  The Property, Plant and Equipment are depreciated on straight line method over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 4.5 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Revenue Recognition

(i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset / financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets after setting-off of collateral amounts. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR, to the extent of probability of its recovery. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

(ii) Dividend Income

Dividend Income on investments is recognized when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iii) Fees and Commission

Processing fees and other servicing fees is recognized on accrual basis. The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Fees on value added services and products are recognised on rendering of services and products to the customer.

(iv) Interest on Borrowings

Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

(v) Recoveries of Financial Assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

(vi) Sale of Loan Assets

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

Notes to standalone financial statements for the year ended 31 March, 2020
(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

(vii) Other Income / Revenue

Other income / revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

4.2 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.3 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in subsidiaries and associates, borrowings, cash and cash equivalents, other bank balances etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity instruments, trade receivables and cash and cash equivalents etc.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

(i) Classification and Measurement of Financial assets (other than Equity instruments)

For the purpose of subsequent measurement, financial assets (other than equity instruments) are classified into three categories:

(a) Financial Assets at amortised cost
(b) Financial Assets at FVOCI
(c) Financial Assets at FVTPL

(a) Financial Assets at amortised cost

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR) as given in para 3.1.(i) above.

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(b) Financial Assets at FVOCI

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial Assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

(c) Financial Assets at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of financial assets are recognised on net basis through profit or loss.

Term / fixed deposits held by the Company have been classified under this category

(ii) **Classification and Measurement of Equity instruments**

All equity investments other than in subsidiaries are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company transfers the same within equity.

(iii) **Derecognition of Financial Assets**

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

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(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(iv) **Impairment of financial assets**

Expected Credit Loss (ECL) are recognised for financial assets held under amortised cost, measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 180 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months – post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in

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stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 32.18.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, borrowings etc.

Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings and other payables.

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.4 Investment in subsidiary and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value / amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Notes to standalone financial statements for the year ended 31 March, 2020
(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

4.5 Property plant and equipment

(i) Upon first time adoption of Ind AS, the Company has elected to measure all its property, plant & equipment, at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. 01 April, 2018.

(ii) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(iii) Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) An item of PPE and any significantly part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(v) Depreciation on property, plant and equipment is provided on straight-line method over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. Immovable assets at the leased premises including civil works, fixtures and electrical items etc. are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of two years. The useful lives in the following case is different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Electrical installations	10	8

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013

(vi) Depreciation on addition or on sale / discard of an asset is calculated pro-rata from / up to the date of such addition or sale/discard.

(vii) The residual values, useful lives and methods of depreciation of Plant, property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.6 Intangible Assets and amortization thereof

(i) Upon first time adoption of Ind AS, the Company has elected to measure all its Intangible assets at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. 01 April, 2018.

(ii) Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the Company and the costs of the assets can be measured reliably. Intangible assets comprising computer software are carried at cost less amortization and accumulated impairment, if any. Computer software including improvements are amortised over the management's estimate of the

Notes to standalone financial statements for the year ended 31 March, 2020
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useful life of such intangibles. Management estimates for useful life of intangibles is 6 years.

(iii) An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognized.

4.7 Employee Benefits:

(i) Short term employee benefits:

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

(ii) Defined contribution plan:

Contributions towards Employees' Provident Fund and State Insurance Scheme, are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss for the year when the expense is actually incurred.

(ii) Other long-term employee benefits:

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

(iii) Defined benefit plan:

The Company's gratuity scheme is a defined benefit plan. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded / managed by Life Insurance Corporation of India ('LIC'). The short / excess of the Gratuity liability as compared to the net fund held by LIC is accounted for as liability/ assets as at the year end

4.8 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS), prescribed therein. The tax rates and the tax laws used to compute the amounts are those that are enacted or substantially enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transactions either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where applicable.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any

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unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4.9 Provision, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

c) Contingent Assets

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

4.10 Earnings per share

Basic earnings per equity share is computed by dividing net profit/ loss attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

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

4.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods

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when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Company's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Company does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

4.12 Statement of Cash Flows:

For the purpose of Standalone Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.13 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and

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- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre- tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

4.14 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 32.16.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

5	Cash and cash equivalents	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Cash on hand	9.80	11.95	15.12
	Balances with banks:			
	- in current accounts	62.76	253.17	79.66
	- in term deposits having original maturity of 3 months or less	160.37	-	-
	Total	**232.93**	**265.12**	**94.78**

6	Bank balances other than Cash and cash equivalents	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Balances with banks:			
	- in term deposits having original maturity of more than 3 months but less than 12 months	-	56.72	1,201.14
	- in unpaid dividend account	3.56	5.37	6.94
	Total	**3.56**	**62.09**	**1,208.08**

6.1 Fixed deposits of Rs. Nil (31 March, 2019: Nil and 01 April, 2018: Rs. 1,098.98 lakhs) are subject to first charge as security against the working capital facilities, of Rs. Nil (31 March, 2019: Rs. 22.81 lakhs and 01 April, 2018: Rs. 89.67 lakhs) are subject to first charge as security against the Term Loan facilities and of Rs. Nil (31 March, 2019: Rs. 33.91 lakhs and 01 April, 2018: Rs. 31.05 lakhs) are liened with Small Industries Development Bank of India under Credit Delivery Arrangement. Also, refer note 9.1.

7	Loans	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	At amortised cost			
	a. Secured term loans	17,678.37	20,921.79	28,209.47
	b. Unsecured term loans	2,547.35	3,988.28	4,987.26
	c. Unsecured term loan to a subsidiary	969.02	865.19	772.49
	Total - Gross	21,195.34	25,775.26	33,969.22
	Less: Impairment loss allowance	13,734.61	11,334.58	10,377.87
	Total - Net	7,460.74	14,440.68	23,591.35
7.1	Break-up of Secured/Unsecured loans			
a.	Secured by Tangible assets	17,678.37	20,921.79	28,209.47
	Less: Impairment loss allowance	12,138.82	9,507.82	9,081.31
	Secured - net	5,539.55	11,413.98	19,128.16
b.	Unsecured	3,516.97	4,853.47	5,759.76
	Less: Impairment loss allowance	1,595.79	1,826.76	1,296.56
	Unsecured - net	1,921.18	3,026.71	4,463.19
	Total (a+b)	7,460.74	14,440.69	23,591.35
7.2	Break-up of Loans In India/Outside India			
a.	Loans in India			
	i. Public Sector	-	-	-
	ii. Others	21,195.34	25,775.26	33,969.22
	Less: Impairment loss allowance	13,734.61	11,334.58	10,377.87
		7,460.74	14,440.69	23,591.35
b.	Loans outside India	-	-	-
	Total (a+b)	7,460.74	14,440.69	23,591.35

(Amount in INR lakhs, unless otherwise stated)

7.3 Summary of loans by stage distribution

Particulars	As at 31 March, 2020				As at 31 March, 2019				As at 1 April, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,715.28	500.31	17,979.76	**21,195.34**	8,192.47	215.20	17,367.59	**25,775.26**	17,673.66		16,295.56	**33,969.22**
Less: Impairment loss allowance	52.63	13.65	13,668.33	**13,734.61**	324.49	10.38	10,999.71	**11,334.58**	1,332.48		9,045.39	**10,377.87**
Net carrying amount	**2,662.65**	**486.66**	**4,311.43**	**7,460.74**	**7,867.98**	**204.82**	**6,367.89**	**14,440.69**	**16,341.18**	**-**	**7,250.17**	**23,591.35**
	1.94%	2.73%	76.02%									

7.4 Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March, 2020							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
As at 31 March, 2019	8,192.47	324.49	215.20	10.38	17,367.59	10,999.71	25,775.26	11,334.58
Transfers during the year								
to Stage 1	51.84	3.29	(51.84)	(3.29)	-	-	-	-
to Stage 2	(525.50)	(16.68)	525.50	16.68	-	-	-	-
to Stage 3	(2,816.71)	(155.45)	(163.36)	(7.08)	2,980.08	162.54	-	-
Total transfers	(3,290.37)	(168.84)	310.30	6.31	2,980.08	162.54	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	3,243.31	-	3,243.31
Changes in opening credit exposures (additional disbursement net of repayments)	1,147.87	21.95	25.19	3.03	1,412.27	251.87	2,585.05	276.85
New credit exposures during the year, net of repayments	-	-	-	-	-	-	-	-
Amounts written off during the year	1,039.22	81.08	-	-	955.64	485.35	1,994.87	566.43
As at 31 March, 2020	2,715.28	52.63	500.31	13.65	17,979.76	13,668.33	21,195.34	13,734.61

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(Amount in INR lakhs, unless otherwise stated)

Particulars	As at 31 March, 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
As at 1 April, 2018	17,673.66	1,332.48	-	-	16,295.56	9,045.39	33,969.22	10,377.87
Transfers during the year								
to Stage 1	-	-	-	-	-	-	-	-
to Stage 2	(243.22)	(19.80)	243.22	19.80	-	-	-	-
to Stage 3	(2,887.76)	(206.47)	-	-	2,887.76	206.47	-	-
Total transfers	(3,130.98)	(226.27)	243.22	19.80	2,887.76	206.47	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	2,099.18	-	2,099.18
Changes in opening credit exposures (additional disbursement net of repayments)	6,350.21	781.22	28.02	9.42	1,734.58	342.45	8,112.82	1133.59
New credit exposures during the year, net of repayments	-	-	-	-		-	-	-
Amounts written off during the year	-	-	-	-	81.14	8.89	81.14	8.89
As at 31 March, 2019	8,192.47	324.49	215.20	10.38	17,367.59	10,999.71	25,775.26	11334.58

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

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8	Investments	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
i.	**Investment in Subsidiaries**			
	(At amortised cost)			
	- Amulet Technologies Limited	770.37	770.37	770.37
	Total - i	**770.37**	**770.37**	**770.37**
ii.	**Investment in Equity Instruments**			
	(At amortised cost)			
	- Pantec Devices Private Limited	1.16	1.16	1.16
	- Pantec Consultants Private Limited	1.01	1.01	1.01
	- Intec Worldwide Private Limited	0.86	0.86	0.86
	- Spherical Collection Agency (P) Ltd.	1.11	1.11	1.11
	- Intec Share & Stock Brokers Limited	2.26	2.26	2.26
	- FIMA Infotech Private Limited	-	-	2.30
	- Spectacle Advisory Solutions Pvt. Ltd.	0.44	0.44	0.44
	Total - ii	**6.84**	**6.84**	**9.14**
	Total Investments - i + ii	**777.21**	**777.21**	**779.51**
	Out of above			
	In India	777.21	777.21	779.51
	Outside India	-	-	-

8.1 **Information about Subsidiary is given below:**

Name of the Company and Country of Incorporation	Principal Activities	Proportion (%) of Shareholding		
		As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Amulet Technologies Limited, India	Consultancy, Advisory and related service in Information Technology	100%	100%	100%

9	Other financial assets	Note	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Term deposits having original maturity of more than 12 months	9.1	10.41	-	372.38
	Security deposits		10.44	12.36	21.93
	Interest accured but not due on term deposits		0.48	0.79	39.78
	Interest accured and due on loans		1,331.52	1,183.03	-
	Interest accured but not due on loans		207.96	495.59	611.20
	Advances to employees		2.40	4.80	7.35
	Advance to parties		212.00	-	-
	Less: Impairment on advance to parties		(212.00)	-	-
	Advance to a Director		-	3.68	26.83
	Balance with government authorities		98.77	77.95	48.64
	Other advances		12.12	56.01	52.10
	Total		**1,674.10**	**1,834.21**	**1,180.21**

9.1 Refer note 6.1 for the fixed deposits of Rs. Nil (31 March, 2019: 33.91 lakhs and 01 April, 2018: Rs. 31.05 lakhs which are liened with Small Industries Development Bank of India under Credit Delivery Arrangement.

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10	Current tax assets (net)	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Advance Income Taxes (net of provision of tax)	468.75	485.21	692.26
	Total	**468.75**	**485.21**	**692.26**

11	Deferred tax assets (net)	As at 31 March, 2020	As at 31 March, 2019
i.	**Reconciliation of tax expenses and profit/ loss before tax**		
	Loss before tax	4,718.68	239.57
	At corporate tax rate of 26% (Previous year: 26%)	-	-
	Tax on timinig differences	(979.60)	590.82
	Earlier year tax	(121.43)	-
	Tax (reversal) / expense	**(1,101.03)**	**590.82**

ii. **Deferred tax assets recorded in Balance Sheet**

	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Deferred tax assets:			
- Impairment on financial instruments	3,570.99	2,946.99	3,206.76
- Provision for employee benefits	-	-	8.97
- Lease liabilities*	23.95	-	-
- Depreciation and amortisation	9.06	6.10	-
- Other temporary differences	55.12	-	1.83
Gross deferred tax assets	**3,659.12**	**2,953.09**	**3,217.56**
Deferred tax liabilities:			
- Depreciation and amortisation	-	-	2.41
- Right-of-use assets*	20.74	-	-
- Financial instruments measured at EIR	77.63	374.67	48.38
- Provision for employee benefits	4.18	3.18	-
- Other temporary differences	-	-	-
Gross deferred tax liabilities	**102.55**	**377.85**	**50.79**
Deferred tax assets (net)	**3,556.57**	**2,575.24**	**3,166.77**

* includes opening adjustment of Rs. 1.86 lakhs (net) due to adoption of Ind AS 116. (Refer note 32.6)

iii. **Changes in deferred tax assets recorded in profit or loss**

	As at 31 March, 2020	As at 31 March, 2019
Deferred tax relates to the following:		
- Impairment on financial instruments	(624.00)	259.77
- Financial instruments measured at EIR	(297.04)	326.29
- Depreciation and amortisation	(2.96)	(8.51)
- Right-of-use assets	(6.03)	-
- Lease liabilities	4.68	-
- Provision for employee benefits	0.87	11.44
- Other temporary differences	(55.12)	1.83
	(979.60)	**590.82**

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iv. Changes in deferred tax assets recorded in other comprehensive income

	As at 31 March, 2020	As at 31 March, 2019
Deferred tax relates to the following:		
- Re-measurement gains on defined benefit plan (net of tax)	(0.13)	(0.71)
	(0.13)	**(0.71)**
Total	**(979.47)**	**591.53**

12 Property, Plant and Equipment (As at 31 March, 2020)

Particulars	Gross block				Accumulated depreciation				Net Block	
	As at 01 April, 2019	Additions	De-ductions / adjust-ments	As at 31 March, 2020	As at 01 April, 2019	De-preciation	Deductions / adjust-ments	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
a. Tangible assets										
Vehicles	46.94	-	-	46.94	9.10	9.10	-	18.20	28.73	37.84
Office equipment	6.62	0.72	2.55	4.79	2.59	1.08	1.53	2.14	2.65	4.02
Data processing equipments	26.78	7.78	0.31	34.25	7.36	10.46	2.64	15.18	19.07	19.42
Furniture and fixtures	5.15	-	0.71	4.44	1.12	0.86	(0.31)	2.29	2.15	4.03
Leasehold improvements	1.70	-	0.61	1.09	-		(0.98)	0.98	0.11	1.70
Electric installations	1.18	-	0.06	1.12	0.28	0.18	(0.16)	0.62	0.50	0.90
Air conditioners	3.55	0.71	0.47	3.79	0.81	0.78	0.25	1.34	2.45	2.75
Office equipment - Mobile	4.35	-	-	4.35	0.87	0.96	(1.78)	3.61	0.74	3.48
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
Total (a)	**101.09**	**9.21**	**4.71**	**105.59**	**22.13**	**23.42**	**1.19**	**44.36**	**61.22**	**78.96**
b. Capital Work in Progress	**4.91**	**0.85**	**0.58**	**5.19**	**-**	**-**	**-**	**-**	**5.19**	**4.91**
Grand Total - Current's Year	**106.00**	**10.06**	**5.29**	**110.78**	**22.13**	**23.42**	**1.19**	**44.376**	**66.41**	**83.87**

Property, Plant and Equipment (As at 31 March, 2019 and As at 01 April, 2018)

Particulars	Gross block				De-preciation				Net Block	
	As at 01 April, 2018	Additions	De-ductions / adjust-ments	As at 31 March, 2019	As at 01 April, 2018	De-preciation/ amorti-sation	De-ductions / adjust-ments	As at 31 March, 2019	As at 31 March, 2019	As at 01 April, 2018
a. Tangible assets										
Vehicles	46.94	-	-	46.94	-	9.10	-	9.10	37.84	46.94
Office equipment	11.46	1.24	6.08	6.62	-	5.22	2.62	2.60	4.02	11.46
Data processing equipments	15.32	14.74	3.28	26.78	-	7.37	0.01	7.36	19.42	15.32
Furniture and fixtures	5.89	-	0.73	5.15	-	1.17	0.05	1.12	4.03	5.88
Leasehold improvements	1.79	-	0.09	1.70	-	-	-	-	1.70	1.79
Electric installations	2.68	-	1.50	1.18	-	0.60	0.32	0.28	0.90	2.68
Air conditioners	4.18	-	0.63	3.55	-	0.91	0.11	0.79	2.75	4.18
Office equipment - Mobile	3.51	0.84	-	4.35	-	0.87	-	0.87	3.48	3.51
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
Total (a)	**96.59**	**16.82**	**12.31**	**101.09**	**-**	**25.25**	**3.12**	**22.13**	**78.96**	**96.59**
b. Capital Work in Progress	**6.81**	**4.92**	**6.81**	**4.91**	**-**	**-**	**-**	**-**	**4.91**	**6.81**
Grand Total - Current's Year	**103.42**	**21.74**	**19.13**	**106.00**	**-**	**25.25**	**3.12**	**22.13**	**83.88**	**103.40**

Note - 1. Tangible assets are hypothecated as security against working capital facility (refer note 17)

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13. Intangible Assets (As at 31 March, 2020)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2019	Additions	De-ductions / adjust-ments	As at 31 March, 2020	As at 01 April, 2019	Amorti-sation	De-ductions / adjust-ments	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Computer software	56.97	7.99	-	64.96	19.43	14.50	0.79	33.14	31.82	37.54
Total	**56.97**	**7.99**	**-**	**64.96**	**19.43**	**14.50**	**0.79**	**33.14**	**31.82**	**37.54**

Intangible Assets (As at 31 March, 2019 and As at 01 April, 2018)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2018	Additions	De-ductions / adjust-ments	As at 31 March, 2019	As at 01 April, 2018	Amorti-sation	De-ductions / adjust-ments	As at 31 March, 2019	As at 31 March, 2019	As at 01 April, 2018
Computer software	44.40	12.57	-	56.97	-	19.43	-	19.43	37.54	44.40
Total	**44.40**	**12.57**	**-**	**56.97**	**-**	**19.43**	**-**	**19.43**	**37.54**	**44.40**

14. Right-of-use Assets (As at 31 March, 2020)

Particulars	Gross block					Accumulated amortisation				Net Block
	As at 01 April, 2019	Addition on adoption of Ind AS 116 as at 01 April, 2019 (Refer note 32.6)	Additions	De-ductions / adjust-ments	As at 31 March, 2020	As at 01 April, 2019	Amorti-sation	De-ductions / adjust-ments	As at 31 March, 2020	
Premises	-	102.93	-	-	102.93	-	23.18	-	23.18	79.75
Total	**-**	**102.93**	**-**	**-**	**102.93**	**-**	**23.18**	**-**	**23.18**	**79.75**

15	Other non-financial assets	Note	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Prepaid expenses		13.81	11.98	26.18
	Unamortised loan processing fees		-	18.28	55.79
	Plan Assets of employee benefits (Net of provision) - Gratuity	32.3	18.16	20.36	19.33
	Total		**31.97**	**50.62**	**101.30**

16	Non-current asset held for sale	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	(measured at fair value less cost to sell)			
	Assets held for sale	15.90	-	-
	Total	**15.90**	**-**	**-**

During the year, Company has aquired a property on settlement of loan dues from a borrower which has been classified as held for sale and is being measured at the lower of carrying value or fair value less cost to sell.

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

17 Borrowings	Note	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
(At amortised cost)				
Secured				
i. Term Loans				
- from Banks	17.1 & 17.3	1,430.93	2,972.94	6,091.11
- from Financial Institutions	17.1	-	2.03	799.53
ii. Working Capital Demand Loans from Banks	17.2 & 17.3	7,048.51	7,908.81	13,321.92
Unsecured				
Inter Corporate Deposits	17.1	-	-	4.33
Total		**8,479.44**	**10,883.78**	**20,216.91**
Borrowings in India		8,479.44	10,883.78	20,216.91
Borrowings outside India		-	-	-
Total		**8,479.44**	**10,883.78**	**20,216.91**

17.1 Terms of security and repayment are given below:

As at 31 March, 2020

Particulars	Maturity pattern				
	0-1 years	1-2 years	2-3 years	3-5 years	Total
Term Loans					
(i) Secured by hypothecation of loan receivables (also refer note- 17.1.1) - for loans taken from banks# (Remaining installments payable-2 to 15) (Interest rates range between 11.65%-15.00% per annum)	1,425.43	-	-	-	**1,425.43**
(ii) Secured by hypothecation of car - for loans taken from financial institutions# (Remaining monthly installments payable-27) (Interest rate - 8.25% per annum)	2.07	2.25	1.18	-	**5.50**
Total	**1,427.50**	**2.25**	**1.18**	**-**	**1,430.93**

repayable on equitable monthly and Quarterly installments

As at 31 March, 2019

Particulars	Maturity pattern				
	0-1 years	1-2 years	2-3 years	3-5 years	Total
Term Loans					
(i) Secured by hypothecation of loan receivables (also refer note- 17.1.1) - for loans taken from banks# (Remaining installments payable-3 to 23) (Interest rates range between 11.40%-12.20% per annum)	1,942.98	1,022.57	-	-	**2,965.54**
(ii) Secured by hypothecation of car - for loans taken from banks and financial institutions# (Remaining installments payable-2-42) (Interest rate - 8.25% per annum)	3.93	2.07	2.25	1.18	**9.43**
Total	**1,946.91**	**1,024.64**	**2.25**	**1.18**	**2,974.97**

repayable on equitable monthly and Quarterly installments

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(Amount in INR lakhs, unless otherwise stated)

As at 01 April, 2018

Particulars	Maturity pattern				
	0-1 years	1-2 years	2-3 years	3-5 years	Total
Term Loans					
(i) Secured by hypothecation of loan receivables (refer note- 17.1.2)					
- for loans taken from banks# (Remaining installments payable-8 to 75)	2,587.73	2,029.26	1,099.65	281.98	**5,998.62**
- for loans taken from financials institutions# (Remaining installments payable-5 to 13)	731.84	53.24	-	-	**785.08**
(ii) Secured by hypothecation of loan receivables and fixed deposits (refer note- 17.1.2)					
- for loans taken from banks# (Remaining installments payable-5) (Interest rates on (i) & (ii) range between 11.25%- 15.29% per annum)	83.33	-	-	-	**83.33**
(iii) Secured by hypothecation of car					
- for loans taken from banks and financial institutions# (Remaining installments payable-26-54)	14.18	3.95	2.07	3.42	**23.62**
Total	**3,417.08**	**2,086.45**	**1,101.72**	**285.40**	**6,890.65**
Inter Corporate Deposits (Unsecured loans) ## (Interest rates range between 7%- 8.37% per annum)	4.33	-	-	-	**4.33**
	3,421.41	**2,086.45**	**1,101.72**	**285.40**	**6,894.98**

repayable on equitable monthly installments

repayable at the time of maturity along with interest accured

17.1.1 **Loans also guaranteed by directors and other parties**

- loans of Rs. 1,394.97 lakhs (31.03.2019: Rs. 2,603.51) lakhs secured by personal guarantee of managing director and lien on Fixed deposits of Rs. Nil (31.03.2019: Rs. 22.81 lakhs).
- loan of Rs. 133.04 lakhs (31.03.2019: Rs. 362.03 lakhs) secured by personal guarantee of managing director and corporate guarantee of Bubble Infosolutions Private Limited (Company in which managing director of the Company is a director) and Amulet Technologies Limited (Subsidiary of the Company).

17.1.2 **Loans also guaranteed by directors and other parties**

- loans of Rs. 6,119.99 lakhs secured by personal guarantee of managing director and lien on Fixed deposits of Rs. 89.67 lakhs
- loan of Rs. 83.33 lakhs secured by personal guarantees of managing director and relative of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director)
- loan of Rs. 663.71 lakhs secured by personal guarantee of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited (Subsidiary of the Company)

17.2 Terms of Security and Interest Rates for Working Capital Loans:

(i) Working Capital loans from banks are secured by :

(a) Primary Security- first pari passu charge on present and future receivables of the Company.

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

(b) Collateral Security - Fixed deposits of Rs. Nil (31.03.2019: NIL and 01.04.2018: Rs. 1,098.98 lakhs) lien marked to banks and Immovable properties belonging to promoter & others.

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

(d) Corporate guarantee of Bubble infosolution Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited, Subsidary of the Company)

(ii) Interest rates on above loans range between 11.35% - 15.05% per annum (31.03.2019: 10.60% - 15.05% and 01.04.2018: 10.60% - 13.55% per annum).

17.3 Default in repayment of Borrowings as at 31 March, 2020 is given below:

(i) **Term loans:**

(Amount in Rs.)

Name of Bank	Default Since	Amount of Install-ments in Default	Amount of Interest accrued and in Default	Amount of Interest not accrued and in Default	Total Default (Install-ments & interest)
State Bank of Hydrabad-2	30.09.2019	71,00,000	-	37,88,590	**1,08,88,590**
United Bank of India Deal-2	31.10.2019	77,50,000	15,60,302	-	**93,10,302**
Bank Of India-Deal 2	30.08.2019	1,36,66,656	37,68,067	-	**1,74,34,723**
Dhanlaxmi Bank -Deal -4	31.10.2019	89,82,921	30,93,617	-	**1,20,76,538**
United Bank of India Deal -3	31.10.2019	62,51,000	18,36,279	-	**80,87,279**
Total		**4,37,50,577**	**1,02,58,265**	**37,88,590**	**5,77,97,432**

(ii) **Working Capital Demand Loans from Banks:**

(Amount in Rs.)

Name of Bank	Default Since	Total Principal out-standing as at 31 March, 2020	Amount of Interest booked but not paid	Amount of Interest not accrued and in Default	Total Default
State Bank of India (CC & TL)	28.02.2018	11,53,00,171	-	2,28,24,509	**13,81,24,680**
Punjab National Bank	16.06.2019	11,44,96,617	-	1,82,92,532	**13,27,89,149**
Indian Overseas Bank	30.11.2019	8,12,67,112	1,23,72,580	-	**9,36,39,692**
Bank of Maharashtra	18.10.2018	7,44,09,714	-	1,78,77,226	**9,22,86,940**
Central Bank of India	30.06.2019	7,54,77,072	-	79,76,242	**8,34,53,314**
Oriental Bank of Commerce	02.08.2019	4,85,05,740	-	5,35,557	**4,90,41,297**
South Indian Bank	20.06.2019	2,58,42,501	18,55,594	-	**2,76,98,095**
Total		**53,52,98,928**	**1,42,28,174**	**6,75,06,065**	**61,70,33,167**

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Other financial liabilities	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Interest accured but not due	111.88	120.38	18.78
Unclaimed dividends	3.56	5.37	6.94
Payable to customers (borrowers)	312.91	540.15	751.16
Payable to employees	33.55	10.60	21.52
Accrued expenses and payables	34.25	84.16	118.49
Total	**496.15**	**760.66**	**916.88**

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(Amount in INR lakhs, unless otherwise stated)

19	Provisions	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	For employee benefits - leave encashment	4.48	8.13	9.68
	Total	**4.48**	**8.13**	**9.68**

20	Other non-financial liabilities	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Lease equilization reserve	-	1.21	0.50
	Statutory dues payable	7.13	15.01	46.73
	Total	**7.13**	**16.22**	**47.23**

21 Equity Share Capital

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Authorised share capital			
Equity Shares:			
35,000,000 equity shares of Rs. 10 each	3,500.00	3,500.00	3,500.00
Preference Shares:			
1,500,000 preference shares of Rs. 100 each	1,500.00	1,500.00	1,500.00
	5,000.00	**5,000.00**	**5,000.00**
Issued, subscribed and fully paid-up			
Equity Shares:			
1,83,66,250 equity shares of Rs. 10 each fully paid up	1,836.63	1,836.63	1,836.63
Total	**1,836.63**	**1,836.63**	**1,836.63**

21.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2020		As at 31 March, 2019		As at 01 April, 2018	
	Number	Amount	Number	Amount	Number	Amount
Equity shares						
Balance at the beginning of the year	1,83,66,250	1,836.63	1,83,66,250	1,836.63	1,83,66,250	1,836.63
Balance as at end of the year	**1,83,66,250**	**1,836.63**	**1,83,66,250**	**1,836.63**	**1,83,66,250**	**1,836.63**

21.2 Rights, preferences and restrictions attached to each class of shares

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. All Equity Shares are entitled to receive dividend as declared from time to time. The voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

21.3 Detail of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars Shareholders	As at 31 March, 2020		As at 31 March, 2019		As at 01 April, 2018	
	Number	% age of share holding	Number	% age of share holding	Number	% age of share holding
Equity Shares						
Pantec Devices Private Limited	44,97,264	24.49%	44,97,264	24.49%	44,97,264	24.49%
India Business Excellence Fund-IIA	36,46,142	19.85%	36,46,142	19.85%	36,46,142	19.85%
India Business Excellence Fund-II	22,84,356	12.44%	22,84,356	12.44%	22,84,356	12.44%
Pantec Consultant Private Limited	14,53,771	7.92%	14,53,771	7.92%	14,53,771	7.92%
Sanjeev Goel (Including shares held in Escrow account)	12,44,464	6.77%	12,44,464	6.77%	12,44,464	6.77%

22 Other Equity

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Securities premium			
As per last account	8,843.84	8,843.84	8,843.84
Statutory reserve as per Section 45-IC of RBI Act			
As per last account	1,415.96	1,415.96	1,415.96
Retained earnings			
As per last account	(3,155.46)	(2,325.07)	
Adjustment on adoption of Ind AS 116 (Refer note 32.6)	(5.33)	-	
Loss for the year	(3,617.65)	(830.38)	
Closing Balance	(6,778.44)	(3,155.46)	(2,325.07)
Other comprehensive income/(loss)			
As per last account	2.04	-	-
Addition during the year	0.37	2.04	-
Closing Balance	2.41	2.04	-
Total	**3,483.77**	**7,106.38**	**7,934.73**

22.1 **Nature and purpose of other equity:**

i **Security Premium**

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

ii **Statutory reserve as per Section 45-IC(1) of RBI Act, 1934**

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

iii **Retained Earnings**

Retained earnings represents the (deficit)/surplus in Statement of profit and loss account and appropriations.

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Interest income	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Interest on loans	1,389.31	3,721.47
Interest on deposits with banks	1.75	35.99
Interest income on financial instruments	104.60	93.28
Total	**1,495.66**	**3,850.74**

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Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

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24	Fees and commission income	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Income on preclosure of loans	24.02	53.52
	Servicing fee on assignment of loans	-	0.48
	Other service fees	18.81	50.88
	Total	**42.83**	**104.88**

25	Recoveries of financial assets written off	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Recoveries of financial assets written off	51.01	77.46
	Total	**51.01**	**77.46**

26	Other income	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Liabilities no longer required written back	116.64	200.02
	Profit on sale of investment	-	16.40
	Miscellaneous Income	19.07	43.41
	Total	**135.71**	**259.84**

27	Finance costs	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	On financial liabilities measured at amortised cost:			
	- on borrowings - term loan from banks/financial institutions		232.32	554.43
	- on borrowings - CC/WCDL from banks		501.83	1,352.79
	- on borrowings - car loan from bank		0.58	1.60
	- on lease liabilities	32.6	13.47	-
	Other borrowing costs		36.78	114.47
	Total		**784.98**	**2,023.30**

28	Impairment on financial instruments	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	(Measured at amortised cost)		
	Bad debts written off	1,877.15	81.14
	Impairment on loans	2,400.03	956.74
	Impairment on advances	212.00	-
	Total	**4,489.18**	**1,037.88**

29	Employee benefits expenses	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Salaries and wages	491.70	655.79
	Contribution to provident and other funds	15.97	21.56
	Staff welfare expenses	21.17	25.16
	Total	**528.84**	**702.52**

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

30	Depreciation and amortization	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Depreciation on tangible assets	12	23.42	25.25
	Amortization of intangible assets	13	14.50	19.43
	Amortization of right-of-use assets	14	23.18	-
	Total		**61.10**	**44.68**

31	Other expenses		For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rent		3.09	48.39
	Insurance		9.34	11.84
	Legal & professional		382.87	410.31
	Payment to Auditors:			
	- Statutory Audit		5.50	5.50
	- Tax Audit		1.00	1.00
	- Limited Reviews		3.00	3.00
	- Other services		0.10	0.30
	- Reimbursement of expenses		0.62	1.56
	Rates & taxes		6.67	20.24
	Electricity & water		12.60	17.76
	Directors' sitting fees		5.23	6.51
	Repairs & maintenance		18.35	26.16
	Communication and internet		13.06	15.64
	Travelling & conveyance		59.61	72.83
	Business promotion		32.45	28.04
	Loss on disposal of property, plant & equipment (net)		1.30	7.39
	Other expenditure		25.00	47.64
	Total		**579.79**	**724.11**

32 OTHER NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

32.1 Contingent Liabilities and Commitments:

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
A.	**Contingent Liabilities**			
i.	Claims against the Company not acknowledged as debts.	Few customers / borrowers of the Company have filed legal cases for various claims against the Company. The Company has reviewed these pending litigations and proceedings and does not expect any material out flow / reimbursement in respect of the same.		
B.	**Commitments**			
i.	Loan approved but pending disbursements	-	38.13	38.54
	Total	**-**	**38.13**	**38.54**

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(Amount in INR lakhs, unless otherwise stated)

32.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:

	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.			
- Principal	-	-	-
- Interest	-	-	-
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-	-
iv. The amount of interest accrued and remaining unpaid	-	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-	-
Total	-	-	-

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company.

32.3 Employee Benefits (Ind AS-19)

(a) **Defined Benefit plans**:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972, as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more. The Company's liability towards Gratuity is funded / managed by Life Insurance Corporation of India (LIC).

(b) **Other Long-Term Benefit**:

Compensated Absences : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 30 days which can be availed / utilized in coming year/s, while in service. During the year the amount of Rs. 3.65 lakhs (Previous Year: Rs. 1.56 lakhs) has been credited in the Statement of Profit and Loss towards reversal of the excess provision based on actuarial valuation.

(c) **Defined Contribution plans:**

Company's employees are covered by Provident Fund and Employees State Insurance Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs.16.92 lakhs (Previous Year: Rs. 23.43 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Employer's contribution towards Provident Fund (PF)	15.35	20.76
Employer's contribution towards Employees State Insurance (ESI)	1.66	2.67

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

(d) Other disclosures of Defined Benefit plan (Gratuity) are as under:

i) Reconciliation of Defined Benefit Obligations:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present Value of **Defined Benefit Obligation** at the beginning of year	24.61	27.35
Interest cost	1.80	2.08
Current Service Cost	4.61	3.48
Benefit Paid	(6.15)	(4.94)
Actuarial (Gain)/Loss arising from Change in Financial Assumptions	1.86	-
Actuarial (Gain) arising from Change in Demographic Assumptions	(0.01)	-
Actuarial (Gain) Loss arising from Changes in Experience Adjustments	(3.04)	(3.36)
Present value of the Defined Benefit Obligation at the end of year	**23.68**	**24.61**

ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Current Service Cost	4.61	3.48
Interest cost (net of return)	(1.72)	(1.47)
Net Defined Benefit recognized in Statement of Profit and Loss	**2.89**	**2.01**

iii) Recognized in Other Comprehensive Income.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Actuarial Gain/(Loss) on arising from Change in Financial Assumption	(1.86)	-
Actuarial Gain/(Loss) on arising from Change in Demographic Assumption	0.01	-
Actuarial Gain/(Loss) on arising from Changes in Experience Adjustments	3.04	3.36
Actuarial Gain/(Loss) on Plan Asset	(0.69)	(0.61)
Net actuarial Gain	**0.50**	**2.75**

iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Fair value of Plan Assets at the beginning of year	44.97	46.68
Expected return on plan Assets	3.52	3.55
Employer's Contribution	0.19	0.29
Return on Plan Assets excluding interest income	(0.69)	(0.61)
Benefits paid	(6.15)	(4.94)
Fair value of Plan Assets at the end of year	**41.84**	**44.97**

v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of the **Defined Benefit Obligation** at the end of year	(23.68)	(24.61)
Fair value of Plan Assets at the end of year	41.84	44.97
Net Defined Benefit Assets recognized in the Balance Sheet	**18.16**	**20.36**

vi) Broad categories of Plan Assets as percentage of total assets

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Insurer Managed Funds	100%	100%

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vii) Sensitivity Analysis*

a) Impact of the change in the discount rate

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of the **Defined Benefit Obligation** at the end of year	23.68	24.61
a) Impact due to increase of 0.50% (Previous year: 0.50%)	(0.91)	(0.96)
b) Impact due to decrease of 0.50% (Previous Year: 0.50%)	0.98	1.02

b) Impact of the change in the salary increase

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of the **Defined Benefit Obligation** at the end of year	**23.68**	**24.61**
a) Impact due to increase of 0.50% (Previous year: 0.50%)	0.83	0.93
b) Impact due to decrease of 0.50% (Previous year: 0.50%)	(0.92)	(0.97)

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

viii. Maturity Profile.

Year	Year ended 31 March, 2020	Year ended 31 March, 2019
0 to 1 year	3.8%	3.5%
1 to 2 Year	3.8%	3.6%
2 to 3 Year	4.0%	3.9%
3 to 4 Year	4.2%	4.0%
4 to 5 Year	7.9%	4.1%
5 Year onwards	28.7%	26.8%

ix. Expected contribution for the next Annual reporting period

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Service Cost	4.05	4.61
Net Interest Cost	(1.32)	(1.72)
Expected Expense for the next annual reporting period	2.73	2.89

x. Actuarial Assumptions:

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

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Method used	Projected unit credit method			
Discount rate	6.55%	7.60%	6.55%	7.60%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Mortality Rate	IALM (2012-14)			
Withdrawal Rates	7.5% p.a. at all ages			
Rate of return on planassets	6.55%	7.60%	NA	

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32.4 Operating Segments (Ind AS –108):

The Company is primarily engaged only in the business of providing loans to Small and Medium Enterprises ('SME') customers and has no overseas operations/units and as such, no segment reporting is required under Ind AS- 108 dealing with the Segment Reporting.

32.5 Related Party Disclosures (Ind AS-24):

A. List of Related Parties and relationships, having transactions during the year:

a) Subsidiary Company

Amulet Technologies Limited

b) Key Management Personnel

Sanjeev Goel, Managing Director

c) Enterprise over which Key Management Personnel exercises significant influence

Bubble Info Solutions Private Limited

d) Investing party in respect of which the Company is an associate

Pantec Devices Private Limited

A. Transactions with Related Parties

Nature of Transaction	Investing party in respect of which the Company is an associate		Key Management Personnel	
	Year ended 31 March		Year ended 31 March	
	2020	2019	2020	2019
Managerial Remuneration				
Sanjeev Goel	-	-	130.00	130.00
Sitting Fees paid				
Sanjeev Goel	-	-	5.23	0.50
Interest Income on loans				
Pantec Devices Private Limited	2.25	2.25	-	-

B. Year end balances with related parties:

	As at 31 March, 2020	As at 31 March, 2019
Loans and Advances given		
Amulet Technologies Limited (Subsidiary Company)	969.02	865.19
Pantec Devices Private Limited, (Investing party in respect of which the Company is an associate)	43.47	41.44
Other Advances		
Sanjeev Goel, Managing Director	-	3.68
Guarantee given on behalf of Company	Term Loans	Term Loans
Bubble Info Solutions Private Limited (Enterprise over which Key Management Personnel exercises significant influence)	- 133.04 WCDL's - 6,563	-362.03 WCDL's - 7,439

Notes:

- Transaction values are excluding taxes and duties.
- Related parties as defined under Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arm's length basis.
- Provisions for gratuity, compensated absences and other long-term service benefits are made for the Company as a whole and the amounts pertaining to the Key Managerial Personnel are not specifically identified and hence are not included above.

32.6 Leases.

During the year, Ind AS 116 – Leases (the 'Standard'), has become effective from 1st April, 2019, replacing the existing Ind AS 17 – Leases. Accordingly, the Company has adopted Ind AS 116 – Leases from 1 April, 2019,

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and as the Company's significant leasing arrangements are in respect of the premises (commercial premises, offices etc.) which contain extension option after the initial contract period, the amounts recognized on account of leases are as under:

(i) Amount recognized in Statement of Profit and Loss.

Particulars	For the year ended 31 March, 2020
Interest Expense on Lease Liabilities	13.47
Amortization of Right-of-Use Assets	23.18

(ii) Amount recognized in Balance Sheet.

Particulars	As at 31 March, 2019 (Note iii below)	Adjustment on adoption of Ind AS 116 (Note iii below)	Addition / (Deduction) during the year	As at 31 March, 2020
Lease liabilities	--	110.13	(18.02)	92.11
Right-of-use assets (Gross) (Refer Note 4)	--	102.93	(23.18)	79.75
Retained Earnings	(3,155.46)	(5.33)	(3,617.65)	(6,778.44)
Deferred tax Assets	2,575.24	1.86	979.47	3,556.57

(iii) The Company has adopted Ind AS 116 – Leases from 1 April, 2019, and as permitted by its transitional provisions, the cumulative effect of its initial application has been applied as an adjustment to opening Retained Earnings at the date of initial application i.e. on 1 April, 2019by using modified retrospective method, instead of restating the comparative information.

(iv) Maturity Profile

Particulars	Amount
Maturity analysis – contractual undiscounted cash flows	
Within 1 year	32.66
Within 2 years	33.84
Within 3 years	30.15
Within 4 years	17.07
Within 5 years	3.00
Total undiscounted lease liabilities	**116.72**
Impact of discounting and other adjustments	24.61
Lease liabilities included in the Balance Sheet	**92.11**

32.7 Earnings Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Loss for the year (Rs. in lakhs)	3,617.65	830.38
Basic/Diluted weighted average number of equity shares outstanding during the year	1,83,66,250	1,83,66,250
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Earnings per Share (Rs.)	(19.70)	(4.52)

32.8 Corporate Social Responsibility (CSR):

The Company has constituted a CSR committee as required under Section 135 of the Companies Act, 2013, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). The CSR Committee had approved the CSR Policy and also identified the broad areas of CSR activities which it propose to carry out viz. Child Education and Women Empowerment. The Company has made serious deliberations and chosen the CSR programs which would be undertaken on a long term and continuous basis. Such programs will benefit communities where the Company operates or likely to operate and create

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goodwill for the Company. As the Company has incurred average net losses during the last three years, no amount is required to be spent on account of CSR.

32.9 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support from promoters and bankers, the future plans for operations and also the intensified process of the recovery of its defaulted loans to improve its liquidity, which is reflected through the recovery of Rs. 957.70 lakhs made during the year. The management, considering the same is hopeful of improvement in its financial position.

32.10 The Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Company is un-able to service term loans and working capital facilities including interest thereon to certain banks, and has approached these banks for its restructuring / settlement which inter-alia includes waiver / reduction of interest being considered by the respective banks. As the Company is reasonably hopeful of waiver / reduction of the interest under these restructuring / settlement packages, interest of Rs. 712.95 lakhs though accrued on these loans, has not been provided in these financial statements.

32.11 The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization, continues to spread across the globe, and has contributed to a significant decrease in global and local economic activities, and most of the governments including the Indian Government, had announced the strict lockdowns across their respective countries as one of the strongest measures to contain the spread of the virus. The Company keeping in view the said situation, has assessed its future cash flow projections and recoverability of its assets including loans and also held impairment testing of its non-monetary assets including the property, plant and equipment, using the various internal and external information. Based on this evaluation, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non- financial assets as at the date of approval of these financial statements. However, the extent to which the COVID-19 pandemic will impact the Company's future activities and financial statements will depend on future developments which are highly uncertain, therefore the impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

32.12 Schedule as required in terms of paragraph 18 of 'Master Direction - Non-Banking Financial Company – Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016'is enclosed vide **Annexure – I.**

32.13 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital and other reserves attributable to equity holders of the Company. As an NBFC, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier 1 and Tier 2 capital of 15% of the aggregate risk weighted assets. Further, the total of the Tier 2 capital cannot exceed 100% of the Tier 1 capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

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The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Company is also the provider of equity capital to its wholly owned subsidiary and associates and also provides them with non-equity capital where necessary. These investments are funded by the Company through its equity share capital and other equity which inter alia includes securities premium and retained earnings.

Regulatory capital

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Tier I Capital	119.18	5,281.34	5,628.93
Tier II Capital	66.28	30.38	129.27
Total Capital Funds	**185.46**	**5,581.58**	**6,961.41**
Risk Weighted Assets	10,021.13	17,238.41	26,515.97
CET1 capital ratio	1.19%	30.64%	21.23%
CET2 capital ratio	0.66%	1.74%	5.03%
Total capital ratio	**1.85%**	**32.38%**	**26.25%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, securities premium and retained earnings. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital, which includes subordinated debt. The Company is trying to meet the capital adequacy requirements of Reserve Bank of India (RBI).

32.14 Events after Reporting Date

There have been no events after the reporting date that require disclosure in these financial statements.

32.15 Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

  These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions of the Company. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with Indian accounting standards.

  Valuation methodologies adopted

  The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3.

b. Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans has been determined under level 3.

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c. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

32.16. Fair Values Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2 : Valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 : Valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/Fair value								
	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
Financial assets	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Carrying amounts/fair value:									
a) Measured at fair value though profit and loss									
Financial Guarantee Contracts	--	--	--	--	--	--	--	--	--
b) Measured at fair value though other comprehensive income	--	--	--	--	--	--	--	--	--
c) Measured at amortised cost									
- Cash and cash equivalents	--	--	232.93	--	--	265.12	--	--	94.78
- Bank Balance other than cash and cash equivalents	--	--	3.56	--	--	62.09	--	--	1,208.08
- Loans	--	--	7,460.74	--	--	14,440.69	--	--	23,591.35
- Investments	--	--	777.21	--	--	777.21	--	--	779.51
- Other financial assets	--	--	1,674.10	--	--	1,834.21	--	--	1,180.21
Total	**--**	**--**	**10,148.54**	**--**	**--**	**17,379.32**	**--**	**--**	**26,853.93**

Particulars	Carrying amount/Fair value								
	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
Financial liabilities	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Carrying amounts/fair value:									
a) Measured at fair value though profit and loss Financial Guarantee Contracts	--	--	--	--	--	--	--	--	--
b) Measured at fair value though other comprehensive income	--	--	--	--	--	--	--	--	--
c) Measured at amortised cost									
- Borrowings	--	--	8,479.44	--	--	10,883.78	--	--	20,216.91
- Lease liabilities	--	--	92.11	--	--		--	--	
- Other financial liabilities	--	--	496.15	--	--	-760.66	--	--	-916.88
	--	**--**	**9,067.70**	**--**	**--**	**11,644.44**	**--**	**--**	**21,133.79**

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32.17 Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of transaction made during the year and outstanding balance as at the end of the year:

Name of the Investee	Nature of Transaction	Purpose for which it is utilized	2019-20		2018-19		2017-18
			During the Year	Outstanding Balance	During the Year	Outstanding Balance	Outstanding Balance
Amulet Technologies Limited	Investment	To fund the Subsidiary to carry out its activities i.e. consultancy, advisory and IT etc.	--	770.37	--	770.37	770.37
	Loan		103.83 (interest accrual)	969.02	92.70 (interest accrual)	865.19	772.49

32.18 Risk management objectives and policies

Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: • when long term assets cannot be funded at the expected term resulting in cash flow mismatches; • amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by identifying gaps in the structural and dynamic liquidity statements. • monitored by – assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. – a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. – periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. • managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee	Interest rate risk is: • measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income. • monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movement so on both fixed and floating assets and liabilities. • managed by the Company's treasury team under the guidance of ALCO.

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Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counter party failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: • measured as the amount at risk due to repayment default to fa customer or counter party to the Company. Various matrices such as EMI default rate, overdue position, collection efficiency, customers non-performing loans etc. are used as leading indicators to assess credit risk. • monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks. • managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee.

Liquidity and funding risk

The Company monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company is managing its fund requirements mainly from banks and financial institutions. The Company emphasis on long term borrowings, however, presently its short term borrowing are more than the long term borrowing, which has helped the Company to manage and meet its fund requirements, considering that presently the Company is not disbursing new / further loans to its customers and its focus is on recovery and to improve its assets quality. The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings	8,476.01	3.43	8,479.44	9,855.71	1,028.07	10,883.78	16,743.34	3,473.57	20,216.91
Lease liabilities	22.41	69.70	92.11	--	--	--	--	--	--
Other financial liabilities	496.15	--	496.15	760.66	--	760.66	916.88	--	916.88
	8,994.57	**73.13**	**9,067.70**	**10,616.38**	**1,028.06**	**11,644.44**	**17,660.22**	**3,473.57**	**21,133.79**

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	232.93	--	232.93	265.12	--	265.12	94.78	--	94.78

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Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Bank balances other than cash and cash equivalents	3.56	--	3.56	62.09	--	62.09	1,208.08	--	1,208.08
Loans	407.47	7,453.27	7,460.74	1,073.22	13,367.47	14,440.69	9,184.27	14,407.08	23,591.35
Investments	--	777.21	777.21	--	777.21	777.21	--	779.51	779.51
Other financial assets	1,663.66	10.44	1,674.10	1,821.85	12.36	1,834.21	1,158.28	21.93	1,180.21
Non-financial assets									
Current tax assets (net)	468.75	--	468.75	485.21	--	485.21	692.26	--	692.26
Deferred tax assets (net)	--	3,556.57	3,556.57	--	2,575.24	2,575.24	--	3,166.77	3,166.77
Property, plant and equipment	--	61.22	61.22	--	78.96	78.96	--	96.59	96.59
Capital work-in-progress	--	5.19	5.19	--	4.91	4.91	--	6.81	6.81
Intangible assets	--	31.82	31.82	--	37.54	37.54	--	44.40	44.40
Right-of-use assets	--	79.75	79.75	--	--	--	--	--	--
Other non-financial assets	31.97	--	31.97	50.62	--	50.62	101.30	--	101.30
Non-current assets held for sale	15.90	--	15.90	--	--	--	--	--	--
			14,399.71			**20,611.80**			**30,962.06**
LIABILITIES									
Financial liabilities									
Borrowings	8,476.01	3.43	8,479.44	9,855.72	1,028.06	10,883.78	16,743.34	3,473.57	20,216.91
Lease liabilities	22.41	69.70	92.11	--	--	--	--	--	--
Other financial liabilities	496.15	--	496.15	760.66	--	760.66	916.88	--	916.88
Non-financial liabilities									
Provisions	0.68	3.80	4.48	1.12	7.01	8.13	1.48	8.20	9.68
Other non-financial liabilities	7.13	--	7.13	16.22	--	16.22	47.23	--	47.23
			9,079.31			**11,668.79**			**21,190.07**

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk On investments

The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using Valuation at Risk ('VaR') and modified duration analysis and other measures, including the sensitivity of net interest income. The Company do not have any investment which is exposed to interest risk.

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is computed periodically and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored.

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Sensitivity analysis as at 31 March, 2020

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	7,460.74	7,460.74	74.61	(74.61)
Borrowings – Financial Liabilities	8,479.44	8,479.44	84.79	(84.79)

Sensitivity analysis as at 31 March, 2019

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	14,440.69	14,440.69	144.41	(144.41)
Borrowings – Financial Liabilities	10,883.78	10,883.78	108.84	(108.84)

Sensitivity analysis as at 1 April, 2018

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	23,591.35	23,591.35	235.91	(235.91)
Borrowings – Financial Liabilities	20,216.91	20,216.91	202.17	(202.17)

Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on broad categories viz: business, mortgages, and commercial lending. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage1 : unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

Stage2 : a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage3 : objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 90 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions [for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 3.3(i) to the financial statements].

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant

Lending Category	Nature of businesses	Probability of Default (PD)			Exposure at Default (EAD)	Loss Given Default (LGD)
		Stage 1	Stage 2	Stage 3		
Business Loan	Unsecured loans to SMEs, corporate and others etc.	Use of past trend and data and statistical analysis thereof, external / internal ratings and internal evaluation with a management overlay.		100%	EAD is computed based on assessment of time to default considering customers profile and time for liquidation of securities	Based on past trend of recoveries, associated risk of underlying security and estimated cash flows.
Mortgage Loan	Loans against collateral security of plant & machinery					
Commercial Loan	Loans against property					

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(Amount in INR lakhs, unless otherwise stated)

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March, 2020

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	979.68	500.31	16,198.39	1,735.60		1,781.37
Allowance for ECL	49.32	13.65	12,075.85	3.31		1,592.48
ECL Coverage ratio	5.03%	2.73%	74.55%	0.19%		89.41%

As at 31 March, 2019

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	5,407.71	170.02	15,344.06	2,785.04	45.18	2,023.26
Allowance for ECL	221.69	8.84	9,277.29	102.80	1.54	1,722.42
ECL Coverage ratio	4.10%	5.20%	60.46%	3.69%	3.41%	85.13%

As at 1 April, 2018

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	13,197.16		15,012.31		4,476.50	1,283.26
Allowance for ECL	1,052.94		8,028.37		279.54	1,017.02
ECL Coverage ratio	7.98%		53.48%		6.24%	79.25%

Collateral Valuation

The nature of products across these broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Mortgage Loan	Hypothecation of underlying plant & machinery
Commercial Loan	Equitable mortgage of residential and commercial properties.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value matrix for high risk customers. The Company exercises its right of repossession across all secured products, and also resorts to judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues, but are not recorded in the accounts. The assets possessed / received in settlement of the loan are recorded as non–current assets held for sale (refer note 16).

Analysis of Concentration Risk

Credit concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operation. The Company's exposure to various borrowers is constantly monitored to mitigate the credit concentration risk. The detail of advances to the top 20 largest borrowers and its percentage to the total advances is as under:

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Total Loans to twenty largest borrowers	6,101.52	6,253.99	6,451.32
Percentage of Advances to twenty largest borrowers to Total Loans of the Company	28.57%	23.89%	18.79%

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

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The Company's loans exposure are within the geographic area of National Capital Region, New Delhi.

Measurement uncertainty and sensitivity analysis of ECL estimates

Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios. Key assumptions used in measurement of ECL.

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

32.19 First-time adoption of Ind AS

The Company w.e.f. 01 April, 2019 has adopted Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Companies Act, 2013, with a transition date of 01 April, 2018. For all the periods upto and including year ended 31 March, 2019, the Company prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous Indian GAAP').

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The Company has prepared its Ind AS compliant standalone financial statements for the year ended on 31 March, 2020, the comparative period ended on 31 March, 2019 and an opening Ind AS Standalone Balance Sheet as at 01 April, 2018 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP standalone financial statements, including the Balance Sheet as at 01 April, 2018 and the financial statements as at and for the year ended 31 March, 2019.

The adoption of Ind AS has been carried out in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31 March, 2020, together with the comparative information as at and for the year ended 31 March, 2019 and the opening Ind AS Balance Sheet as at 01 April, 2018, the date of transition to Ind AS. The accounting policies as set out in Note 3 which are in accordance with Ind AS, have been applied in preparing these financial statements. In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous Indian GAAP have been recognised directly in equity under retained earnings. This note explains the adjustments made by the Company in restating its financial statements prepared under previous Indian GAAP, including the Balance Sheet as at 01 April, 2018 and the financial statements as at and for the year ended 31 March, 2019.

Exemptions availed and mandatory exceptions

Ind AS 101 - First-time Adoption of Indian Accounting Standards permits first-time adopters' certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous Indian GAAP to Ind AS, which were considered to be material or significant by the Company.

A. Ind AS optional exemptions

The Company has elected to apply the following optional exemptions from retrospective application:

i) Deemed cost for Property, Plant and Equipment and Intangible Assets.

The Company has elected to measure all its property, plant and equipment and Intangible Assets at the Previous Indian GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

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ii) Investment in subsidiary and associates.

Ind AS 101 provides a one-time option to a first-time adopter either to measure its investment in subsidiary and associated as per previous GAAP carrying value or at fair value on the date of transition.

The Company has elected to measure its investment in subsidiary and associated as per previous GAAP carrying value.

iii) Leases.

a. A first-time adopter may assess whether a contract existing at the date of transition to Ind AS contains a lease by applying Ind AS 116 to those contracts on the basis of facts and circumstances existing at that date.

b. A first-time adopter which is a lessee recognises lease liabilities and right-of-use assets, it may apply the following approach to all of its leases:

b.1 Measure a lease liability at the date of transition to Ind AS. A lessee following this approach shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS;

b.2 Measure a right-of-use asset at the date of transition to Ind AS. The lessee shall choose, on a lease-by- lease basis, to measure that right-of-use asset at either:

(i) its carrying amount as if Ind AS 116 had been applied since the commencement date of the lease, but discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

c. Apply Ind AS 36 to right-of-use assets at the date of transition to Ind AS.

The Company has not restated the comparative information, but has recognized the cumulative effect of its initial application as an adjustment to opening Retained Earnings at the date of initial application i.e. 01 April, 2019 by using modified retrospective method.

B. Ind AS mandatory exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

i) Estimates

On assessment of the estimates made under the Previous Indian GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous Indian GAAP are made by the Company, wherever required for the relevant reporting dates reflecting conditions existing as at that date.

ii) Derecognition of financial assets and financial liabilities

Ind AS 101 requires an entity to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly the Company has applied the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition, if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition to Ind AS.

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iv) Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

C. Transition to Ind AS - Reconciliations between Ind AS and previous GAAP are given below:

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous Indian GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance Sheet as at 01 April, 2018 and 31 March, 2019.
II. Reconciliation of Equity as at 01 April, 2018 and 31 March, 2019.
III. Reconciliation of Statement of Profit and Loss for the year ended 31 March, 2019.
IV. Reconciliation of Total Comprehensive Income for the year ended 31 March, 2019.

There is no material impact on the Cash Flow Statements of the transition from Previous GAAP to Ind AS.

Previous Indian GAAP figures have been reclassified / regrouped wherever necessary to conform to financial statements prepared under Ind AS.

I. Reconciliation of Balance Sheet as at 01 April, 2018 and as at 31 March, 2019.

(Amount in Lakhs)

Particulars	Notes to first time adoption	As at 31 March, 2019			As at 01 April, 2018		
		As per Previous GAAP	Adjust-ments	As per Ind AS	As per Previous GAAP	Adjust-ments	As per Ind AS
ASSETS							
Financial assets							
Cash and cash equivalents		265.12	-	265.12	94.78	–	94.78
Bank balances other than cash and cash equivalents		62.09	–	62.09	1,208.08	–	1,208.08
Loans		15,490.54	(1,049.85)	14,440.69	30,197.63	(6,606.28)	23,591.35
Investments		31.83	745.38	777.21	34.14	745.37	779.51
Other financial assets		654.93	1,179.28	1834.21	1,182.43	(2.22)	1,180.21
		16,504.52	**874.81**	**17,379.32**	**32,717.06**	**(5,863.13)**	**26,853.93**
Non-financial assets							
Current tax assets (net)		485.21	--	485.21	692.26	--	692.26
Deferred tax assets (net)		2,779.45	(204.21)	2,575.24	1,340.81	1,825.96	3,166.77
Property, plant and equipment		78.96	--	78.96	96.59	--	96.59
Capital work-in-progress		4.91		4.91	6.81	--	6.81
Intangible assets		37.54		37.54	44.40	--	44.40
Other non-financial assets		47.01	3.61	50.62	99.11	2.19	101.30
		3,433.08	**(200.60)**	**3232.48**	**2,279.98**	**1,828.15**	**4,108.13**
Total Assets		**19,937.60**	**674.20**	**20,611.80**	**34,997.04**	**(4,034.98)**	**30,962.06**
LIABILITIES AND EQUITY							
Liabilities							
Financial liabilities							
Borrowings		10,883.78		10,883.78	20,216.91	-	20,216.91
Other financial liabilities		760.66		760.66	916.88	–	916.88
		11,644.44	**-**	**11,644.44**	**21,133.79**	**-**	**21,133.79**
Non-financial liabilities							
Provisions		8.13	-	8.13	9.68	-	9.68
Other non-financial liabilities		14.99	1.23	16.22	46.98	0.25	47.23
		23.12	**1.23**	**24.35**	**56.66**	**0.25**	**56.91**

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(Amount in INR lakhs, unless otherwise stated)

Equity							
Equity share capital		1,836.63	–	1,836.63	1,836.63	–	1,836.63
Other equity		6,433.41	672.97	7,106.38	11,969.96	(4,035.23)	7,934.73
		8,270.04	**672.97**	**8,943.01**	**13,806.59**	**(4,035.23)**	**9,771.36**
Total Liabilities and Equity		**19,937.60**	**674.20**	**20,611.80**	**34,997.04**	**(4,034.98)**	**30,962.06**

II. Reconciliation of equity as at 01 April, 2018 and as at 31 March, 2019.

Particulars	Notes to first time adoption	As at 31 March, 2019	As at 01 April, 2018
Equity as reported under previous GAAP		**6,433.41**	**11,969.96**
Adjustments			
Fair valuation of loan given to Subsidiary	3	249.56	156.87
Impact of EIR based amortization of loan receivables, net		1,284.60	--
Impairment of financial assets	1	(655.62)	(6,017.77)
Fair valuation of financial assets	2	(1.36)	(0.29)
Impact due to fair valuation of investment designated under FVOCI			
		7,310.59	**6,108.77**
Less: Deferred tax adjustment		(204.21)	1,825.96
Equity as per Ind AS		**7,106.38**	**7,934.73**

III. Reconciliation of Statement of Profit and loss for the year ended 31 March, 2019.

(Amount in Lakhs)

Particulars	Notes to first time adoption	As per Previous GAAP	Adjustments	As per Ind AS
Revenue from operations				
Interest income	2,3	2,472.86	1,377.88	3,850.74
Fees and commission income		104.88	-	104.88
Recoveries of financial assets written off		77.46	-	77.46
Total revenue from operations		**2,655.20**	**1,377.88**	**4,033.08**
Other income		259.83	-	259.84
Total income		**2,915.03**	**1,377.88**	**4,292.92**
Expenses				
Finance costs		2,023.28	-	2,023.30
Impairment on financial instruments	1	6,400.03	(5,362.15)	1,037.88
Employee benefits expenses	4	699.77	2.75	702.52
Depreciation and amortization		44.68	-	44.68
Other expenses	3	722.46	1.65	724.11
Total expenses		**9,890.22**	**(5,357.75)**	**4,532.49**
(Loss) / Profit before tax		**(6,975.19)**	**6,735.62**	**(239.57)**
Tax expense:				
Deferred tax	1,5	1,438.64	(2,029.46)	(590.82)
Total tax expense		**1,438.64**	**(2,029.46)**	**(590.82)**
(Loss)/ Profit after tax		**(5,536.55)**	**4,706.17**	**(830.39)**
Other comprehensive income / (Loss)	6			
Items that will not be reclassified to profit or loss				
- Re-measurement losses on defined benefit plans	4	--	2.75	2.75
- Tax impact on above	5	--	(0.71)	(0.71)
Other comprehensive Income for the year (net of tax)		**--**	**2.04**	**2.04**
Total comprehensive (loss)/ Income for the year		**(5,536.55)**	**4,708.21**	**(828.34)**

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

IV. Reconciliation of total comprehensive income for the year ended 31 March, 2019.

(Amount in Lakhs)

Particulars	Notes to first time adoption	For the year ended 31 March, 2019
Loss after tax as reported under previous GAAP	-	**5,536.55**
Adjustments:		
Impact of EIR based amortization of loan receivables (net)	2,3	(1,377.88)
Impairment of financial assets	1	(5,362.15)
Remeasurement of defined benefit plan	4	2.75
Adjustment of Prepaid rent	3	1.65
Deferred tax adjustment	1,5	2,029.46
Total adjustment (net of tax)		(4,706.17)
Loss after tax as per Ind AS for the year ended 31 March, 2019		**(830.38)**
Other comprehensive income (net of tax)		2.04
Total comprehensive income as per Ind AS		**828.34**

Notes to the reconciliations are given below.

1. Impairment of financial assets

Under previous GAAP, loan losses and provisions were computed based on the guidelines and directions issued by RBI, in this regard and Management estimations. Under Ind AS, the same is required to be computed as per the impairment principles laid out in Ind AS 109 – 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same. Accordingly, the difference between loan losses and provisions as computed under previous GAAP and as computed under Ind AS is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March, 2019.

2. Under previous GAAP, security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, at initial recognition all financial instruments are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits and the difference between the transaction value and fair value is recognised as Prepaid Rent under "Prepaid Expenses" at the reporting date.

3. Under Ind AS, at initial recognition all financial instruments are required to be recognized at fair value. Accordingly, the Company has fair valued the interest free Loan given to Subsidiary, resulting in decrease of "Loan given to Subsidiary" with correspondence increase of "Investment in Subsidiary" at the reporting date.

4. Actuarial gain/(loss) on Defined Benefit Scheme (Ind AS – 19)

Both under Previous Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements i.e. actuarial gains and losses are recognized in balance sheet through other comprehensive income. Thus, employee benefits expense is reduced with the corresponding impact under other comprehensive income. The related current tax expense has also been reclassified from statement of Profit and loss to Other Comprehensive Income.

5. Deferred Taxes (Ind AS -12)

Under the Previous Indian GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 – 'Income tax' requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments have led to deferred tax implications that the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition. As a result of Ind AS adjustments, the deferred tax credit/charge as on 01 April, 2018 has increased by Rs. 1,825.96 lakhs leading to increase in retained earnings.

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6. Other comprehensive Income

Under Previous Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Previous Indian GAAP profit to profit as per Ind AS. Further, Previous Indian GAAP profit is reconciled to Total Comprehensive Income as per Ind AS.

7. Previous Indian GAAP figures have been reclassified / regrouped wherever necessary to conform to financial statements prepared under Ind AS.

As per our report of even date

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No.: 092529

Place: New Delhi
Date: 09 July, 2020

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

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S.K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary

(Raj Kumar Anand)
Chief Finance Officer

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

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ANNEXURE – I, AS REFERRED IN NOTE 32.12

Schedule to the Balance Sheet, as required in terms of paragraph 18 of 'Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(Amount in Rs. lakhs)

	Particulars		As at March 31, 2020		As at March 31, 2019	
	Liabilities side:					
1	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**
	(a)	Debentures:	-	-		
		Secured	-	-	-	-
		Unsecured			-	-
		(Other than falling within the meaning of public deposits)	-	-		
	(b)	Deferred credits	-	-	-	-
	(c)	Term loan	1,430.93	-	2,974.97	-
	(d)	Inter corporate loans and borrowings	-	-	-	-
	(e)	Commercial paper (net of un-amortized discount on issue)	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other loans :	-	-	-	
		Working capital demand loans from banks	-	-	-	-
		Cash credit/overdraft from banks	7,048.51	-	7,908.81	-
		Total	**8,479.44**	-	**10,883.78**	-

2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		**Amount outstanding As at March 31,2020**	**Amount outstanding As at March 31, 2019**
	a)	In the form of Unsecured Debentures	-	-
	b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c)	Other Public deposits	-	-
		Total	-	-

	Assets side:		**Amount outstanding**	**Amount outstanding**
3	**Break-up of loans and advances including bills receivables {other than those included in (4) below}:**		**As at March 31,2020**	**As at March 31, 2019**
	(a)	Secured #	5,539.55	11,413.98
	(b)	Unsecured #	1,921.19	3,026.71
		Total	**7460.74**	**14,440.69**

4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		**As at March 31, 2020**	**As at March 31, 2019**
	(i)	Lease assets including lease rentals under sundry debtors:		
		(a) Financial lease	-	-
		(b) Operating lease	-	-
	(ii)	Stock on hire including hire charges, under sundry debtors:		
		(a) Assets on hire	-	-
		(b) Repossessed stock	-	-
	(iii)	Other Loans counting towards AFC activities:		
		(a) Loans where assets have been repossessed	-	-
		(b) Loans other than (a) above	-	-
		Total	-	-

 # Comprises of loans which are disclosed net of provision for non-performing assets.

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(Amount in INR lakhs, unless otherwise stated)

5	Break-up of investments		Amount outstanding As at March 31, 2020	Amount outstanding As at March 31, 2019
	Current investments:			
1	**Quoted:**			
	(i)	Shares:		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others	-	-
2	**Unquoted:**			
	(i)	Shares:		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others	-	-
	Long term investments:			
1	**Quoted:**			
	(i)	Shares:		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others	-	-
2	**Unquoted:**			
	(i)	Shares:		
		(a) Equity	777.21	777.21
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others	-	-
		Total	**777.21**	**777.21**

6	**Borrower group wise classification of all assets financed as in (2) and (3) above :**						
	Category	**Amount net of provisions As at March 31, 2020**			**Amount net of provisions As at March 31, 2019**		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1 Related Parties:						
	(a) Subsidiaries	-	982.56	982.56	-	873.92	873.92
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	43.47	43.47	-	41.44	41.44
	2 Other than related parties	5,539.55	895.16	6,434.71	11,413.98	2,111.35	13,525.33
	Total	**5,539.55**	**1,921.19**	**7,460.74**	**11,413.98**	**3,026.71**	**14,440.69**

Notes forming part of the Standalone Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

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

Category	As at March 31, 2020		As at March 31, 2019	
	Market value/ Break-up or Fair value or NAV #	Book value (net of Provisions)	Market Value/ Break-up or Fair Value or NAV #	Book value (net of Provisions)
1 Related Parties:				
(a) Subsidiaries	770.37	770.37	770.37	770.37
(b) Companies in the same group	-	-	-	-
(c) Other related parties	1.16	1.16	1.16	1.16
2 Other than related parties	5.68	5.68	5.68	5.68
Total	**777.21**	**777.21**	**777.21**	**777.21**

8 Other information	As at March 31, 2020	As at March 31, 2019
(i) Gross Non-Performing Assets#		
(a) Related parties	-	-
(b) Other than related parties	17,984.77	17,371.42
(ii) Net Non-Performing Assets ##		
(a) Related parties	-	-
(b) Other than related parties	4,316.80	6,371.95
(iii) Assets acquired in satisfaction of debts (net of provisions)	-	-

 # These are unquoted shares and the fair value/NAV thereof is not less than their book value.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 'INTEC CAPITAL LIMITED' ON CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Intec Capital Limited** (the "Company"), which comprise the consolidated Balance Sheet as at 31 March, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') and the directions and guidelines issued by Reserve Bank of India as applicable to Non-Systemically Important Non-Deposit taking Non Banking Financial Company ('NBFC Regulations'), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020 and its loss (including Other Comprehensive Income), its changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Holding Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Holding Company is un-able to service term loans and working capital facilities including interest thereon to certain banks. The interest of Rs. 712.95 lakhs accrued on these loans has not been accounted / provided for by the Holding Company, due to the reasons as described by the Holding Company in note no. 32.10 to these consolidated financial statements. The same has resulted in the non-compliance of the Ind AS and inconsistency in the application of the accounting policies of the Group, and if the said interest would have been accounted / provided for, the Group's total comprehensive loss for the year and borrowings and other equity as at the Balance Sheet date would have been Rs. 4,451.34 lakhs and Rs. 9,192.39 lakhs and Rs.2255.20 as against the reported figures of Rs. 3,738.39 lakhs and Rs. 8,479.44 lakhs and Rs. 2,968.15 lakhs respectively.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our qualified opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Impairment of Financial Assets including Loans to the Customers (Expected Credit Lossess) Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets including loans to customers (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach.	**Our Audit Procedure:** We obtained and evaluated the management's estimations and specifically performed the work as under: - Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. - Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.

Key Audit Matter	How the matter was addressed in the audit
Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including unbiased, probability weighted outcome under various scenarios, time value of money, impact arising from forward looking macro-economic factors and availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as grouping of borrowers based on homogeneity by using appropriate statistical techniques, staging of loans and estimation of behavioral life, determining macro-economic factors impacting credit quality of receivables, estimation of losses for loan products with no / minimal historical defaults. Considering the significance of such allowance to the overall financial statements (and the degree of estimation involved in computation of expected credit losses), this area is considered as a key audit matter.	- Tested the ECL model, including assumptions and underlying computation. - Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. Our Results: The results of our testing were satisfactory and we considered the fair value of the financial assets including loans to customers recognised to be acceptable.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this Auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and the NBFC Regulations, as amended from time to time.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group of which we are the independent auditors, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit of the financial statements of the Subsidiary Company, namely Amulet Technologies Limited, whose financial statements reflect total assets of Rs. 1,237.75 lakhs as at 31 March, 2020, and total revenues of Rs. Nil, total comprehensive

loss of Rs. 121.11 lakhs and net cash inflow of Rs. 0.06 lakhs for the year ended 31 March, 2020, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of the said Subsidiary, is based solely on the reports of the said auditor.

b. The comparative financial information of the Group for the year ended 31 March, 2019 and the transition date opening Balance Sheet as at 01 April, 2018, included in these consoldated financial statements of the current year (which have been prepared in accordance with the Indian Accounting Standards), are based on the previously issued consoldated financials statements prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended, which were audited by us, on which we expressed the unmodified opinion dated 24 May, 2019 and 24 May, 2018 for the years ended 31 March, 2019 and 31 March, 2018 respectively. These consoldated financial statements have been considered in the consoldated financial statements of the current year prepared in accordance with Ind AS, after adjustment for the differences in the accounting principles adopted by the Company on transition to the Ind AS as detailed in Note 32.17 of the consoldated financial statements.

Our qualified opinion on the consoldated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and reports of the other auditor.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

e. On the basis of the written representations received from the directors of the Holding Comapany audited by us, and taken on record by the Board of Directors, and report of the Statutory auditor of the subsidiary company not audited by us, none of the directors of the Holding Company and its Subsidiary Company is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls of the Holding Comapany audited by us, and of the subsidiary company, not audited by us refer to our separate report in **Annexure-'A'**;

g. In our opinion, the remuneration paid by the Holding Company and by the Subsidiary company, not audited by us (as reported by auditor), to its Director is in accordance with the provisions of Section 197 of the Companies Act, 2013; and

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 32.1 to the consolidated financial statements;

   ii. The Company has not entered into any long-term contracts including derivative contracts.

   iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

(Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 20092529AAAABY4633

Place : New Delhi
Dated : 09 July, 2020

intec CAPITAL LIMITED
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ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the consolidated financial statements of Intec Capital Limited for the year ended 31 March, 2020)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Intec Capital Limited** ("the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred as "the Group") for the year ended 31 March, 2020 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its Subsidiary Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under section 143(3)(1) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to Subsidiary company, namely Amulet Technologies Limited is based on the corresponding report of the said Company.

Our opinion is not modified in respect of the above matter.

For S. P. CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

(Pawan K. Gupta)
Partner
M. No. 092529

Place : New Delhi
Dated : 09 July, 2020

intec CAPITAL LIMITED
Sapne Aapke, Bharosa Apno Ka

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2020

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	5	234.08	266.20	95.83
Bank Balance other than cash and cash equivalents	6	3.56	62.09	1,208.08
Loans	7	6,477.99	13,566.76	22,817.15
Investments	8	6.84	6.84	9.14
Other financial assets	9	1,674.10	1,834.21	1,180.21
Non-financial assets				
Current tax assets (net)	10	468.75	485.21	692.26
Deferred tax assets (net)	11	3,556.57	2,575.24	3,166.77
Property, plant and equipment	12.a	1,297.81	1,327.89	1,357.86
Capital work-in-progress	12.b	5.19	4.91	6.81
Intangible assets	13	31.82	37.54	44.40
Right-of-use assets	14	79.75	-	-
Other non-financial assets	15	31.97	50.63	101.30
Non-current assets held for sale	16	15.90	-	-
Total assets		**13,884.33**	**20,217.52**	**30,679.81**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Borrowings	17	8,479.44	10,883.78	20,216.91
Lease liabilities	32.6	92.11	-	-
Other financial liabilities	18	496.39	760.89	918.21
Non-financial liabilities				
Provisions	19	4.48	8.13	9.68
Other non-financial liabilities	20	7.13	16.22	47.23
EQUITY				
Equity share capital	21	1,836.63	1,836.63	1,836.63
Other equity	22	2,968.15	6,711.87	7,651.15
Total liabilities and equity		**13,884.33**	**20,217.52**	**30,679.81**

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date : 09 July, 2020

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

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from operations			
Interest income	23	1,391.84	3,758.03
Fees and commission income	24	42.83	104.88
Recoveries of financial assets written off	25	51.01	77.46
Total revenue from operations		**1,485.69**	**3,940.37**
Other income	26	135.71	259.84
Total income		**1,621.39**	**4,200.21**
Expenses			
Finance costs	27	784.98	2,023.30
Impairment on financial instruments	28	4,489.18	1,037.88
Employee benefits expenses	29	528.84	703.81
Depreciation and amortization	30	73.44	57.02
Other expenses	31	584.74	728.70
Total expenses		**6,461.18**	**4,550.71**
Loss before tax		**4,839.79**	**350.50**
Tax expense			
Deferred tax	11iii	(979.60)	590.82
Earlier year tax		(121.43)	-
Total tax expense		**(1,101.03)**	**590.82**
Loss for the year		**3,738.76**	**941.32**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plan		0.50	2.75
Income tax effect	11.iv	(0.13)	(0.71)
Other comprehensive income / (loss)		**0.37**	**2.04**
Total comprehensive loss for the year		**3,738.39**	**939.28**
Earnings per share: (Nominal value per share Rs. 10/-)	32.7		
Basic/Diluted earnings per share (in Rs.)		(20.36)	(5.13)

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date : 09 July, 2020

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

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

intec CAPITAL LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
A. Cash flow from operating activities		
(Loss) before tax	**(4,839.79)**	**(350.50)**
Adjustments for:		
Depreciation and amortisation	73.44	57.02
Profit on sale of investment	-	(16.40)
Impairment on financial instruments	4,489.18	1,037.88
Liabilities no longer required written back	(116.64)	(200.02)
Loss on disposal of property, plant & equipment (net)	1.30	7.39
Finance costs	784.98	2,023.30
Operating profit before working capital changes	**392.47**	**2,558.67**
Movement in working capital:		
Decrease in loans	2,811.59	8,212.51
Increase in other financial assets	(39.53)	(642.76)
Decrease in other non-financial assets	18.65	50.69
Decrease in other financial liabilities	(139.37)	(57.81)
(Decrease)/Increase in provisions	(3.27)	1.19
Decrease in other non-financial liabilities	(8.98)	(31.02)
Cash flow from operations	**3,031.56**	**10,091.47**
Taxes refund (net)	137.89	207.05
Net cash flow from operating activities (A)	**3,169.45**	**10,298.52**
Cash flow from investing activities		
Purchase/(sale) of property, plant and equipment and intangible assets (net)	(28.37)	(38.02)
Recognition of non-current assets held for sale	(15.90)	-
Proceeds from investments measured at amortised cost	-	18.70
Fixed deposits (free from lien)	58.53	1,145.99
Net cash flow from investing activities (B)	**14.26**	**1,126.67**
Cash flow from financing activities		
Repayments of secured loans	(2,404.34)	(9,328.79)
Repayment of unsecured loans	-	(4.33)
Payment of principal portion of lease liabilities	(18.01)	-
Payment of interest portion of lease liabilities	(13.47)	-
Finance costs	(780.01)	(1,921.70)
Net cash used in financing activities (C)	**(3,215.83)**	**(11,254.82)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(32.12)**	**170.37**
Cash and cash equivalents at the beginning of the year	266.20	95.83
Cash and cash equivalents at the end of the year	**234.08**	**266.20**

Notes:

1. The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind - AS) - 7 'Statement of Cash Flows'
2. Cash and cash equivalents in the consolidated balance sheet comprises of Cash in hand and Balances with Banks.

Cash on hand	10.65	12.80
Balances with banks:		
- in current accounts	63.06	253.40
- in term deposits having original maturity of 3 months or less	160.37	-
	234.08	**266.20**

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date : 09 July, 2020

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

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S. K. Goel)
Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in INR lakhs, unless otherwise stated)

(A) Equity Share Capital

For the year ended 31 March, 2020

(Rs. In Lakhs)

Balance as at 01 April, 2019	Changes in equity share capital during the year	Balance as at 31 March, 2020
1,836.63	-	1,836.63

For the year ended 31 March, 2019 and as at 01 April, 2018

(Rs. In Lakhs)

Balance as at 01 April, 2018	Changes in equity share capital during the year	Balance as at 31 March, 2019
1,836.63	-	1,836.63

(B) **Other Equity**

Particulars	Reserves & Surplus			Other Items of Other Comprehensive Income - Re-measurement gains on defined benefit plan	Total
	Statutory Reserve as per Section 45- IC of RBI Act, 1934	Securities Premium	Retained Earnings		
Balance as at 31 March, 2019	1,415.96	8,843.84	(3,549.97)	2.04	6,711.87
Adjustment on adoption of Ind AS 116 (Refer note 32.6)	-	-	(5.34)	-	(5.34)
Restated balance as at 01 April, 2019	**1,415.96**	**8,843.84**	**(3,555.31)**	**2.04**	**6,706.53**
Loss for the year	-	-	(3,738.76)	-	(3,738.76)
Other Comprehensive Income	-	-	-	0.37	0.37
Balance as at 31 March, 2020	**1,415.96**	**8,843.84**	**(7,294.06)**	**2.41**	**2,968.15**

Particulars	Reserves & Surplus			Other Items of Other Comprehensive Income - Re-measurement gains on defined benefit plan	Total
	Statutory Reserve as per Section 45- IC of RBI Act, 1934	Securities Premium	Retained Earnings		
Balance as at 01 April, 2018	1,415.96	8,843.84	(2,608.65)	-	7,651.15
Loss for the year	-	-	(941.32)	-	(941.32)
Other Comprehensive Income	-	-	-	2.04	2.04
Balance as at 31 March, 2019	**1,415.96**	**8,843.84**	**(3,549.97)**	**2.04**	**6,711.87**

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date
For S.P. Chopra and Co.
Chartered Accountants
Firm Registration No. 000346N

(Pawan K. Gupta)
Partner
Membership No: 092529

Place: New Delhi
Date : 09 July, 2020

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

(Sanjeev Goel)
Managing Director
DIN: 00028702

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Director
DIN: 00963735

(Puneet Sehgal)
Company Secretary
M. No. ACS 12557

(Raj Kumar Anand)
Chief Finance Officer

intec CAPITAL LIMITED
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Notes to consolidated financial statements for the year ended 31 March, 2020

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

1. COMPANY INFORMATION

Intec Capital Limited (the 'Holding Company') incorporated in India on 15 February, 1994, was registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') *vide* Certificate No. B-14.00731 dated 04 May, 1998 in the name of Intec Securities Limited. Subsequently, due to change in name of the Company, the Company received a revised Certificate of Registration ('CoR') in the name of Intec Capital Limited on 04 November, 2009 under Section 45-1A of the Reserve Bank of India Act, 1934. Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).

The Holding Company, has one Subsidiary company namely Amulet Technologies Limited (the 'Subsidiary'), incorporated in India, which has the objectives of providing consultancy, advisory and the related services in the area of Information technology, however, it is yet to commence business.

The accompanying Consolidated Financial Statements relate to Intec Capital Limited (the 'Holding Company') and its Subsidiary company (the Holding Company and its Subsidiary together referred as the 'Group')

The consolidated financial statements for the year ended 31 March, 2020, were approved by the Board of Directors and authorized for issue on 09 July, 2020, and recommended for consideration and adoption by the shareholders in their ensuing annual general meeting.

2. BASIS OF PREPARATION

2.1 Compliance with Indian Accounting Standards (Ind – AS):

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, and the other relevant provisions of the Companies Act, 2013 (the 'Act'), and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (the 'NBFC Regulations') issued by RBI, as amended from time to time. The notified Indian Accounting Standards (Ind AS) are followed by the Group in so far as they are not inconsistent with the NBFC Regulations.

For all periods up to and including the year ended 31 March, 2019, the Group prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the applicable NBFC Regulations (hereinafter referred as 'Previous GAAP'). These consolidated financial statements for the year ended 31 March, 2020 have been prepared in accordance with Ind AS and the other relevant provisions of the Act, and the NBFC Regulations, considering that the Holding Company was categorized as 'Non-Systemically Important Non-Deposit taking Non-Banking Financial Company' w.e.f. 01 April, 2018, as its total assets as per the audited financial results as at 31 March, 2018, were less than Rs. 500 crores, whereas, till 31 March, 2018 it was categorised as 'Systemically Important Non-Deposit taking Non-Banking Financial Company', in terms of RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated 01 September, 2016.

The Group has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption and an explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 32.17.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 01 April, 2018 being the date of transition to Ind AS.

2.2 Presentation of Consolidated financial statements:

The Group presents its Balance Sheet in order of liquidity. The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically

permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value,

2.4 Functional and present currency

The consolidated financial statements are prepared in Indian Rupees ('Rs.'), which is the Group's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

2.5 Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of consolidated financial statements, and the reported amount of revenues and expenses during the reporting period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

- Fair value of financial instruments

  Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market- observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, based on the inputs to these models taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- Impairment of financial assets – Expected Credit Loss

  The measurement of impairment loss allowance for financial asset measured at amortised cost requires use of statistical models, significant assumptions about future economic conditions and credit behavior (e.g. likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the Group makes judgements about the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance. Further, judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets as well as for homogeneous grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

- Non recognition of income on Credit Impaired Loans

  As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realization is higher than the gross loan amount outstanding.

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Notes to consolidated financial statements for the year ended 31 March, 2020

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- Taxes

  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- Useful life of property, plant and equipment

  The Property, Plant and Equipment are depreciated on straight line method over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 4.4 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

3 BASIS OF CONSOLIDATION

3.1 Basis of Accounting:

i. The financial statements of the Subsidiary Company are drawn up to the same reporting date as of the Holding Company.

ii. The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".

3.2 Principles of Consolidation:

i. The financial statements of the Holding Company and its Subsidiary have been combined on a line- by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".

ii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements except as otherwise stated in the Significant Accounting Policies.

iii. The difference between the cost of investment in the Subsidiary over the net assets at the time of acquisition of shares in the Subsidiary is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Company includes the results of following entity:

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31 March, 2020	Proportion (%) of Shareholding as on 31 March, 2019
Amulet Technologies Limited	India	100%	100%

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Revenue Recognition

(i) Interest Income

The Holding Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs

Notes to consolidated financial statements for the year ended 31 March, 2020
(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset / financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Holding Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets after setting-off of collateral amounts. In case of credit-impaired financial assets regarded as 'stage 3', the Holding Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR, to the extent of probability of its recovery. If the financial asset is no longer credit-impaired, the Holding Company reverts to calculating interest income on a gross basis.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

(ii) Dividend Income

Dividend Income on investments is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iii) Fees and Commission

Processing fees and other servicing fees is recognized on accrual basis. The Group recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Fees on value added services and products are recognised on rendering of services and products to the customer.

(iv) Interest on Borrowings

Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

(v) Recoveries of Financial Assets written off

The Holding Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

(vi) Sale of Loan Assets

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

(vii) Other Income / Revenue

Other income / revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

4.2 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.3 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in subsidiaries and associates, borrowings, cash and cash equivalents, other bank balances etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity instruments, trade receivables and cash and cash equivalents etc.

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Notes to consolidated financial statements for the year ended 31 March, 2020

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

(i) Classification and Measurement of Financial assets (other than Equity instruments)

For the purpose of subsequent measurement, financial assets (other than equity instruments) are classified into three categories:

(a) Financial Assets at amortised cost
(b) Financial Assets at FVOCI
(c) Financial Assets at FVTPL

(a) Financial Assets at amortised cost

The Group measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Group for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Group, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR) as given in para 3.1.(i) above.

(b) Financial Assets at FVOCI

The Group subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial Assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

(c) Financial Assets at FVTPL

The Group classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of financial assets are recognised on net basis through profit or loss.

Term / fixed deposits held by the Group have been classified under this category

Notes to consolidated financial statements for the year ended 31 March, 2020
(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

(ii) Classification and Measurement of Equity instruments

All equity investments other than in subsidiaries and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis. An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group transfers the same within equity. As at the reporting date, there are no such equity instruments held by the Group.

(iii) Derecognition of Financial Assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same.

The Group transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Group retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Group adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(iv) Impairment of financial assets

Expected Credit Loss (ECL) are recognised for financial assets held under amortised cost, measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

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Notes to consolidated financial statements for the year ended 31 March, 2020

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

(a) Credit impaired (stage 3)

The Group recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 180 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months – post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Holding Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Holding Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

Notes to consolidated financial statements for the year ended 31 March, 2020
(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

  A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 32.16.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, borrowings etc.

Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings and other payables.

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 4.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.4 Property plant and equipment

(i) Upon first time adoption of Ind AS, the Group has elected to measure all its property, plant & equipment, at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. 01 April, 2018.

(ii) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(iii) Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) An item of PPE and any significantly part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(v) Depreciation on property, plant and equipment is provided on straight-line method over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. Immovable assets at the leased premises including civil works, fixtures and electrical items etc. are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of two years. The useful lives in the following case is different from those prescribed in Schedule II of the Companies Act, 2013.

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Notes to consolidated financial statements for the year ended 31 March, 2020

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Electrical installations	10	8

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013

(vi) Depreciation on addition or on sale / discard of an asset is calculated pro-rata from / up to the date of such addition or sale/discard.

(vii) The residual values, useful lives and methods of depreciation of Plant, property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.5 Intangible Assets and amortization thereof

(i) Upon first time adoption of Ind AS, the Group has elected to measure all its Intangible assets at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. 01 April, 2018.

(ii) Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the Group and the costs of the assets can be measured reliably. Intangible assets comprising computer software are carried at cost less amortization and accumulated impairment, if any. Computer software including improvements are amortised over the management's estimate of the useful life of such intangibles. Management estimates for useful life of intangibles is 6 years.

(iii) An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognized.

4.6 Employee Benefits:

(i) Short term employee benefits:

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

(ii) Defined contribution plan:

Contributions towards Employees' Provident Fund and State Insurance Scheme, are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss for the year when the expense is actually incurred.

(ii) Other long-term employee benefits:

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Holding Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

(iii) Defined benefit plan:

The Holding Company's gratuity scheme is a defined benefit plan. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded / managed by

Life Insurance Corporation of India ('LIC'). The short / excess of the Gratuity liability as compared to the net fund held by LIC is accounted for as liability/ assets as at the year end

4.7 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS), prescribed therein. The tax rates and the tax laws used to compute the amounts are those that are enacted or substantially enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transactions either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where applicable.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4.8 Provision, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

c) Contingent Assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is

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virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

4.9 Earnings per share

Basic earnings per equity share is computed by dividing net profit/ loss attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

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

4.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Group assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Group will extend the term, or a lease period in which it is reasonably certain that the Group will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand- alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Group by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Group's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Group's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Group does not recognise right-of-use assets and lease

Notes to consolidated financial statements for the year ended 31 March, 2020
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liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

4.11 Statement of Cash flows:

For the purpose of Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.12 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre- tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

4.13 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 32.15.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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(Amount in INR lakhs, unless otherwise stated)

5	Cash and cash equivalents	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Cash on hand	10.65	12.80	15.79
	Balances with banks:			
	- in current accounts	63.06	253.40	80.04
	- in term deposits having original maturity of 3 months or less	160.37	-	-
	Total	**234.08**	**266.20**	**95.83**

6	Bank balances other than Cash and cash equivalents	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Balances with banks:			
	- in term deposits having original maturity of more than 3 months but less than 12 months	-	56.72	1,201.14
	- in unpaid dividend account	3.56	5.37	6.94
	Total	**3.56**	**62.09**	**1,208.08**

6.1 Fixed deposits of Rs. Nil (31 March, 2019: Nil and 01 April, 2018: Rs. 1,098.98 lakhs) are subject to first charge as security against the working capital facilities, of Rs. Nil (31 March, 2019: Rs. 22.81 lakhs and 01 April, 2018: Rs. 89.67 lakhs) are subject to first charge as security against the Term Loan facilities and of Rs. Nil (31 March, 2019: Rs. 33.91 lakhs and 01 April, 2018: Rs. 31.05 lakhs) are liened with Small Industries Development Bank of India under Credit Delivery Arrangement. Also, refer note 9.1.

7	Loans	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	At amortised cost			
	a. Secured term loans	17,678.37	20,921.79	28,209.47
	b. Unsecured term loans	2,534.21	3,979.55	4,985.55
	Total - Gross	**20,212.59**	**24,901.34**	**33,195.02**
	Less: Impairment loss allowance	13,734.61	11,334.58	10,377.87
	Total - Net	**6,477.98**	**13,566.76**	**22,817.15**
7.1	Break-up of Secured/Unsecured loans			
a.	Secured by Tangible assets	17,678.37	20,921.79	28,209.47
	Less: Impairment loss allowance	12,138.82	9,507.82	9,081.31
	Secured - net	**5,539.55**	**11,413.98**	**19,128.16**
b.	Unsecured	2,534.21	3,979.55	4,985.55
	Less: Impairment loss allowance	1,595.78	1,826.76	1,296.56
	Unsecured - net	**938.43**	**2,152.79**	**3,688.99**
	Total (a+b)	**6,477.98**	**13,566.77**	**22,817.15**
7.2	Break-up of Loans In India/Outside India			
a.	Loans in India			
	i. Public Sector	-	-	-
	ii. Others	20,212.59	24,901.34	33,195.02
	Less: Impairment loss allowance	13,734.61	11,334.58	10,377.87
		6,477.97	13,566.77	22,817.15
b.	Loans outside India	-	-	-
	Total (a+b)	**6,477.97**	**13,566.77**	**22,817.15**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

7.3 Summary of loans by stage distribution

Particulars	As at 31 March, 2020				As at 31 March, 2019				As at 1 April, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,732.52	500.31	17,979.76	**20,212.59**	7,318.55	215.20	17,367.59	**24,901.34**	16,899.46		16,295.56	**33,195.02**
Less: Impairment loss allowance	52.63	13.65	13,668.33	**13,734.61**	324.49	10.38	10,999.71	**11,334.58**	1,332.48		9,045.39	**10,377.87**
Net carrying amount	**1,679.89**	**486.66**	**4,311.43**	**6,477.98**	**6,994.06**	**204.82**	**6,367.89**	**13,566.77**	**15,566.98**	**-**	**7,250.17**	**22,817.15**

7.4 Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March, 2020							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
As at 31 March, 2019	7,318.55	324.49	215.20	10.38	17,367.59	10,999.71	24,901.34	11,334.58
Transfers during the year								
to Stage 1	51.84	3.29	(51.84)	(3.29)	-	-	-	-
to Stage 2	(525.50)	(16.68)	525.50	16.68	-	-	-	-
to Stage 3	(2,816.71)	(155.45)	(163.36)	(7.08)	2,980.08	162.54	-	-
Total transfers	(3,290.37)	(168.84)	310.30	6.31	2,980.08	162.54	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	3,243.31	-	3,243.31
Changes in opening credit exposures (additional disbursement net of repayments)	1,256.44	21.95	25.19	3.03	1,412.27	251.87	2,693.89	276.85
New credit exposures during the year, net of repayments	-	-	-	-	-	-	-	-
Amounts written off during the year	1,039.22	81.08	-	-	955.64	485.35	1,994.87	566.43
As at 31 March, 2020	1,732.52	52.63	500.31	13.65	17,979.76	13,668.33	20,212.59	13,734.61

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at 31 March, 2019							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
As at 1 April, 2018	16,899.46	1,332.48	-	-	16,295.56	9,045.39	33,195.02	10,377.87
Transfers during the year								
to Stage 1	-	-	-	-	-	-	-	-
to Stage 2	(243.22)	(19.80)	243.22	19.80	-	-	-	-
to Stage 3	(2,887.76)	(206.47)	-	-	2,887.76	206.47	-	-
Total transfers	(3,130.98)	(226.27)	243.22	19.80	2,887.76	206.47	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	2,099.18	-	2,099.18
Changes in opening credit exposures (additional disbursement net of repayments)	6,449.93	781.72	28.02	9.42	1,734.58	342.45	8,212.53	1,133.59
New credit exposures during the year, net of repayments	-	-	-	-		-	-	-
Amounts written off during the year	-	-	-	-	81.14	8.89	81.14	8.89
As at 31 March, 2019	7,318.55	324.49	215.20	10.38	17,367.59	10,999.71	24,901.35	11,334.58

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

8	Investments	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Investment in Equity Instruments			
	(At amortised cost)			
	- Pantec Devices Private Limited	1.16	1.16	1.16
	- Pantec Consultants Private Limited	1.01	1.01	1.01
	- Intec Worldwide Private Limited	0.86	0.86	0.86
	- Spherical Collection Agency (P) Ltd.	1.11	1.11	1.11
	- Intec Share & Stock Brokers Limited	2.26	2.26	2.26
	- FIMA Infotech Private Limited	-	-	2.30
	- Spectacle Advisory Solutions Pvt. Ltd.	0.44	0.44	0.44
	Total Investments - i + ii	**6.84**	**6.84**	**9.14**
	Out of above			
	In India	6.84	6.84	9.14
	Outside India	-	-	-

9	Other financial assets	Note	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Term deposits having original maturity of more than 12 months	9.1	10.41	-	372.38
	Security deposits		10.44	12.36	21.93
	Interest accured but not due on term deposits		0.48	0.79	39.78
	Interest accured and due on loans		1,331.52	1,183.03	-
	Interest accured but not due on loans		207.96	495.59	611.20
	Advances to employees		2.40	4.80	7.35
	Advance to parties		212.00	-	-
	Less: Impairment on advance to parties		(212.00)	-	-
	Advance to a Director		-	3.68	26.83
	Balance with government authorities		98.77	77.95	48.64
	Other advances		12.12	56.01	52.10
	Total		**1,674.10**	**1,834.21**	**1,180.21**

9.1 Refer note 6.1 for the fixed deposits of Rs. NIL lakhs (31 March, 2019: 33.91 Lacs and 01 April, 2018: Rs. 31.05 lakhs which are liened with Small Industries Development Bank of India under Credit Delivery Arrangement.

10	Current tax assets (net)	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Advance Income Taxes (net of provision of tax)	468.75	485.21	692.26
	Total	**468.75**	**485.21**	**692.26**

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(Amount in INR lakhs, unless otherwise stated)

11	Deferred tax assets (net)	As at 31 March, 2020	As at 31 March, 2019
i.	**Reconciliation of tax expenses and profit/loss before tax**		
	Loss before tax	4,839.79	350.50
	At corporate tax rate of 26% (Previous year: 26%)	-	-
	Tax on timinig differences	(979.60)	590.82
	Earlier year tax	(121.43)	-
	Tax (reversal) / expense	**(1,101.03)**	**590.82**

ii.	Deferred tax assets recorded in Balance Sheet	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
	Deferred tax assets:			
	- Impairment on financial instruments	3,570.99	2,946.99	3,206.76
	- Provision for employee benefits	-	-	8.97
	- Lease liabilities*	23.95	-	-
	- Depreciation and amortisation	9.06	6.10	-
	- Other temporary differences	55.12	-	1.83
	Gross deferred tax assets	**3,659.12**	**2,953.09**	**3,217.56**
	Deferred tax liabilities:			
	- Depreciation and amortisation	-	-	2.41
	- Right-of-use assets*	20.74	-	-
	- Financial instruments measured at EIR	77.63	374.67	48.38
	- Provision for employee benefits	4.18	3.18	-
	- Other temporary differences	-	-	-
	Gross deferred tax liabilities	**102.55**	**377.85**	**50.79**
	Deferred tax assets (net)	**3,556.57**	**2,575.24**	**3,166.77**

* includes opening adjustment of Rs. 1.86 lakhs (net) due to adoption of Ind AS 116. (Refer note 32.6)

iii. Changes in deferred tax assets recorded in profit or loss

	As at 31 March, 2020	As at 31 March, 2019
Deferred tax relates to the following:		
- Impairment on financial instruments	(624.00)	259.77
- Financial instruments measured at EIR	(297.04)	326.29
- Depreciation and amortisation	(2.96)	(8.51)
- Right-of-use assets	(6.03)	-
- Lease liabilities	4.68	-
- Provision for employee benefits	0.87	11.44
- Other temporary differences	(55.12)	1.83
	(979.60)	**590.82**

iv. Changes in deferred tax assets recorded in other comprehensive income

	As at 31 March, 2020	As at 31 March, 2019
Deferred tax relates to the following:		
- Re-measurement gains on defined benefit plan (net of tax)	(0.13)	(0.71)
	(0.13)	**(0.71)**
Total	**(979.47)**	**591.53**

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(Amount in INR lakhs, unless otherwise stated)

12 Property, Plant and Equipment (As at 31 March, 2020)

Particulars	Gross block				Accumulated depreciation				Net Block	
	As at 01 April, 2019	Additions	Deductions / adjustments	As at 31 March, 2020	As at 01 April, 2019	Depreciation	Deductions / adjustments	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
a. Tangible assets										
Vehicles	46.94	-	-	46.94	9.10	9.10	-	18.20	28.73	37.84
Building	377.28	-	-	377.28	12.34	12.34	-	24.68	352.60	364.94
Office equipment	6.62	0.72	2.55	4.78	2.61	1.08	1.53	2.16	2.62	4.01
Data processing equipments	26.78	7.78	0.31	34.26	7.36	10.46	2.64	15.18	19.07	19.42
Furniture and fixtures	5.15	-	0.71	4.44	1.12	0.86	(0.31)	2.29	2.15	4.04
Leasehold improvements	1.70	-	0.61	1.09	-		(0.98)	0.98	0.11	1.70
Electric installations	1.18	-	0.06	1.12	0.28	0.18	(0.16)	0.62	0.51	0.91
Air conditioners	3.55	0.71	0.47	3.79	0.79	0.78	0.25	1.33	2.46	2.75
Office equipment - Mobile	4.35	-	-	4.35	0.87	0.96	(1.78)	3.61	0.74	3.48
Land	888.81	-	-	888.81	-	-	-	-	888.81	888.81
Total (a)	**1,362.36**	**9.21**	**4.71**	**1,366.86**	**34.48**	**35.76**	**1.19**	**69.05**	**1,297.81**	**1,327.89**
b. Capital Work in Progress	**4.91**	**0.85**	**0.58**	**5.19**	**-**	**-**	**-**	**-**	**5.19**	**4.91**
Grand Total - Current's Year	**1,367.27**	**10.06**	**5.29**	**1,372.04**	**34.48**	**35.76**	**1.19**	**69.05**	**1,303.00**	**1,332.80**

Property, Plant and Equipment (As at 31 March, 2019 and As at 01 April, 2018)

Particulars	Gross block				Depreciation				Net Block	
	As at 01 April, 2018	Additions	Deductions / adjustments	As at 31 March, 2019	As at 01 April, 2018	Depreciation/ amortisation	Deductions / adjustments	As at 31 March, 2019	As at 31 March, 2019	As at 01 April, 2018
a. Tangible assets										
Vehicles	46.94	-	-	46.94	-	9.10	-	9.10	37.84	46.94
Building	377.28	-	-	377.28	-	12.34	-	12.34	364.94	377.28
Office equipment	11.46	1.24	6.08	6.62	-	5.23	2.62	2.61	4.01	11.46
Data processing equipments	15.32	14.74	3.28	26.78	-	7.37	0.01	7.36	19.42	15.32
Furniture and fixtures	5.89	-	0.73	5.15	-	1.17	0.05	1.12	4.04	5.88
Leasehold improvements	1.79	-	0.09	1.70	-	-	-	-	1.70	1.79
Electric installations	2.68	-	1.50	1.18	-	0.60	0.32	0.28	0.91	2.68
Air conditioners	4.18	-	0.63	3.55	-	0.91	0.11	0.79	2.75	4.18
Office equipment - Mobile	3.51	0.84	-	4.35	-	0.87	-	0.87	3.47	3.51
Land	888.81	-	-	888.81	-	-	-	-	888.81	888.81
Total (a)	**1,357.86**	**16.82**	**12.31**	**1,362.36**	**-**	**37.60**	**3.12**	**34.48**	**1,327.89**	**1,357.86**
b. Capital Work in Progress	**6.81**	**4.92**	**6.81**	**4.91**	**-**	**-**	**-**	**-**	**4.91**	**6.81**
Grand Total - Current's Year	**1,364.69**	**21.74**	**19.13**	**1,367.27**	**-**	**37.60**	**3.12**	**34.48**	**1,332.80**	**1,364.67**

Note - 1. Tangible assets are hypothecated as security against working capital facility (refer note 17)

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(Amount in INR lakhs, unless otherwise stated)

13 Intangible Assets (As at 31 March, 2020)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2019	Additions	Deductions / adjustments	As at 31 March, 2020	As at 01 April, 2019	Amortisation	Deductions / adjustments	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Computer software	56.97	7.99	-	64.96	19.43	14.50	0.79	33.14	31.82	37.54
Total	**56.97**	**7.99**	**-**	**64.96**	**19.43**	**14.50**	**0.79**	**33.14**	**31.82**	**37.54**

14 Intangible Assets (As at 31 March, 2019 and As at 01 April, 2018)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2018	Additions	Deductions / adjustments	As at 31 March, 2019	As at 01 April, 2018	Amortisation	Deductions / adjustments	As at 31 March, 2019	As at 31 March, 2019	As at 01 April, 2018
Computer software	44.40	12.57	-	56.97	-	19.43	-	19.43	37.54	44.40
Total	**44.40**	**12.57**	**-**	**56.97**	**-**	**19.43**	**-**	**19.43**	**37.54**	**44.40**

15 Other non-financial assets	Note	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Prepaid expenses		13.81	11.99	26.18
Unamortised loan processing fees		-	18.28	55.79
Plan Assets of employee benefits (Net of provision) - Gratuity	32.3	18.16	20.36	19.33
Total		**31.97**	**50.63**	**101.30**

16 Non-current asset held for sale		As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
(measured at fair value less cost to sell)				
Assets held for sale		15.90	-	-
Total		**15.90**	**-**	**-**

During the year, Holding Company has aquired property on settlement of loan dues from a borrower which has been classified as held for sale and is being measured at the lower of carrying value or fair value less cost to sell.

17 Borrowings (At amortised cost)	Note	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Secured				
i. Term Loans				
- from Banks	17.1 & 17.3	1,430.93	2,972.94	6,091.11
- from Financial Institutions	17.1	-	2.03	799.54
ii. Working Capital Demand Loans from Banks	17.2 & 17.3	7,048.51	7,908.81	13,321.93
Unsecured				
Inter Corporate Deposits	17.1	-	-	4.33
Total		**8,479.44**	**10,883.78**	**20,216.91**
Borrowings in India		8,479.44	10,883.78	20,216.91
Borrowings outside India		-	-	-
Total		**8,479.44**	**10,883.78**	**20,216.91**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

17.1 Terms of security and repayment are given below:

As at 31 March, 2020

Particulars	Maturity pattern				
	0-1 years	1-2 years	2-3 years	3-5 years	Total
Term Loans					
(i) Secured by hypothecation of loan receivables (also refer note- 17.1.1)					
- for loans taken from banks# (Remaining installments payable-2 to 15) (Interest rates range between 11.65%-15.00% per annum)	1,425.43	-	-	-	**1,425.43**
(ii) Secured by hypothecation of car					
- for loans taken from financial institutions# (Remaining monthly installments payable-27) (Interest rate - 8.25% per annum)	2.07	2.25	1.18	-	**5.50**
Total	**1,427.50**	**2.25**	**1.18**	**-**	**1,430.93**

repayable on equitable monthly and Quarterly installments

As at 31 March, 2019

Particulars	Maturity pattern				
	0-1 years	1-2 years	2-3 years	3-5 years	Total
Term Loans					
(i) Secured by hypothecation of loan receivables (also refer note- 17.1.1)					
- for loans taken from banks# (Remaining installments payable-3 to 23) (Interest rates range between 11.40%-12.20% per annum)	1,942.98	1,022.57	-	-	**2,965.54**
(ii) Secured by hypothecation of car					
- for loans taken from banks and financial institutions# (Remaining installments payable-2-42) (Interest rate - 8.25% per annum)	3.93	2.07	2.25	1.18	**9.43**
Total	**1,946.91**	**1,024.64**	**2.25**	**1.18**	**2,974.97**

repayable on equitable monthly and Quarterly installments

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As at 01 April, 2018

Particulars	Maturity pattern				
	0-1 years	1-2 years	2-3 years	3-5 years	Total
Term Loans					
(i) Secured by hypothecation of loan receivables (refer note- 17.1.2)					
- for loans taken from banks# (Remaining installments payable-8 to 75)	2,587.73	2,029.26	1,099.65	281.98	**5,998.62**
- for loans taken from financials institutions# (Remaining installments payable-5 to 13)	731.84	53.24	-	-	**785.08**
(ii) Secured by hypothecation of loan receivables and fixed deposits (refer note- 17.1.2)					
- for loans taken from banks# (Remaining installments payable-5)	83.33	-	-	-	**83.33**
(Interest rates on (i) & (ii) range between 11.25%- 15.29% per annum)					
(iii) Secured by hypothecation of car					
- for loans taken from banks and financial institutions# (Remaining installments payable-26-54)	14.18	3.95	2.07	3.42	**23.62**
Total	**3,417.08**	**2,086.45**	**1,101.72**	**285.40**	**6,890.65**
Inter Corporate Deposits (Unsecured loans) ## (Interest rates range between 7%-8.37% per annum)	4.33	-	-	-	**4.33**
	3,421.41	**2,086.45**	**1,101.72**	**285.40**	**6,894.98**

repayable on equitable monthly installments

repayable at the time of maturity along with interest accured

17.1.1 **Loans also guaranteed by directors and other parties**

- loans of Rs. 1,394.97 lakhs (31.03.2019: Rs. 2,603.51) lakhs secured by personal guarantee of managing director and lien on Fixed deposits of Rs. NIL (31.03.2019: Rs. 22.81 lakhs).

- loan of Rs. 133.04 lakhs (31.03.2019: Rs. 362.03 lakhs) secured by personal guarantee of managing director and corporate guarantee of Bubble Infosolutions Private Limited (Company in which managing director of the Company is a director) and Amulet Technologies Limited (Subsidiary of the Holding Company).

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(Amount in INR lakhs, unless otherwise stated)

17.1.2 **Loans also guaranteed by directors and other parties**

- loans of Rs. 6,119.99 lakhs secured by personal guarantee of managing director and lien on Fixed deposits of Rs. 89.67 lakhs

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- loan of Rs. 83.33 lakhs secured by personal guarantees of managing director and relative of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director)

- loan of Rs. 663.71 lakhs secured by personal guarantee of managing director and corporate guarantee of Bubble Infosolutions Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited (Subsidiary of the Company)

17.2 Terms of Security and Interest Rates for Working Capital Loans:

(i) Working Capital loans from banks are secured by :

(a) Primary Security- first pari passu charge on present and future receivables of the Holding Company.

(b) Collateral Security - Fixed deposits of Rs. Nil (31.03.2019: NIL and 01.04.2018: Rs. 1,098.98 lakhs) lien marked to banks and Immovable properties belonging to promoter & others.

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

(d) Corporate guarantee of Bubble infosolution Private Limited (company in which managing director of the Company is a director) and Amulet Technologies Limited, Subsidary of the Company)

(ii) Interest rates on above loans range between 11.35% - 15.05% per annum (31.03.2019: 10.60% - 15.05% and 01.04.2018: 10.60% - 13.55% per annum).

17.3 Default in repayment of Borrowings as at 31 March, 2020 is given below:

(i) **Term loans:**

(Amount in Rs.)

Name of Bank	Default Since	Amount of Installments in Default	Amount of Interest Accrued and in Default	Amount of Interest not accrued and in Default	Total Default (Installments & interest)
State Bank of Hydrabad-2	30.09.2019	71,00,000	-	37,88,590	**1,08,88,590**
United Bank of India Deal-2	31.10.2019	77,50,000	15,60,302	-	**93,10,302**
Bank Of India-Deal 2	30.08.2019	1,36,66,656	37,68,067	-	**1,74,34,723**
Dhanlaxmi Bank -Deal -4	31.10.2019	89,82,921	30,93,617	-	**1,20,76,538**
United Bank of India Deal -3	31.10.2019	62,51,000	18,36,279	-	**80,87,279**
Total		**4,37,50,577**	**1,02,58,265**	**37,88,590**	**5,77,97,432**

(ii) **Working Capital Demand Loans from Banks:**

(Amount in Rs.)

Name of Bank	Default Since	Total Principal outstanding as at 31 March, 2020	Amount of Interest booked but not paid	Amount of Interest not booked/ reversed	Total Default
State Bank of India (CC & TL)	28.02.2018	11,53,00,171	-	2,28,24,509	**13,81,24,680**
Punjab National Bank	16.06.2019	11,44,96,617	-	1,82,92,532	**13,27,89,149**
Indian Overseas Bank	30.11.2019	8,12,67,112	1,23,72,580	-	**9,36,39,692**
Bank of Maharashtra	18.10.2018	7,44,09,714	-	1,78,77,226	**9,22,86,940**
Central Bank of India	30.06.2019	7,54,77,072	-	79,76,242	**8,34,53,314**
Oriental Bank of Commerce	02.08.2019	4,85,05,740	-	5,35,557	**4,90,41,297**
South Indian Bank	20.06.2019	2,58,42,501	18,55,594	-	**2,76,98,095**
Total		**53,52,98,928**	**1,42,28,174**	**6,75,06,065**	**61,70,33,166**

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(Amount in INR lakhs, unless otherwise stated)

18 Other financial liabilities	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Interest accured but not due	111.88	120.38	18.78
Unclaimed dividends	3.56	5.37	6.94
Payable to customers (borrowers)	312.91	540.15	751.16
Payable to employees	33.55	10.60	21.52
Accrued expenses and payables	34.49	84.39	119.81
Total	**496.39**	**760.89**	**918.21**

19 Provisions	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
For employee benefits - leave encashment	4.48	8.13	9.68
Total	**4.48**	**8.13**	**9.68**

20 Other non-financial liabilities	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Lease equilization reserve	-	1.21	0.50
Statutory dues payable	7.13	15.01	46.73
Total	**7.13**	**16.22**	**47.23**

21 Equity Share Capital

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Authorised share capital			
Equity Shares:			
35,000,000 equity shares of Rs. 10 each	3,500.00	3,500.00	3,500.00
Preference Shares:			
1,500,000 preference shares of Rs. 100 each	1,500.00	1,500.00	1,500.00
	5,000.00	**5,000.00**	**5,000.00**
Issued, subscribed and fully paid-up			
Equity Shares:			
1,83,66,250 equity shares of Rs. 10 each fully paid up	1,836.63	1,836.63	1,836.63
Total	**1,836.63**	**1,836.63**	**1,836.63**

21.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2020		As at 31 March, 2019		As at 01 April, 2018	
	Number	Amount	Number	Amount	Number	Amount
Equity shares						
Balance at the beginning of the year	1,83,66,250	1,836.63	1,83,66,250	1,836.63	1,83,66,250	1,836.63
Balance as at end of the year	**1,83,66,250**	**1,836.63**	**1,83,66,250**	**1,836.63**	**1,83,66,250**	**1,836.63**

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21.2 Rights, preferences and restrictions attached to each class of shares

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. All Equity Shares are entitled to receive dividend as declared from time to time. The voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

21.3 Detail of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31 March, 2020		As at 31 March, 2019		As at 01 April, 2018	
Shareholders	Number	% age of share holding	Number	% age of share holding	Number	% age of share holding
Equity Shares						
Pantec Devices Private Limited	44,97,264	24.49%	44,97,264	24.49%	44,97,264	24.49%
India Business Excellence Fund-IIA	36,46,142	19.85%	36,46,142	19.85%	36,46,142	19.85%
India Business Excellence Fund-II	22,84,356	12.44%	22,84,356	12.44%	22,84,356	12.44%
Pantec Consultant Private Limited	14,53,771	7.92%	14,53,771	7.92%	14,53,771	7.92%
Sanjeev Goel (Including shares held in Escrow account)	12,44,464	6.77%	12,44,464	6.77%	12,44,464	6.77%

22 Other Equity

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Securities premium			
As per last account	8,843.84	8,843.84	8,843.84
Statutory reserve as per Section 45-IC of RBI Act			
As per last account	1,415.96	1,415.96	1,415.96
Retained earnings			
As per last account	(3,549.97)	(2,608.65)	
Adjustment on adoption of Ind AS 116 (Refer note 32.6)	(5.34)	-	
Loss for the year	(3,738.76)	(941.32)	
Closing Balance	(7,294.06)	(3,549.97)	(2,608.65)
Other comprehensive income/(loss)			
As per last account	2.04	-	-
Addition during the year	0.37	2.04	-
Closing Balance	2.41	2.04	-
Total	**2,968.15**	**6,711.87**	**7,651.15**

22.1 **<u>Nature and purpose of other equity:</u>**

i **Security Premium**

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

ii **Statutory reserve as per Section 45-IC(1) of RBI Act, 1934**

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

iii **Retained Earnings**

Retained earnings represents the (deficit)/surplus in Statement of profit and loss account and appropriations.

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23	Interest income	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Interest on loans	1,285.49	3,628.76
	Interest on deposits with banks	1.75	35.99
	Interest income on financial instruments	104.60	93.28
	Total	**1,391.84**	**3,758.03**

24	Fees and commission income	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Income on preclosure of loans	24.02	53.52
	Servicing fee on assignment of loans	-	0.48
	Other service fees	18.81	50.88
	Total	**42.83**	**104.88**

25	Recoveries of financial assets written off	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Recoveries of financial assets written off	51.01	77.46
	Total	**51.01**	**77.46**

26	Other income	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Liabilities no longer required written back	116.64	200.02
	Profit on sale of investment	-	16.40
	Miscellaneous Income	19.07	43.41
	Total	**135.71**	**259.84**

27	Finance costs	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	On financial liabilities measured at amortised cost:			
	- on borrowings - term loan from banks/financial institutions		232.32	554.43
	- on borrowings - CC/WCDL from banks		501.83	1,352.79
	- on borrowings - car loan from bank		0.58	1.60
	- on lease liabilities	32.6	13.47	-
	Other borrowing costs		36.78	114.48
	Total		**784.98**	**2,023.30**

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(Amount in INR lakhs, unless otherwise stated)

28	Impairment on financial instruments	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	(Measured at amortised cost)		
	Bad debts written off	1,877.15	81.14
	Impairment on loans	2,400.03	956.74
	Impairment on advances	212.00	-
	Total	**4,489.18**	**1,037.88**

29	Employee benefits expenses	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Salaries and wages	491.70	657.08
	Contribution to provident and other funds	15.97	21.56
	Staff welfare expenses	21.17	25.16
	Total	**528.84**	**703.81**

30	Depreciation and amortization	Note	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Depreciation on tangible assets	12	35.76	37.59
	Amortization of intangible assets	13	14.50	19.43
	Amortization of right-of-use assets	14	23.18	-
	Total		**73.44**	**57.02**

31	Other expenses		For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rent		3.11	48.39
	Insurance		9.35	11.85
	Legal & professional		383.34	410.48
	Payment to Auditors:			
	- Statutory Audit		5.74	5.62
	- Tax Audit		1.00	1.00
	- Limited Reviews		3.00	3.00
	- Other services		0.10	0.30
	- Reimbursement of expenses		0.62	1.56
	Rates & taxes		6.83	20.38
	Electricity & water		12.60	17.76
	Directors' sitting fees		5.23	6.51
	Repairs & maintenance		22.19	28.75
	Communication and internet		13.26	17.02
	Travelling & conveyance		59.61	73.01
	Business promotion		32.45	28.04
	Loss on disposal of property, plant & equipment (net)		1.30	7.39
	Other expenditure		25.00	47.62
	Total		**584.74**	**728.70**

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NOTE – 32 : OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

32.1 Contingent Liabilities and Commitments:

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
A.	**Contingent Liabilities**			
i.	Claims against the Holding Company not acknowledged as debts.	Few customers / borrowers of the Holding Company have filed legal cases for various claims against the Holding Company. The management has reviewed these pending litigations and proceedings and does not expect any material out flow / reimbursement in respect of the same.		
B.	**Commitments**			
i.	Loan approved but pending disbursements	-	38.13	38.54
C.	**Corporate Guarantee**			
i.	By Subsidiary Company on behalf of Holding Company for Credit Facility	41,500.00	41,500.00	41,500.00
TOTAL		**41,500.00**	**41,538.13**	**41,538.54**

32.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:

	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.			
- Principal	-	-	-
- Interest	-	-	-
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-	-
iv. The amount of interest accrued and remaining unpaid	-	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-	-
Total	**-**	**-**	**-**

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Group.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

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32.3 Employee Benefits (Ind AS-19)

(a) **Defined Benefit plans**:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972, as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more. The Holding Company's liability towards Gratuity is funded / managed by Life Insurance Corporation of India (LIC).

(b) **Other Long-Term Benefit**:

Compensated Absences: Employees of the Holding Company are entitled to accumulate their earned/ privilege leave up to a maximum of 30 days which can be availed / utilized in coming year/s, while in service. During the year the amount of Rs. 3.65 lakhs (Previous Year: Rs. 1.56 lakhs) has been credited in the Statement of Profit and Loss towards reversal of the excess provision based on actuarial valuation.

(c) **Defined Contribution plans:**

Holding Company's employees are covered by Provident Fund and Employees State Insurance Scheme, to which the Holding Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 16.92 lakhs (Previous Year: Rs. 23.43 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Employer's contribution towards Provident Fund (PF)	15.35	20.76
Employer's contribution towards Employees State Insurance (ESI)	1.66	2.67

(d) Other disclosures of Defined Benefit plan (Gratuity) are as under:

i) Reconciliation of Defined Benefit Obligations:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present Value of **Defined Benefit Obligation** at the beginning of year	24.61	27.35
Interest cost	1.80	2.08
Current Service Cost	4.61	3.48
Benefit Paid	(6.15)	(4.94)
Actuarial (Gain)/Loss arising from Change in Financial Assumptions	1.86	-
Actuarial (Gain) arising from Change in Demographic Assumptions	(0.01)	-
Actuarial (Gain) Loss arising from Changes in Experience Adjustments	(3.04)	(3.36)
Present value of the Defined Benefit Obligation at the end of year	**23.68**	**24.61**

ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Current Service Cost	4.61	3.48
Interest cost (net of return)	(1.72)	(1.47)
Net Defined Benefit recognized in Statement of Profit and Loss	**2.89**	**2.01**

iii) Recognized in Other Comprehensive Income.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Actuarial Gain/(Loss) on arising from Change in Financial Assumption	(1.86)	-
Actuarial Gain/(Loss) on arising from Change in Demographic Assumption	0.01	-
Actuarial Gain/(Loss) on arising from Changes in Experience Adjustments	3.04	3.36
Actuarial Gain/(Loss) on Plan Asset	(0.69)	(0.61)
Net actuarial Gain	**0.50**	**2.75**

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iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Fair value of Plan Assets at the beginning of year	44.97	46.68
Expected return on plan Assets	3.52	3.55
Employer's Contribution	0.19	0.29
Return on Plan Assets excluding interest income	(0.69)	(0.61)
Benefits paid	(6.15)	(4.94)
Fair value of Plan Assets at the end of year	**41.84**	**44.97**

v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of the **Defined Benefit Obligation** at the end of year	(23.68)	(24.61)
Fair value of Plan Assets at the end of year	41.84	44.97
Net Defined Benefit Assets recognized in the Balance Sheet	**18.16**	**20.36**

vi) Broad categories of Plan Assets as percentage of total assets

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Insurer Managed Funds	100%	100%

vii) Sensitivity Analysis*

a) Impact of the change in the discount rate

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of the **Defined Benefit Obligation** at the end of year	23.68	24.61
a) Impact due to increase of 0.50% (Previous year: 0.50%)	(0.91)	(0.96)
b) Impact due to decrease of 0.50% (Previous Year: 0.50%)	0.98	1.02

b) Impact of the change in the salary increase

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of the **Defined Benefit Obligation** at the end of year	**23.68**	**24.61**
a) Impact due to increase of 0.50% (Previous year: 0.50%)	0.83	0.93
b) Impact due to decrease of 0.50% (Previous year: 0.50%)	(0.92)	(0.97)

* Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

viii. Maturity Profile.

Year	Year ended 31 March, 2020	Year ended 31 March, 2019
0 to 1 year	3.8%	3.5%
1 to 2 Year	3.8%	3.6%
2 to 3 Year	4.0%	3.9%
3 to 4 Year	4.2%	4.0%
4 to 5 Year	7.9%	4.1%
5 Year onwards	28.7%	26.8%

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x. Expected contribution for the next Annual reporting period

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Service Cost	4.05	4.61
Net Interest Cost	(1.32)	(1.72)
Expected Expense for the next annual reporting period	2.73	2.89

xi. Actuarial Assumptions:

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

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Method used	Projected unit credit method			
Discount rate	6.55%	7.60%	6.55%	7.60%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Mortality Rate	IALM (2012-14)			
Withdrawal Rates	7.5% p.a. at all ages			
Rate of return on plan assets	6.55%	7.60%	NA	

32.4 Operating Segments (Ind AS –108):

The Holding Company is primarily engaged only in the business of providing loans to Small and Medium Enterprises ('SME') customers and has no overseas operations/units and the Subsidiary Company's business activity falls within single primary/secondary business segment viz., consultancy, advisory & all related services in all areas of information technology in India and and as such, no segment reporting is required under Ind AS- 108 dealing with the Segment Reporting.

32.5 Related Party Disclosures (Ind AS-24):

A. List of Related Parties and relationships, having transactions during the year:

a) Key Management Personnel

Sanjeev Goel, Managing Director

b) Enterprise over which Key Management Personnel exercises significant influence

Bubble Info Solutions Private Limited

c) Investing party in respect of which the Holding Company is an associate

Pantec Devices Private Limited

B. Transactions with Related Parties

Nature of Transaction	Investing party in respect of which the Holding Company is an associate		Key Management Personnel	
	Year ended 31 March		Year ended 31 March	
	2020	2019	2020	2019
Managerial Remuneration Sanjeev Goel	-	-	130.00	130.00
Sitting Fees paid Sanjeev Goel	-	-	5.23	0.50
Interest Income on loans Pantec Devices Private Limited	2.25	2.25	-	-

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C. Year end balances with related parties:

	As at 31 March, 2020	As at 31 March, 2019
Loans and Advances given Pantec Devices Private Limited, (Investing party in respect of which the Holding Company is an associate)	43.47	41.44
Other Advances Sanjeev Goel, Managing Director	-	3.68
Guarantee given on behalf of Holding Company Bubble Info Solutions Private Limited (Enterprise over which Key Management Personnel exercises significant influence)	Term Loans - 133.04 WCDL's - 6,563	Term Loans -362.03 WCDL's - 7,439

Notes:

- Transaction values are excluding taxes and duties.
- Related parties as defined under Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Group. All above transactions are in the ordinary course of business and on arm's length basis.
- Provisions for gratuity, compensated absences and other long-term service benefits are made for the Group as a whole and the amounts pertaining to the Key Managerial Personnel are not specifically identified and hence are not included above.

32.6 Leases.

During the year, Ind AS 116 – Leases (the 'Standard'), has become effective from 1st April, 2019, replacing the existing Ind AS 17 – Leases. Accordingly, the Group has adopted Ind AS 116 – Leases from 1 April, 2019, and as the Group's significant leasing arrangements are in respect of the premises (commercial premises, offices etc.) which contain extension option after the initial contract period, the amounts recognized on account of leases are as under:

(i) Amount recognized in Statement of Profit and Loss.

Particulars	For the year ended 31 March, 2020
Interest Expense on Lease Liabilities	13.47
Amortization of Right-of-Use Assets	23.18

(ii) Amount recognized in Balance Sheet.

Particulars	As at 31 March, 2019 (Note iii below)	Adjustment on adoption of Ind AS 116 (Note iii below)	Addition / (Deduction) during the year	As at 31 March, 2020
Lease liabilities	--	110.13	(18.02)	92.11
Right-of-use assets (Gross) (Refer Note 14)	--	102.93	(23.18)	79.75
Retained Earnings	(3,155.46)	(5.33)	(3,617.65)	(6,778.44)
Deferred tax Assets	2,575.24	1.86	979.47	3,556.57

(iii) The Group has adopted Ind AS 116 – Leases from 1 April, 2019, and as permitted by its transitional provisions, the cumulative effect of its initial application has been applied as an adjustment to opening Retained Earnings at the date of initial application i.e. on 1 April, 2019 by using modified retrospective method, instead of restating the comparative information.

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(iv) Maturity Profile

Particulars	Amount
Maturity analysis – contractual undiscounted cash flows	
Within 1 year	32.66
Within 2 years	33.84
Within 3 years	30.15
Within 4 years	17.07
Within 5 years	3.00
Total undiscounted lease liabilities	**116.72**
Impact of discounting and other adjustments	24.61
Lease liabilities included in the Balance Sheet	**92.11**

32.7 Earnings Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Loss for the year (Rs. in lakhs)	3,738.76	941.32
Basic/Diluted weighted average number of equity shares outstanding during the year	1,83,66,250	1,83,66,250
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Earnings per Share (Rs.)	(20.36)	(5.13)

32.8 Corporate Social Responsibility (CSR):

The Holding Company has constituted a CSR committee as required under Section 135 of the Companies Act, 2013, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). The CSR Committee had approved the CSR Policy and also identified the broad areas of CSR activities which it propose to carry out viz. Child Education and Women Empowerment. The Holding Company has made serious deliberations and chosen the CSR programs which would be undertaken on a long term and continuous basis. Such programs will benefit communities where the Holding Company operates or likely to operate and create goodwill for the Holding Company. As the Holding Company has incurred average net losses during the last three years, no amount is required to be spent on account of CSR.

32.9 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Holding Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support from promoters and bankers, the future plans for operations and also the intensified process of the recovery of its defaulted loans to improve its liquidity, which is reflected through the recovery of Rs. 957.70 lakhs made during the year. The management, considering the same is hopeful of improvement in its financial position.

32.10 The Holding Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Holding Company is un-able to service term loans and working capital facilities including interest thereon to certain banks, and has approached these banks for its restructuring / settlement which inter-alia includes waiver / reduction of interest being considered by the respective banks. As the Holding Company is reasonably hopeful of waiver / reduction of the interest under these restructuring / settlement packages, interest of Rs. 712.95 lakhs though accrued on these loans, has not been provided in these financial statements.

32.11 The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization, continues to spread across the globe, and has contributed to a significant decrease in global and local economic activities, and most of the governments including the Indian Government, had announced the strict lockdowns across their respective countries as one of the strongest measures to contain

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the spread of the virus. The Group keeping in view the said situation, has assessed its future cash flow projections and recoverability of its assets including loans and also held impairment testing of its non-monetary assets including the property, plant and equipment, using the various internal and external information. Based on this evaluation, the Group expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non- financial assets as at the date of approval of these financial statements. However, the extent to which the COVID-19 pandemic will impact the Group's future activities and financial statements will depend on future developments which are highly uncertain, therefore the impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

32.12 Capital

The Holding Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital and other reserves attributable to equity holders of the Holding Company. As an NBFC, the RBI requires the Holding Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier 1 and Tier 2 capital of 15% of the aggregate risk weighted assets. Further, the total of the Tier 2 capital cannot exceed 100% of the Tier 1 capital at any point of time. The capital management process of the Holding Company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Holding Company's capital management policy is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Holding Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Holding Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Holding Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Holding Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Holding Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Holding Company is also the provider of equity capital to its associates and also provides them with non-equity capital where necessary. These investments are funded by the Holding Company through its equity share capital and other equity which inter alia includes securities premium and retained earnings.

Regulatory capital

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Tier I Capital	1,291.40	6,482.95	6,859.86
Tier II Capital	66.28	300.24	1,332.48
Total Capital Funds	**1,357.68**	**6,783.19**	**8,192.34**
Risk Weighted Assets	9,504.59	16,843.04	26,232.67
CET1 capital ratio	13.59%	38.49%	26.15%
CET2 capital ratio	0.70%	1.78%	5.08%
Total capital ratio	**14.29%**	**40.27%**	**31.23%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, securities premium and retained earnings. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital, which includes subordinated debt. The Holding Company is trying to meet the capital adequacy requirements of Reserve Bank of India (RBI).

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32.13 Events after Reporting Date

There have been no events after the reporting date that require disclosure in these financial statements.

32.14 Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions of the Group. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with Indian accounting standards.

Valuation methodologies adopted

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3.

b. Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans has been determined under level 3.

c. The Group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

32.15. Fair Values Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2: Valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: Valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

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Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/Fair value								
	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
Financial assets	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Carrying amounts/fair value:									
a) Measured at fair value though profit and loss									
Financial Guarantee Contracts	--	--	--	--	--	--	--	--	--
b) Measured at fair value though other comprehensive income	--	--	--	--	--	--	--	--	--
c) Measured at amortised cost									
- Cash and cash equivalents	--	--	234.08	--	--	266.20	--	--	95.83
- Bank Balance other than cash and cash equivalents	--	--	3.56	--	--	62.09	--	--	1,208.08
- Loans	--	--	6,477.99	--	--	13,556.76	--	--	23,817.15
- Investments	--	--	6.84	--	--	6.84	--	--	9.14
- Other financial assets	--	--	1,674.10	--	--	1,834.21	--	--	1,180.21
Total	**--**	**--**	**8,396.57**	**--**	**--**	**15,726.10**	**--**	**--**	**25,310.41**

Particulars	Carrying amount/Fair value								
	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
Financial liabilities	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Carrying amounts/fair value:									
a) Measured at fair value though profit and loss Financial Guarantee Contracts	--	--	--	--	--	--	--	--	--
b) Measured at fair value though other comprehensive income	--	--	--	--	--	--	--	--	--
c) Measured at amortised cost									
- Borrowings	--	--	8,479.44	--	--	10,883.78	--	--	20,216.91
- Lease liabilities	--	--	92.11	--	--	-- 760.89	--	--	-- 918.21
- Other financial liabilities	--	--	496.39	--	--		--	--	--
	--	**--**	**9,067.94**	**--**	**--**	**11,644.67**	**--**	**--**	**21,135.12**

32.16. Risk management objectives and policies

Risk Management Framework

A summary of the major risks faced by the Group, its measurement monitoring and management are described as under:

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Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: • when long term assets cannot be funded at the expected term resulting in cash flow mismatches; • amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by identifying gaps in the structural and dynamic liquidity statements. • monitored by – assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. – a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. – periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. • managed by the Holding Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee	Interest rate risk is: • measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income. • monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movement so on both fixed and floating assets and liabilities. • managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counter party failing to meet their repayment obligations to the Group	Board appointed Risk Management Committee	Credit risk is: • measured as the amount at risk due to repayment default to a customer or counter party to the Group. Various matrices such as EMI default rate, overdue position, collection efficiency, customers non-performing loans etc. are used as leading indicators to assess credit risk. • monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks. • managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee.

Liquidity and funding risk

The Holding Company monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Holding Company continuously monitors liquidity in the market; and as a part of its strategy, the Holding Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

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The Holding Company is managing its fund requirements mainly from banks and financial institutions. The Holding Company emphasis on long term borrowings, however, presently its short term borrowing are more than the long term borrowing, which has helped the Holding Company to manage and meet its fund requirements, considering that presently the Holding Company is not disbursing new / further loans to its customers and its focus is on recovery and to improve its assets quality. The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After12 months	Total	Within 12 months	After 12 months	Total
Borrowings	8,476.01	3.43	8,479.44	9,855.71	1,028.07	10,883.78	16,743.34	3,473.57	20,216.91
Lease liabilities	22.41	69.70	92.11	--	--	--	--	--	--
Other financial liabilities	496.39	--	496.39	760.89	--	760.89	916.21	--	916.21

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	234.08	--	234.08	266.20	--	266.20	95.83	--	95.83
Bank balances other than cash and cash equivalents	3.56	--	3.56	62.09	--	62.09	1,208.08	--	1,208.08
Loans	407.47	6,070.52	6,477.99	1073.22	12493.54	13,566.76	9184.27	13632.88	22,817.15
Investments	--	6.84	6.84	--	6.84	6.84	--	9.14	9.14
Other financial assets	1,663.66	10.44	1,674.10	1,821.85	12.36	1,834.21	1,158.28	21.93	1,180.21
Non-financial assets									
Current tax assets (net)	468.75	--	468.75	485.21	--	485.21	692.26	--	692.26
Deferred tax assets (net)	--	3,556.57	3,556.57	--	2,575.24	2,575.24	--	3,166.77	3,166.77
Property, plant and equipment	--	1,297.81	1.297.81	--	1,327.89	1,327.89	--	1,357.86	1,357.86
Capital work-in-progress	--	5.19	5.19	--	4.91	4.91	--	6.81	6.81
Intangible assets	--	31.82	31.82	--	37.54	37.54	--	44.40	44.40
Right-of-use assets	--	79.75	79.75	--	--	--	--	--	--
Other non-financial assets	31.97	--	31.97	50.63	--	50.63	101.30	--	101.30

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Non-current assets held for sale	15.90	--	15.90	--	--	--	--	--	--
			13,884.33			**20,217.52**			**30,697.81**
LIABILITIES									
Financial liabilities									
Borrowings	8,476.01	3.43	8,479.44	9,855.71	1,028.07	10,883.78	16,743.34	3,473.57	20,216.91
Lease liabilities	22.41	69.70	92.11	--	--	--	--	--	--
Other financial liabilities	496.39	--	496.39	760.89	--	760.89	918.21	--	918.21
Non-financial liabilities									
Provisions	0.68	3.80	4.48	1.12	7.01	8.13	1.48	8.20	9.68
Other non-financial liabilities	7.14	--	7.14	16.22	--	16.22	47.23	--	47.23
			9,079.56			**11,669.02**			**21,192.03**

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Group do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk On investments

The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using Valuation at Risk ('VaR') and modified duration analysis and other measures, including the sensitivity of net interest income. The Group do not have any investment which is exposed to interest risk.

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is computed periodically and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored.

Sensitivity analysis as at 31 March, 2020

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	6,477.99	6,477.99	64.78	(64.78)
Borrowings – Financial Liabilities	8,479.44	8,479.44	84.79	(84.79)

Sensitivity analysis as at 31 March, 2019

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	13,566.76	13,566.76	135.67	(135.67)
Borrowings – Financial Liabilities	10,883.78	10,883.78	108.84	(108.84)

Sensitivity analysis as at 1 April, 2018

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	22,817.15	22,817.15	228.17	(228.17)
Borrowings – Financial Liabilities	20,216.91	20,216.91	202.17	(202.17)

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Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Group. It has a diversified lending model and focuses on broad categories viz: business, mortgages, and commercial lending. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Holding Company classifies its financial assets in three stages having the following characteristics:

Stage1: unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 90 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Holding Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions [for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 3.3(i) to the financial statements].

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

The table below summarises the approach adopted by the Holding Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant

Lending Category	Nature of businesses	Probability of Default (PD)			Exposure at Default (EAD)	Loss Given Default (LGD)
		Stage 1	Stage 2	Stage 3		
Business Loan	Unsecured loans to SMEs, corporate and others etc.	Use of past trend and data and statistical analysis thereof, external / internal ratings and internal			EAD is computed based on assessment of time to default considering	Based on past trend of recoveries, associated risk of underlying
Mortgage Loan	Loans against collateral security of					
Commercial Loan	plant & machinery Loans property against	evaluation with a management overlay.		100%	customers and time liquidation securities profile for of	security and cash estimated flows.

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March, 2020

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	979.68	500.31	16,198.39	752.84		1,781.37
Allowance for ECL	49.32	13.65	12,075.85	3.31		1,592.48
ECL Coverage ratio	5.03%	2.73%	74.55%	0.44%		89.40%

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

As at 31 March, 2019

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	5,407.71	170.02	15,344.06	1,911.11	45.18	2,023.26
Allowance for ECL	221.69	8.84	9,277.29	102.80	1.54	1,722.42
ECL Coverage ratio	4.10%	5.20%	60.46%	5.38%	3.41%	85.13%

As at 1 April, 2018

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	13,197.16		15,012.31	3702.29		1283.26
Allowance for ECL	1,052.94		8,028.37	279.54		1017.02
ECL Coverage ratio	7.98%		53.48%	7.55%		79.25%

Collateral Valuation

The nature of products across these broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Holding Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Holding Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Holding Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Mortgage Loan	Hypothecation of underlying plant & machinery
Commercial Loan	Equitable mortgage of residential and commercial properties.

The Holding Company periodically monitors the market value of collateral and evaluates its exposure and loan to value matrix for high risk customers. The Holding Company exercises its right of repossession across all secured products, and also resorts to judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues, but are not recorded in the accounts. The assets possessed / received in settlement of the loan are recorded as non–current assets held for sale (refer note 16).

Analysis of Concentration Risk

Credit concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten the Holding Company's core operation. The Holding Company's exposure to various borrowers is constantly monitored to mitigate the credit concentration risk. The detail of advances to the top 20 largest borrowers and its percentage to the total advances is as under:

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 01 April, 2018
Total Loans to twenty largest borrowers	5,309.93	5,569.64	5,890.95
Percentage of Advances to twenty largest borrowers to Total Loans of the Company	26.03%	22.01%	17.55%

The Holding Company's loans exposure are within the geographic area of National Capital Region, New Delhi.

Measurement uncertainty and sensitivity analysis of ECL estimates

Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios. Key assumptions used in measurement of ECL.

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Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

- The Holding Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Holding Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

32.17. First-time adoption of Ind AS

The Group w.e.f. 01 April, 2019 has adopted Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Companies Act, 2013, with a transition date of 01 April, 2018. For all the periods upto and including year ended 31 March, 2019, the Group prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous Indian GAAP').

These are the Group's first Consolidated financial statements prepared in accordance with Ind AS. The Group has prepared its Ind AS compliant Consolidated financial statements for the year ended on 31 March, 2020, the comparative period ended on 31 March, 2019 and an opening Ind AS Consolidated Balance Sheet as at 01 April, 2018 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Group in restating its previous GAAP Consolidated financial statements, including the Balance Sheet as at 01 April, 2018 and the financial statements as at and for the year ended 31 March, 2019.

The adoption of Ind AS has been carried out in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared financial statements which comply with Ind AS for year ended 31 March, 2020, together with the comparative information as at and for the year ended 31 March, 2019 and the opening Ind AS Balance Sheet as at 01 April, 2018, the date of transition to Ind AS. The accounting policies as set out in Note 3 which are in accordance with Ind AS, have been applied in preparing these financial statements. In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous Indian GAAP have been recognised directly in equity under retained earnings. This note explains the adjustments made by the Group in restating its financial statements prepared under previous Indian GAAP, including the Balance Sheet as at 01 April, 2018 and the financial statements as at and for the year ended 31 March, 2019.

Exemptions availed and mandatory exceptions

Ind AS 101 - First-time Adoption of Indian Accounting Standards permits first-time adopters' certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous Indian GAAP to Ind AS, which were considered to be material or significant by the Group.

A. Ind AS optional exemptions

The Group has elected to apply the following optional exemptions from retrospective application:

i) Deemed cost for Property, Plant and Equipment and Intangible Assets.

The Group has elected to measure all its property, plant and equipment and Intangible Assets at the Previous Indian GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investment in subsidiary and associates.

Ind AS 101 provides a one-time option to a first-time adopter either to measure its investment in subsidiary and associated as per previous GAAP carrying value or at fair value on the date of transition.

The Holding Company has elected to measure its investment in subsidiary and associated as per previous GAAP carrying value.

iii) Leases.

a. A first-time adopter may assess whether a contract existing at the date of transition to Ind AS contains a lease by applying Ind AS 116 to those contracts on the basis of facts and circumstances existing at that date.

b. A first-time adopter which is a lessee recognises lease liabilities and right-of-use assets, it may apply the following approach to all of its leases:

b.1 Measure a lease liability at the date of transition to Ind AS. A lessee following this approach shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS;

b.2 Measure a right-of-use asset at the date of transition to Ind AS. The lessee shall choose, on a lease-by- lease basis, to measure that right-of-use asset at either:

(i) its carrying amount as if Ind AS 116 had been applied since the commencement date of the lease, but discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

c. Apply Ind AS 36 to right-of-use assets at the date of transition to Ind AS.

The Group has not restated the comparative information, but has recognized the cumulative effect of its initial application as an adjustment to opening Retained Earnings at the date of initial application i.e. 01 April, 2019 by using modified retrospective method.

B. Ind AS mandatory exceptions

The Group has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

i) Estimates

On assessment of the estimates made under the Previous Indian GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous Indian GAAP are made by the Group, wherever required for the relevant reporting dates reflecting conditions existing as at that date.

ii) Derecognition of financial assets and financial liabilities

Ind AS 101 requires an entity to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly the Group has applied the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition, if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition to Ind AS.

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(Amount in INR lakhs, unless otherwise stated)

iv) Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Group has assessed impairment of financial assets in conformity with Ind AS 109.

C. Transition to Ind AS - Reconciliations between Ind AS and previous GAAP are given below:

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous Indian GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance Sheet as at 01 April, 2018 and 31 March, 2019.

II. Reconciliation of Equity as at 01 April, 2018 and 31 March, 2019.

III. Reconciliation of Statement of Profit and Loss for the year ended 31 March, 2019.

IV. Reconciliation of Total Comprehensive Income for the year ended 31 March, 2019.

There is no material impact on the Cash Flow Statements of the transition from Previous GAAP to Ind AS.

Previous Indian GAAP figures have been reclassified / regrouped wherever necessary to conform to financial statements prepared under Ind AS.

I. Reconciliation of Balance Sheet as at 01 April, 2018 and as at 31 March, 2019.

(Amount in Lakhs)

Particulars	Notes to first time adoption	As at 31 March, 2019		As per Ind AS	As at 01 April, 2018		As per Ind AS
		As per Previous GAAP	Adjustments		As per Previous GAAP	Adjustments	
ASSETS							
Financial assets							
Cash and cash equivalents		266.20	-	266.20	95.83	–	95.83
Bank balances other than cash and cash equivalents		62.09	–	62.09	1,208.08	–	1,208.08
Loans		14,129.54	(562.78)	13,566.76	28,834.92	(6,017.77)	22,817.15
Investments		6.84	--	6.84	9.14	--	9.14
Other financial assets		634.14	1,200.07	1,834.21	1,177.93	(2.28)	1,180.21
		15,098.81	**625.15**	**15,736.10**	**31,330.46**	**(6,020.05)**	**25,310.41**
Non-financial assets							
Current tax assets (net)		485.21	--	485.21	692.26	--	692.26
Deferred tax assets (net)		2,779.45	(204.21)	2,575.24	1,340.81	1,825.96	3,166.77
Property, plant and equipment		1.327.89	--	1,327.89	1,357.86	--	1,357.86
Capital work-in-progress		4.91		4.91	6.81	--	6.81
Intangible assets		37.54		37.54	44.40	--	44.40
Other non-financial assets		47.02	3.61	50.63	99.11	2.19	101.30
		4,682.02	**(200.61)**	**4,481.42**	**3,541.25**	**1,828.15**	**5,369.40**
Total Assets		**19,793.00**	**424.54**	**20,217.52**	**34,871.71**	**(4,191.90)**	**30,679.81**
LIABILITIES AND EQUITY							
Liabilities							
Financial liabilities							
Borrowings		10,883.78		10,883.78	20,216.91	-	20,216.91
Other financial liabilities		760.89		760.89	918.21	–	918.21
		11,644.67	**-**	**11,644.67**	**21,135.12**	**-**	**21,135.12**
Non-financial liabilities							
Provisions		8.13	-	8.13	9.68	-	9.68
Other non-financial liabilities		15.02	1.20	16.22	46.98	0.25	47.23
		23.15	**1.20**	**24.35**	**56.66**	**0.25**	**56.91**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

Equity							
Equity share capital		1,836.63	–	1,836.63	1,836.63	–	1,836.63
Other equity		6,288.53	423.34	6,711.87	11,843.31	(4,192.16)	7,651.15
		8,125.16	**423.34**	**8,548.50**	**13,679.94**	**(4,192.16)**	**9,487.78**
Total Liabilities and Equity		**19,793.00**	**424.54**	**20,217.52**	**34,871.71**	**(4,191.90)**	**30,679.81**

II. Reconciliation of equity as at 01 April, 2018 and as at 31 March, 2019.

Particulars	Notes to first time adoption	As at 31 March, 2019	As at 01 April, 2018
Equity as reported under previous GAAP		**6,288.53**	**11,843.31**
Adjustments			
Impact of EIR based amortization of loan receivables, net		1,284.60	--
Impairment of financial assets	1	(655.62)	(6,017.77)
Fair valuation of financial assets	2	(1.43)	(0.35)
		6,916.08	**5,825.19**
Less: Deferred tax adjustment		(204.21)	1,825.96
Equity as per Ind AS		**6,711.87**	**7,651.15**

III. Reconciliation of Statement of Profit and loss for the year ended 31 March, 2019.

(Amount in Lakhs)

Particulars	Notes to first time adoption	As per Previous GAAP	Adjustments	As per Ind AS
Revenue from operations				
Interest income	2,3	2,472.86	1,285.17	3,758.03
Fees and commission income		104.88	-	104.88
Recoveries of financial assets written off		77.46	-	77.46
Total revenue from operations		**2,655.20**	**1,285.17**	**3,940.37**
Other income		259.84	-	259.84
Total income		**2,915.04**	**1,285.17**	**4,200.21**
Expenses				
Finance costs		2,023.30	-	2,023.30
Impairment on financial instruments	1	6,400.03	(5,362.15)	1,037.88
Employee benefits expenses	4	701.06	2.75	703.81
Depreciation and amortization		57.02	-	57.02
Other expenses	3	727.05	1.65	728.70
Total expenses		**9,908.46**	**(5,357.75)**	**4,550.71**
(Loss) / Profit before tax		**(6,993.42)**	**6,642.92**	**(350.50)**
Tax expense:				
Deferred tax	1,5	1,438.64	(2,029.46)	(590.82)
Total tax expense		**1,438.64**	**(2,029.46)**	**(590.82)**
(Loss)/ Profit after tax		**(5,554.78)**	**4,613.46**	**(941.32)**
Other comprehensive income / (Loss)	6			
Items that will not be reclassified to profit or loss				
- Re-measurement losses on defined benefit plans	4	--	2.75	2.75
- Tax impact on above	5	--	(0.71)	(0.71)
Other comprehensive Income for the year (net of tax)		**--**	**2.04**	**2.04**
Total comprehensive (loss)/ Income for the year		**(5,554.78)**	**4,615.50**	**(939.28)**

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Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

IV. Reconciliation of total comprehensive income for the year ended 31 March, 2019.

(Amount in Lakhs)

Particulars	Notes to first time adoption	For the year ended 31 March, 2019
Loss after tax as reported under previous GAAP		**5,554.78**
Adjustments:		
Impact of EIR based amortization of loan receivables (net)	2,3	(1,285.17)
Impairment of financial assets	1	(5,362.15)
Remeasurement of defined benefit plan	4	2.75
Adjustment of Prepaid rent	3	1.65
Deferred tax adjustment	1,5	2,029.46
Total adjustment (net of tax)		(4,613.46)
Loss after tax as per Ind AS for the year ended 31 March, 2019		**(941.32)**
Other comprehensive income (net of tax)		2.04
Total comprehensive income as per Ind AS		**(939.28)**

Notes to the reconciliations are given below.

1. Impairment of financial assets

Under previous GAAP, loan losses and provisions were computed based on the guidelines and directions issued by RBI, in this regard and Management estimations. Under Ind AS, the same is required to be computed as per the impairment principles laid out in Ind AS 109 – 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same. Accordingly, the difference between loan losses and provisions as computed under previous GAAP and as computed under Ind AS is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March, 2019.

2. Under previous GAAP, security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, at initial recognition all financial instruments are required to be recognised at fair value. Accordingly, the Group has fair valued the security deposits and the difference between the transaction value and fair value is recognised as Prepaid Rent under "Prepaid Expenses" at the reporting date.

3. Actuarial gain/(loss) on Defined Benefit Scheme (Ind AS – 19)

Both under Previous Indian GAAP and Ind AS, the Holding Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements i.e. actuarial gains and losses are recognized in balance sheet through other comprehensive income. Thus, employee benefits expense is reduced with the corresponding impact under other comprehensive income. The related current tax expense has also been reclassified from statement of Profit and loss to Other Comprehensive Income.

4. Deferred Taxes (Ind AS -12)

Under the Previous Indian GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 – 'Income tax' requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments have led to deferred tax implications that the Group has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition. As a result of Ind AS adjustments, the deferred tax credit/charge as on 01 April, 2018 has increased by Rs. 1,825.96 lakhs leading to increase in retained earnings.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March, 2020

(Amount in INR lakhs, unless otherwise stated)

5. Other comprehensive Income

Under Previous Indian GAAP, the Group has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Previous Indian GAAP profit to profit as per Ind AS. Further, Previous Indian GAAP profit is reconciled to Total Comprehensive Income as per Ind AS.

6. Previous Indian GAAP figures have been reclassified / regrouped wherever necessary to conform to financial statements prepared under Ind AS.

7. There is not material differences in accounting policies of the Holding Company and its Subsidiary.

32.18 Salient Features of financials of Subsidiary Company as per the Companies Act, 2013:

Sl. No.	Particulars	Subsidiary (Amulet Technologies Limited) (Refer Note Below)
1.	Reporting period of the subsidiary concerned, if different from the Holding Company's reporting period	N.A.
2.	Share Capital	25.00
3.	Reserves & Surplus	229.75
4.	Total Assets	1,237.75
5.	Total Liabilities	983.00
6.	Investments	Nil
7.	Turnover /Total Income	--
8.	(Loss) before tax	(121.11)
9.	Provision for tax	--
10.	(Loss) after tax	(121.11)
11.	Proposed Dividend	--
12.	% of shareholding	100%

Note: The Subsidiary has yet to start its commercial operations.

32.19 Additional information pursuant to Schedule III of Companies Act, 2013

Name of Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in (Loss)	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit	Amount (Rs. in lakhs)
Holding:				
Intec Capital Limited	103.38	4,967.01	99.54	(3,721.10)
Subsidiary:				
Amulet Technologies Limited	(3.38)	(162.23)	0.46	(17.29)

As per our report of even date

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

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

(Pawan K. Gupta)
Partner
Membership No.: 092529

(Sanjeev Goel)
Managing Director
DIN: 00028702

(S.K. Goel)
Director
DIN: 00963735

Place: New Delhi
Date: 09 July, 2020

(Puneet Sehgal)
Company Secretary

(Raj Kumar Anand)
Chief Finance Officer

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NOTICE OF 26th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of members of Intec Capital Limited will be held on Saturday 26th December, 2020 at 12:00 noon, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

Item No. 1: Adoption of Audited Financial Statements Standalone of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Independent Auditor's Report thereupon together with Adoption of Audited Financial Statements Consolidated of the Company for the financial year ended March 31, 2020 and Independent Auditor's Report thereupon.

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as an Ordinary Resolution.

"**RESOLVED that**

1. The Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2020 and reports of Board of Directors Auditors thereon laid before this meeting, be and are hereby considered and adopted.
2. The Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2020 along with reports of Auditors thereon laid before this meeting, be and are hereby considered and adopted".

Item No. 2: Re-appointment of a director in place of Mr. Sanjeev Goel (DIN: 00028702) Managing Director who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT the consent of Board of Directors be and is hereby accorded for the re-appointment of Mr. Sanjeev Goel, Managing Director who is liable to retire by rotation pursuant to Section 152 and other applicable provisions, if any of the Companies Act, 2013 read with Articles of Association of the Company subject to approval of shareholder in forthcoming 26thAnnual General Meeting of the Company.

Mr. Sanjeev Goel, Managing Director and or Company Secretary of the Company be and are hereby jointly or severally authorized to do all such acts, deed and things as may be deemed necessary to give effect to the foregoing resolution."

SPECIAL BUSINESS:

Item No. 3: Re-appointment of Mr. Surender Kumar Goel (DIN :00963735), as Non-Executive Independent Director of the Company who is re-appointed by Board of Directors for a consecutive period of five (5) years.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification (s) or re-enactment thereof), and subject to the approval of shareholders, the approval of Board be and is hereby accorded on recommendation of Nomination and Remuneration Committee for re-appointment of Mr. Surender Kumar Goel (DIN: 00963735) as Non-Executive Independent Director not liable to retire by rotation pursuant to applicable provisions of Companies Act, 2013 to hold office for a consecutive period of five (5) years with effect from 7th August 2019 to 6th August 2024 and who was earlier appointed as Non-Executive Independent Director not liable to retire by rotation pursuant to applicable provisions of Companies Act, 2013 to

hold office for a consecutive period of five (5) years starting from 7th August 2014 and ending on 6th August 2019.

Mr. Sanjeev Goel Managing Director and /or Company Secretary of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to the appointment of aforesaid person as an Independent Directors of the Company.

Mr. Sanjeev Goel, Managing Director and/or Company Secretary of the Company be and are hereby severally authorized to appoint the Practicing professionals for certification of above said form to be filed with the Office of the Registrar of Companies/ Central Government, as prescribed under the, Companies Act, 2013 and the Rules made thereunder."

Item No. 4: Re-appointment of Mr. Rakesh Kumar Joshi (DIN :02410620), as Non-Executive Independent Director of the Company who is re-appointed by Board of Directors for a consecutive period of five (5) years.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof), and subject to the approval of shareholders, the approval of Board be and is hereby accorded on recommendation of Nomination and Remuneration Committee for re-appointment of Mr. Rakesh Kumar Joshi (DIN:02410620) as Non-Executive Independent Director not liable to retire by rotation pursuant to applicable provisions of Companies Act, 2013 to hold office for a consecutive period of five (5) years with effect from 7th August 2019 to 6th August 2024 and who was earlier appointed as Non-Executive Independent Director not liable to retire by rotation pursuant to applicable provisions of Companies Act, 2013 to hold office for a consecutive period of five (5) years starting from 7th August 2019 and ending on 6th August 2024.

Mr. Sanjeev Goel Managing Director and /or Company Secretary of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to the appointment of aforesaid person as an Independent Director of the Company.

Mr. Sanjeev Goel Managing Director and/or Company Secretary of the Company be and are hereby severally authorized to appoint the Practicing professionals for certification of above said form to be filed with the Office of the Registrar of Companies/ Central Government, as prescribed under the, Companies Act, 2013 and the Rules made thereunder."

Registered Office:
Intec Capital Limited
(CIN: L74899DL1994PLC057410)
708, Manjusha Building 57,
Nehru Place,
New Delhi-110019

By order of Board of Directors
For Intec Capital Limited

Shefali Singhal
Company Secretary
Membership No: ACS 34314

Place: New Delhi
Date: 28th November 2020

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Explanatory statement pursuant to section 102 of the companies act, 2013:

Explanatory Statement to Item No. 3 & 4

Pursuant to the provisions of Section 149 read with Schedule–IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof), based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, have re-appointed Mr. Surender Kumar Goel (DIN: 00963735) and Mr. Rakesh Kumar Joshi (DIN : 02410620), as Non-Executive Independent Director who are not liable to retire by rotation for consecutive period of five (5) years starting from 7th August 2019 till 6th August 2024.

The Company has received declaration from Mr. Surender Kumar Goel and Mr. Rakesh Kumar Joshi that they both meet the criteria of Independence prescribed under Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Surender Kumar Goel and Mr. Rakesh Kumar Joshi are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director of the Company.

In the opinion of the Board, Mr. Surender Kumar Goel and Mr. Rakesh Kumar Joshi fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as a Non-Executive Independent Director and that they both are independent of the management of the Company.

Mr. Surender Kumar Goel and Mr. Rakesh Kumar Joshi are not related to any director or Key Managerial Personnel of the Company.

The Board is of the view that the continued association of Mr. Surender Kumar Goel and Mr. Rakesh Kumar Joshi has benefited the Company, given the knowledge, experience and performance of Mr. Surender Kumar Goel and Mr. Rakesh Kumar Joshi, and contribution to the Board.

Details of re-appointment of Non–executive Independent Director

Particulars	Mr. Surender Kumar Goel	Mr. Rakesh Kumar Joshi
DIN	00963735	02410620
Date of Birth	11/08/1945	15/10/1953
Years of Experience	Over 40 years	Over 30 years
Qualification	Bachelor of Science, ASNT Level III Certification	CA and MBA
No. of shares held in Intec Capital Limited	NIL	NIL
Previous appointment details	Re-appointed as Non-executive Independent director of the company in the board meeting held on 7th August 2014 for a period of 7th August 2014 till 6th August 2019.	Re-appointed as Non-executive Independent director of the company in the board meeting held on 7th August 2014 for a period of 7th August 2014 till 6th August 2019.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

Your directors recommend passing of resolution as an Special Resolution as set out in Item No. 3 & 4 of Notice of Annual General Meeting.

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") issued by the Securities and Exchange Board of India (SEBI) permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations"), MCA Circulars and SEBI Circular, the AGM of the Company is being held through VC / OAVM.
2. Explanatory Statement setting out material facts pursuant to section 102(1) of the Act, which sets out details relating to Special Business to be transacted at the Meeting, is appended hereto.
3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors viz. S. P. Chopra & Co., Chartered Accountants (Firm No. 000346N), who were appointed in the Annual General Meeting held on Wednesday 27th September 2017 for a first block of five (5) years to hold office from the conclusion of 23rd Annual General Meeting scheduled to be held in Calendar Year 2017 till conclusion of 28th Annual General Meeting scheduled to be held in Calendar Year 2022 for conducting the Annual Statutory Audit for the respective Financial Years viz. starting from Financial Year 2017-2018 till Financial Year 2021-2022.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote at the meeting.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting/e-voting at the AGM.
7. Pursuant to the provisions of Section 91 of the Act the register of members and share transfer books of the Company will remain closed from Sunday, 20th December 2020 to Saturday, 26th December, 2020. (Both days inclusive) for the purpose of the AGM.
8. Brief profile and other additional information pursuant to Regulation 36 (3) of the listing regulations and Schedule V of the Act and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of the Directors seeking appointment/reappointment at the AGM, is furnished along with explanatory statement annexed to the Notice and in the annual report of the company. The Directors have furnished consent/declaration of their appointment/re-appointment as required under the Act and the Rules made thereunder.
9. Members are requested to address all correspondence, to Beetal Financial & Computer Services Pvt. Ltd. 99 Madangir, Behind LSC New Delhi -110062 who is acting as our Registrar and Share Transfer Agent ("RTA"). Please quote your folio number and our Company's name in all your future correspondences.
10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or the Company Secretary, at the Company's Registered office mentioning the relevant Folio number or DP Id and Client Id, for issuance of demand draft. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend account, shall, as per section 125 of the Act, be transferred to the Investor Education and Protection fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to IEPF as per Section 125 of the Act, and the applicable rules.

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The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company and the same can be accessed through the link: http://www.inteccapital.com/investors/investor-information/unclaimed-unpaid-amount-of-dividends-deposits/. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

11. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email address with your depository participant. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.

12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.inteccapital.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and website of CDSL at www.evotingindia.com.

13. Members holding shares in electronic form are requested to intimate all changes pertaining to their bank particulars, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their respective Depository Participant (DP).

14. Members may join the 26th AGM through VC Facility by following the procedure as mentioned below in the notice, which shall be kept open for the Members from 11:45 a.m. IST i.e. 15 minutes before the time scheduled to start the 26th AGM and the Company may close the window for joining the VC Facility, 15 minutes after the scheduled time to start the 26th AGM. Attendance of members will be counted as the members who have successfully logged in through VC or OAVM and shall be counted for the purpose of reckoning of the quorum under section 103 of the Act.

15. As amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018 members holding shares in physical form are mandatorily required to dematerialize their holding in order to eliminate all risks associated with physical shares. In view of the above, members are advised to dematerialize shares held by them in physical form, as the securities of listed Company can be transferred only in dematerialized form with effect from April 01, 2019 except in case for transmission or transposition of securities. Members can contact the Company or RTA for further assistance.

16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.

17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, and the Register of Contracts or arrangements in which the Directors are interested maintained under section 189 of the Act will be available electronically for inspection by the members during the AGM.

18. Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of the meeting to enable the Company to keep the information ready at the meeting.

19. Relevant documents referred to in the notice will also be available for electronic inspection without any fees by the members from the date of this notice upto the date of the meeting.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.

21. Members who hold shares in the physical form in the multiple folios in identical names or joint holdings in the same order of names are requested to send the Share Certificate to RTA, for consolidation into single folio.

22. In compliance with Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended), and the Regulation 44 of the Listing Regulations, the Company is pleased to offer remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('Remote E-voting') on all resolutions set forth in this Notice as well as online voting on the date of the AGM. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

The Company has appointed CS Krishna Kumar Sharma, FCS 7082, Practicing Company Secretary to act as the Scrutinizer for remote e-voting and e-voting to be carried out at the Meeting in a fair and transparent manner.

23. The Remote e-voting starts at 10.00 A.M. on Wednesday, 23rd December 2020 and ends at 05.00 P.M. on Friday, 25th December, 2020.The remote e-voting module will be disabled by CDSL for voting thereafter. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 19th December 2020, may cast their vote electronically.

24. The voting rights of shareholders shall be in proportion to their equity shares in the paid up equity share capital of the Company as on Saturday, 19th December 2020,, (cut off date).

25. The final results including votes casted during the AGM and votes casted through remote e-voting shall be declared within 48 hours of conclusion of meeting. The final results along with the scrutinizer's report shall be placed on the Company's website www.inteccapital.com, website of stock exchange www.bseindia.com and on CDSL's website www.evotingindia.com, immediately after the result is declared by the Chairman.

26. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

27. **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

(i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

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	For Shareholders holding shares in Demat Form and Physical Form
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile..

Note for Non – Individual Shareholders and Custodians :

(a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

(b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

(c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

(d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

(e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(f) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; complianceofficer@inteccapital.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

28. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

29. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio number, PAN, Mobile number at complianceofficer@inteccapital.com from Saturday, 19th December, 2020 (10:00 a.m. IST) to Monday, 21st December, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

30. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

   If you have any queries or issues regarding attending AGM & e-Voting from the eVoting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon

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Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

31. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e. Sunday, 20th December, 2020, required to follow the instructions mentioned in the notice. However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote

32. Members who have received the Notice by email and who wish to receive the Notice in physical form are requested to e-mail such request to the Company at complianceofficer@inteccapital.com.

Registered Office:
Intec Capital Limited
(CIN: L74899DL1994PLC057410)
708, Manjusha Building 57,
Nehru Place,
New Delhi-110019

By order of Board of Directors
For Intec Capital Limited

Shefali Singhal
Company Secretary
Membership No: ACS 34314

Place: New Delhi
Date: 28th November,2020

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