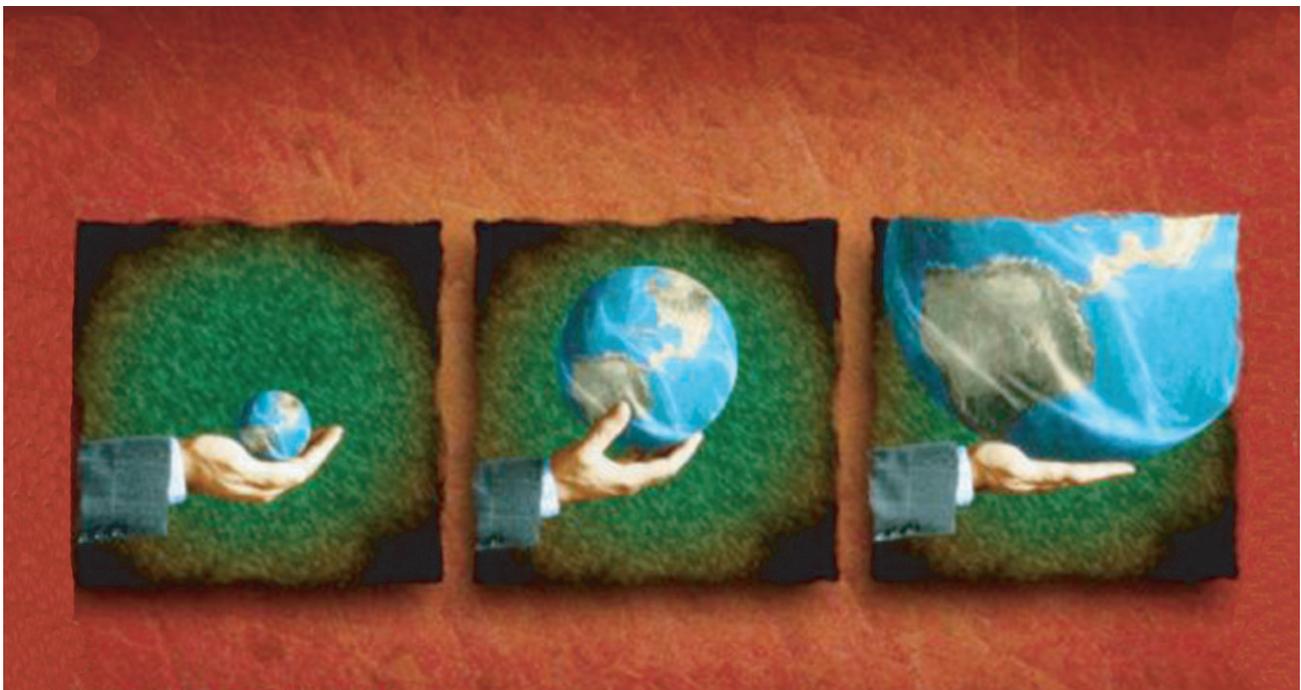




FUELLING FUTURE THROUGH FINANCING



GROWING WORLD OF SME

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Sanjeev Goel, Managing Director

Mr. Robindra Gupta, Director

Mr. Praveen Sethia, Director

Mr. S.K Goel, Director

Mr. Subhash Jindal, Director

Mr. Rakesh Joshi, Director

COMPANY SECRETARY

Ms. Neetu Sharma

AUDITORS

T.K Gupta & Associates
Chartered Accountants
New Delhi

BANKERS

Punjab National Bank
Bank of India
Bank of Maharashtra
Indian Overseas Bank

REGISTERED OFFICE

701, Manjusha, 57, Nehru Place
New Delhi-110019
Ph: 011 46522200/300
Fax: 011 46522333
www.inteccapital.com

REGISTRAR AND TRANSFER AGENTS

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Flor, 99 Madangir,
New Delhi-1100062



INDEX

Pg. No

Message From Managing Director	1-5
Past Performance	6
Growing World of SME	7-11
Notice	12-16
Director's Report	17-20
Corporate Governance Report	21-30
Auditor's Report	31-33
Balance Sheet	34
Profit & Loss Account	35
Schedules & Notes to Accounts	36-45
Cash Flow Statement	46
Balance Sheet Abstract & Company's General Profile	47

M

essage from the desk
of MD



Dear Shareholders,

It gives me immense pleasure to communicate to my fellow shareholders for another year and this time pleasure is more to inform you that your company has delivered yet another inspiring performance in 2009-10 across various financial and operating indicators. This has been made possible by "Team Intec" backed by meticulous strategic planning; thought through implementation of it. Your Company has taken

steps to create vibrant, dynamic and flexible organization capable of encase opportunities at the market place, and respond swiftly to changed situation to overcome and respond the market challenges. In the recent past it was observed that big corporation facing huge challenges and despite all resources available on their side, they failed miserable in their performances. In my believe, this is due to creating rigid organization

over a period of time. Your company is of the firm believe that Change is enviable and it can throws lots of Challenges and also opportunities, management should have capacity to Channelize its resources to overcome it or capitalize on it.

Since last two years, the global economy has gone through the turbulent time ever before and this has resulted into collapse or near collapse of big corporation, banks and financial institutions. In the midst of this global crisis, Indian economy able to show its resilience and delivered a moderate growth of GDP. This was possible due to the strong economic fundamentals of the Indian Economy. SME sector has played a right role in building up robust Indian economy, as SME has wider economic base and wide spread employment base. The year under review was a lot better than the preceding year in terms of economy where the signs of revival and growth were prominent all around the globe. The years ahead are going to be quite promising in terms of growth and your company is equipped to make the most of the opportunities available.

SME sector play a very crucial role in a country's economy. It provides significant contribution to various sectors like industries, exports, youth empowerment, generation of employment, alleviating poverty and providing of various items of utility at low and affordable costs are

some of the major features of the SMEs.

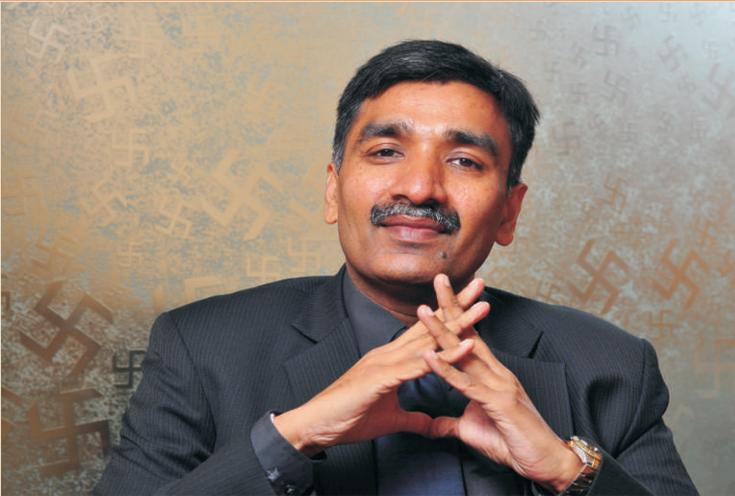
Intec nurturing the vision to become a key player to provide finance need of Small & Medium Enterprises and thus acting as catalyst towards the infrastructure and economic development of the country. Your company is in a position to provide innovative, tailor made financial solutions to SME sector.

During last year the position of Intec became

stronger. This became possible due to the commitment and the consistent efforts shown by the entire team of the company that helped establish itself during the year gone by. Intec grew financially as well as geographically. Two of its branches, at Ludhiana and Pune are now fully operational and we are planning to open few more branches this year. Apart from it, your company is also opening some satellite branches in and around Delhi and NCR area. This will not only help the company's strategy to create PAN India footprint but also bring it closer to the reach of its

“SME sector has played a right role in building up robust Indian economy, as SME has wider economic base and wide spread employment base.”





“This will not only help the company's strategy to create PAN India footprint but also bring it closer to the reach of its existing and Prospective customers.”

existing and prospective customers.

The growth of your company is evident from its financials as well. It is notable that the loan disbursement has increased by 66 per cent while the PBT is 46 per cent higher than the year gone by. More so, the revenue too has increased by 37 per cent than the previous year.

Intec has a rich experience in the SME funding sector for about 15 years. It has developed a great acumen of the industry after having seen various ups and downs. This has also helped the company to emerge with a better and stronger understanding of the field as well as develop a diversified portfolio. The knowledge of SME sector and strong relationship with the customers and dealers provide Intec the platform to do business in a smooth and systematic manner.

Your company shares a strong relationship with all of its stakeholders. It shares a very strong relationship with its customers. It is because of

the quality and timely services that the company has been able to maintain cordial relations with its clients. In fact, the relations with the customers are not just long lasting but also very harmonious and supportive of each other. Your company has also stronger its dealer base during the previous year. Company knows the importance of having a strong dealer network and it looks to create and deliver mutually beneficial relationship.

On the investors' front, Intec is tying up with various financial institutions and new banks to arrange for timely and adequate funds and other different related services. The Company is proactive in its approach towards raising of funds. The professionals at Intec are well aware of the fact that funds works as raw material for a financing company on which entire operating cycle moves. Intec is in continuous process of raising funds from different banks and financial institutions to meet its funds requirements.

“The knowledge of SME sector and strong relationship with the customers and dealers provide Intec the platform to do business in a smooth and systematic manner.”

Along with raising of funds, the company is making continuous efforts for reducing cost of funds by adopting different products of the banks.

As the Company aims to expand its knowledge base and add on to more talent, it is acquiring talent continuously from the related fields. The company is also looking forward to hire fresh and talented minds that can be nurtured to become good leaders and thereby helping the company to move forward. At Intec, our satisfactory and long relationship with a lot of our major personnel has proved beyond doubts that we do not hire people just for talent, but also preserve them. By providing growth and rewarding opportunities to its employees your company is on its way to become one of the most preferred employers in its sector.

It is important for your company to manage the risk. Risk management is now an integral part of Intec business planning. Your company has concentrated on increasing its knowledge base of operating fundamentals and situations so that it is well poised to manage risk. The team Intec is capable to develop and implement plans with specific counter measures to identify risk. The company uses a multi faceted approach to manage its risks. It aims at insuring the net income from any kind of risk, minimizing volatility in income with a pro cyclically bias. The

“By providing growth and rewarding opportunities to its employees your company is on its way to become one of the most preferred employers in its sector.”

company concentrates on both dominant risks like credit risks and small but significant risks like sustainability and legal risks. In identifying, prioritizing and treating risks, company makes assumptions and decisions based on situations that are subject to change, (e.g., the business environment, trading patterns, or government policies).



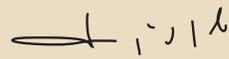
As you are aware that the management had decided that Intec and Unitel Credit Private Limited should be amalgamated to form a single unit. The scheme of the said merger was approved by the shareholders of the company in its meeting held on July 9th, 2010. As both companies are in the same industry for many years and Unitel being an equally strong company, we consider that this merger will bring better synergy of operations, administrative efficiency, cost reduction and to effective control over the company affairs.

The benefits of amalgamating the two companies are to create a single business unit that will help negotiate better the terms and conditions of lending with various financial institutions, enable better business activity co-ordination, avail finances requisite for expansion and other projects easily and derive synergy benefits.

So, in light of the above-mentioned benefits, it has been proposed to consolidate Unitel and Intec. They will together be very promising in the business sector and will thereby strengthen the current position of Intec in the industry.

Finally, I would like to take this opportunity to thank all investors, business partners, vendors, bank and financial institutions for their continued support during the year. I also thank the government and

regulatory authorities for their support. I also appreciate the commendable teamwork, dedicated and wholehearted efforts of team Intec without which your company's consistent growth would not have been possible.

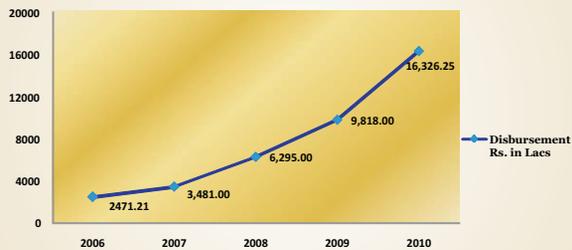
A handwritten signature in black ink, appearing to read "Sanjeev Goel".

Sanjeev Goel
Managing Director

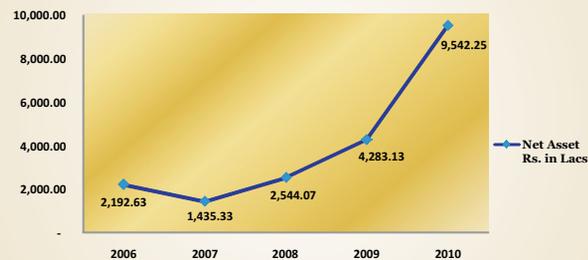


Past Performance at a Glance

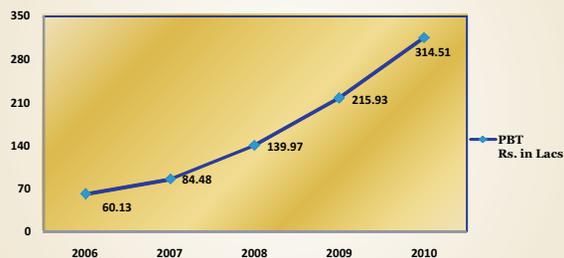
Disbursement



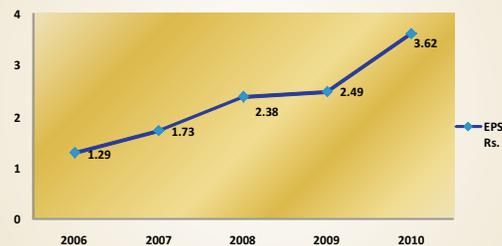
Net Asset



Profit Before Tax



Earning Per Share



Growing world of “SME”



The importance of SME sector is well-recognized world over owing to its significant contribution in achieving various socio-economic objectives, such as employment generation, contribution to national output and exports, fostering new entrepreneurship and to provide depth to the industrial base of the economy. India has a vibrant SME sector that

plays an important role in sustaining economic growth, increasing trade, generating employment and creating new entrepreneurship in India. It is the manifestation of entrepreneur zeal of mankind. SME sector provides an opportunity of converting idea into reality with small capital. Small and Medium Enterprises play a vital role for the growth of

“Small and Medium Enterprises play a vital role for the growth of Indian economy by contributing 45% of the industrial output, 40% of exports, 42 million in employment, create one million jobs every year and produces more than 8000 quality products for the Indian and international markets.”

Indian economy by contributing 45% of the industrial output, 40% of exports, 42 million in employment, create one million jobs every year and produces more than 8000 quality products for the Indian and international markets. As a result, MSMEs are today exposed to greater opportunities for expansion and diversification across the sectors. SMEs play a significant role as one of the growth engines of the Indian Economy. In fact, they have been playing a critical role in the socio-economic developments in the country while further facilitating the achievement and streamlining the objectives relating to mass employment generation, low investment, Import substitution, significant

export earnings, Labor intensive mode of production, capacity to develop appropriate indigenous technology and high contribution to domestic production.

The Indian market is growing rapidly and Indian industry is making remarkable progress in various Industries. At present about 13.2 millions MSME enterprises are operating in India. Further around 636 SME (industrial) and 6000 artisan/micro enterprises clusters are estimated to exist in India. A cluster is a sector targeted geographical concentration of micro and/ or small & medium enterprises (MSMEs/MSMEs), service providers and institutions faced with common opportunities and threats. In other words, a cluster of MSMEs is identified by the 'product/service' that the micro and small enterprises produce and the 'place' where the enterprises are located. Foundation for MSME Clusters assists institutions in undertaking cluster based local area development, effectively and inclusively in developing and transition





changing market scenario and show remarkable innovativeness in each vertical. According to the fourth census of the MSME sector, the sector employs nearly 59.7 million people in over 26.1 million enterprises.

In the last two years world's economy has seen many ups and down and India was not an

economies.

SME sector works as the back bone of large industries like Manufacturing, Precision Engineering, Food Processing, Pharmaceuticals, Textile & Garments, Retail, Auto, IT, Agro and Service sectors. SMEs are finding increasing opportunities to enhance their business activities in core sectors. Apart from being the pivot of big industries, it also works as a seed for big enterprises. Thus SME sectors as a whole is pretty large and impact the life of millions.

It is probably the only sector with an employment potential at a low capital cost. More labour intensive, the sector has consistently registered higher growth compared to the overall industrial sector. Owing to its size, these units are more adaptable to the

exception. In the aftermath of the global economic meltdown the fastest recovery in terms of job creation has been in the small and medium enterprises (SME's) more than large industry in India, according to an ASSOCHAM analysis.

MSME Segment has been one of the fastest to tide over the gloom with figures of job creation coming up on a steady pace, the analysis said. This sector alone contributed almost 40 % of all jobs created in the economy thereafter - showing the flexibility and adaptability of quick response.

Despite its commendable contribution to the Nation's economy, MSME Sector does not get the required support from the concerned

It is probably the only sector with an employment potential at a low capital cost. The sector has consistently registered higher growth compared to the overall industrial sector.

Government Departments, Banking Sector, Financial Institutions and Corporate Sector, which is a handicap in becoming more competitive in the National and International Markets and which needs to be taken up for immediate and proper redressal. MSME sector faces a number of problems - absence of adequate and timely banking finance, limited knowledge and non-availability of suitable technology, low production capacity, ineffective marketing and identification of new markets, constraints on modernization and expansions, non availability of highly skilled labor at affordable cost, follow up with various agencies in solving regular activities and lack of interaction with government agencies on various matters.

Indian SMEs require business advisory services to enhance their international competitiveness in a highly competitive globalizing world. The SMEs find the services of reputed national and

“The SMEs need to be educated and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global developments.”

international consultants as not cost effective and often, not adequately focused. Recognizing this knowledge gap, Exim Bank of India has been endeavoring to provide a suite of services to its SME clients. These include providing business leads, handholding during the process of winning an export contract and thus assisting the generation of export business on success fee basis, countries/ sector information dissemination, capacity building in niche areas such as quality, safety, export marketing, etc.

and financial advisory services such as loan syndication, etc.

To empower the SME Sector to take its rightful place as the growth engine of Indian economy, it is necessary to support the SMEs, educate and empower them to make optimum utilization of the resources, both human and economic, to achieve success. The SMEs need to be educated and informed of the latest developments taking place



“Intec is leaving no stone unturned for serving the SME sector and thus helping the sector to achieve the zenith point”

globally and helped to acquire skills necessary to keep pace with the global developments. SME Chamber of India has decided to start various activities to empower and educate the SME Sector by organizing various trade promotional activities in India and abroad. Also provide assistance and support for the promotion of domestic business as well as export promotion of the SME sector.

Fund raising is another area where SME sector is facing obstacles. These enterprises require regular funds for their expansion and meeting working capital requirements. Moreover, the equity inflows in this sector have remained low

despite a very active primary market in recent years. Hence, an SME focused exchange is needed. Also, alternative routes of funding such as venture capital and private equity remain elusive for these enterprises. Intec, being in the SME funding for more than 15 years, doing its bit to promote this sector. It is leaving no stone unturned for serving this sector and thus helps the sector to achieve the zenith point. Intec has a lot of plans and strategies for the coming year in order to make this happen. It has clearly charted out goals and objectives to be achieved in the coming year so as to move strategically and progressively.

MSMEs in India have contributed significantly to the economy in terms of output, exports and employment creation. This sector holds a lot of potential.

**Mr Ashok Pahwa
AGM, IOB
Nehru Place, Delhi**

The SME market has been perceived in the past by banks as risky, costly and difficult to serve. However, mounting evidence suggests that banks are finding effective solutions to challenges such as determining credit risk and lowering operating cost, and are profitably serving SME sector.

**Mr V K Sharma
AGM, BOM
South Ext. Delhi.**

NOTICE

NOTICE IS HEREBY GIVEN THAT SIXTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF INTEC CAPITAL LIMITED SHALL BE HELD AT LOK KALA MANCH, BEHIND SAI TEMPLE, LODHI ROAD, NEW DELHI-110 003, ON FRIDAY THE 24TH DAY OF SEPTEMBER, 2010 AT 4.15 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Surender Kumar Goel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Subhash Jindal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s T.K. Gupta & Associates, Chartered Accountants, retiring Auditors, are eligible for reappointment.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification (s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Praveen Sethia who was appointed as an Additional director w.e.f. April 5, 2010 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the company, liable to retire by rotation”.

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

7. To consider reappointment of Mr. Sanjeev Goel as Managing Director of the Company and to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such other sanctions and approvals as may be required, the consent of the Company, be and is hereby accorded for the reappointment of Mr. Sanjeev Goel as the Managing Director of the Company for a period of five years with effect from 1st April, 2010 at a remuneration not exceeding Rs. 30,00,000/- (Rupees Thirty lacs) per annum on the following structure:

Basic	:	19,44,000
House Rent Allowance	:	9,72,000
Leave Rent Allowance	:	51,000
Books & Periodicals	:	18,000
Medical Reimbursements	:	15,000
Total	:	30,00,000

“RESOLVED FURTHER THAT the above ceiling, be and is hereby approved with such increments as may be decided and approved by the Board of Directors and Remuneration Committee of the Company from time to time, within the overall limit as prescribed under Schedule –XIII of the Companies Act, 1956.”

“RESOLVED FURTHER THAT Mr. Sanjeev Goel shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as from time to time, be available to other senior executives of the Company.”

“RESOLVED FURTHER that Mr. Sanjeev Goel shall carry out all his duties subject to supervision, control and direction of the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the above resolution.”

For and on Behalf of the Board

Place: New Delhi
Dated: 28th August 2010

Sanjeev Goel
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend on a poll to vote instead of himself/herself. The proxy need not be a member of the Company. The proxy form duly completed and signed should be deposited at the registered office of the company at least 48 hours before the commencement of the meeting.
2. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING
3. Members/Proxies are requested to submit the enclosed Attendance Slip duly filled in and signed at the entrance of the venue for attending the Meeting. The member / proxies are advised to bring original photo identity proof for verification.
4. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, is enclosed herewith which forms part of the Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 20, 2010 to Friday, September 24, 2010 (both days inclusive) for determining the names of the members eligible for dividend on Equity shares, if declared at the Meeting.

6. Electronic Clearing Scheme (ECS) is presently available at certain locations specified by Reserve Bank of India and/or State Bank of India. To avoid risk of loss and/or fraudulent encashment, members are requested to avail ECS facility where dividends are directly and promptly credited in electronic form to their respective bank accounts (ECS Mandate form is enclosed at the end of Annual Report)
7. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Shareholders are requested to intimate to the Company or to the Share Transfer Agent of the Company, change if any, in their registered address.
9. Members having any questions on accounts are requested to send them atleast seven days before the meeting to enable the company to collect the relevant information.
10. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting, therefore members are requested to bring their own copies at the Meeting.
11. For security reasons, no article/baggage will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Board of Directors of your Company had co-opted Mr. Praveen Sethia having rich experience in various business functions, as an additional director of the Company w.e.f. April 5, 2010, pursuant to Section 260 of the Companies Act, 1956 and Article 89 of the Articles of Association of the Company. The brief details of his qualification, experience etc. is given in Corporate Governance Report forming part of the Annual Report of the Company.

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

Your Directors believe that with his appointment as a Non-Executive Director of the Company, the Company would be benefitted from his knowledge and experience. Hence Resolution as set out at item No. 6 of the notice is recommended for your approval.

None of the Directors except Mr. Praveen Sethia himself, is interested in the said resolution.

Item No. 7

Mr. Sanjeev Goel has been associated with the Company as a member of the Board of Directors of the Company since 1994 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has been sustaining upward growth pattern and has achieved success in creating a brand image in the Finance Industry.

Mr. Sanjeev Goel, a promoter director of the Company was appointed as Managing Director of the Company for a period of 5 years w.e.f. April 1, 2005 pursuant to the provisions of Section 269 of the Companies Act, 1956.

Mr. Sanjeev Goel was reappointed as Managing Director of the Company w.e.f. April 1, 2010 at a remuneration of Rs 30 Lakhs p.a. on the following structure:

Basic	:	19,44,000
House Rent Allowance	:	9,72,000
Leave Rent Allowance	:	51,000
Books & Periodicals	:	18,000
Medical Reimbursements	:	15,000
Total	:	30,00,000

The said remuneration was in accordance with schedule XIII of the Companies Act, 1956 and was approved by Remuneration Committee and Board of Directors of the Company in their meeting held on 31st March, 2010.

The Directors consider the proposal to be in the interest of the Company and accordingly recommend the same for approval of the shareholders by way of special resolution.

None of your directors other than Mr. Sanjeev Goel is interested in the proposed resolution.

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

I. GENERAL INFORMATION

- (i) Nature of Industry: Business of Providing Financial Services
- (ii) Date or expected date of Commencement of Commercial Production: The Company was incorporated on February 15, 1994
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (iv) Financial Performance based on given indicators as per Audited Financial Results for the year ended March 31, 2009 and March 31, 2010

Particulars	For the year ended 31.03.2009	For the year ended 31.03.2010
Turnover and other Income	109,826,280	150,658,107
Net Profit as per P & L A/c	13,922,481	20,335,920

- (v) Export Performance and Net Foreign Exchange Collections: Not Applicable
- (vi) Foreign Investments or collaborators, if any : Not Applicable

II. INFORMATION ABOUT THE APPOINTEE

(i) Background Details

Mr. Sanjeev Goel is a fellow member of the Institute of Chartered Accountant of India, and holds an MBA degree from University of IOWA, United States of America, with specialization in finance. Mr. Sanjeev Goel promoted Intec in 1994 and since then he has been a member of the Board of the Directors of the Company. Mr. Goel has more than 18 years of experience in the finance sector and the Company had benefitted a lot from his experience.

(ii) Past Remuneration Drawn

For the financial year ended March 31, 2010, approximately Rs. 15 Lacs was paid to Mr. Sanjeev Goel as remuneration comprising of salary, allowance, monetary value of perquisites within the limits of Schedule XIII.

(iii) Recognitions or Awards

During the tenure of Mr. Sanjeev Goel the Company has received several recognitions.

(iv) Job Profile and Suitability

The shareholders and the Board of Directors have bestowed Mr. Sanjeev Goel with substantial powers of the management subject to the supervision and control of professional Board of Directors. Under his superior effort and pragmatic leadership, the Company has progressed steadily since his appointment. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes the reappointment of Mr. Sanjeev Goel as the Managing Director of the Company for a further period of 5 years w.e.f. April 1, 2010, as per the details stated in the explanatory statement of Item No. 7 of the Notice.

(v) Remuneration Proposed

Salary, other perquisites and other terms as fully set out in the explanatory statement of item No. 7 of the Notice

(vi) Comparative Remuneration profile

The proposed remuneration is comparative with the remuneration being paid to the Managing Director of the Companies of the same size in the industry.

(vii) Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides proposed remuneration as stated above, Mr. Sanjeev Goel does not have any pecuniary relationship with the Company and its managerial personnel

III OTHER INFORMATION**(i) Reasons of Loss or Inadequate Profits**

During the Financial Year ended March 31, 2009 and for the year ended March 31, 2010, the Company made profit before tax of Rs. 2.16 Crores and Rs. 3.15 Crores respectively. The proposed remuneration falls within the limits of Schedule XIII of the Companies Act, 1956. There is no loss in the Company.

(ii) Steps taken or proposed to be taken

Not Applicable

(iii) Expected increase in the Productivity and profits in measurable terms

Not Applicable

For and on Behalf of the Board

Place: New Delhi
Dated: 28th August 2010

Sanjeev Goel
Managing Director

Directors' Report

To
The Members
Intec Capital Limited

Your Directors have immense pleasure in presenting the Sixteenth Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2010.

FINANCIAL RESULTS

We have given below the financial highlights for the year under review: -

(Rs. In Lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Total Revenue		
Income from Operation	1496.06	1093.69
Other Income	10.52	4.57
Total	1506.58	1098.26
Administrative Expenditure	499.39	361.15
PBIDT	1007.19	737.11
Interest	687.15	516.22
Depreciation	5.53	4.95
Profit Before Tax	314.52	215.94
Provision for Income Tax		
Current Tax	110.79	70.07
Deferred Tax	0.36	3.30
Fringe Benefit Tax	-	3.34
Profit After Tax	203.36	139.23
Add/(Less): Excess Provision written back/Refund Adjusted	1.18	1.15
Profit brought forward from earlier year	240.43	160.72
Profit available for appropriation	442.61	301.10
Appropriations:		
Transferred to Special Reserves Fund	40.67	27.85
Proposed Dividend	28.05	28.05
Dividend Tax	4.77	4.77
Balance Transferred to Reserve & Surplus	369.12	240.43

DIVIDEND

The Directors of the company are pleased to recommend a dividend at the rate of Rs. 0.50 per equity share (5% of face Value of share of Rs. 10/- each) on the paid-up equity share capital for the year ended on 31st March 2010.

MERGER OF UNITEL CREDIT (P) LTD. WITH INTEC CAPITAL LIMITED

As you are aware that the management had decided that Intec and Unitel Credit Private Limited should be amalgamated to form a single unit. The scheme of the said merger was approved by the shareholders of the company in its meeting held on July 9th, 2010. As both companies are in the same industry for many years and Unitel being an equally strong company, we consider that this merger will bring better synergy of operations, administrative efficiency, and cost reduction as well as to effective control over the company affairs.

The benefits of amalgamating the two companies are to create a single business unit that will help negotiate better the terms and conditions of lending with various financial institutions, enable better business activity co-ordination, avail finances requisite for expansion and other projects easily and derive synergy benefits. They will together be very promising in the business sector and will thereby strengthen the current position of Intec in the industry.

OPERATIONAL REVIEW

Your Company has made good progress during the current financial year and has posted a positive growth in the assets size amounting to Rs. 17464.17 Lacs as compared to Rs. 8916.82 Lacs in the previous year. The income from operations during the financial year 2009-2010 has increased to around 37% from the previous year figures.

CORPORATE FINANCE

Company is dealing in the area of corporate financing where standard equipment, like Generators, CNC Machines and Printing Offset Machines etc. are being financed at very economical rates. The Company is pursuing this line of finance, which is bound to give very good performance in the coming years.

OUTLOOK ON THREATS, RISK AND CONCERNS

The Company has an integrated approach to managing the risks inherent in various aspects of its business. As part of this approach, the Board of Directors is responsible for monitoring risk levels on various parameters, and the management council is responsible for ensuring implementation of mitigation measures, if required. The Audit Committee provides the overall direction on the risk management policies.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Internal control environment of the Company is well established, maintained and its effectiveness is assessed regularly. These measures are in the form of procedures/processes set by the management covering all critical and important areas.

The Company has a well-defined organisation structure, authority levels, internal rules and guidelines for conducting business transactions. The management review the actual performance of the business of the Company on regular basis.

The Audit Committee met four times during the year. It reviews the status of implementation of recommendations given by internal auditors and the results of self – assessment of internal controls. It also reviewed the quarterly results, secretarial and tax compliances.

SEGMENT REPORTING

The Company operates into single business segment namely Hire Purchase and Loan Finance & Investments in India. Therefore information pursuant to AS-17 is not applicable.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Mr. S. K. Goel and Mr. Subhash Jindal, Directors of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. Mr. Praveen Sethia was appointed as an Additional Director w.e.f. April 5, 2010 and seeks reappointment at the ensuing Annual General Meeting. The Board recommends their re-appointment.

FIXED DEPOSITS

Acceptance of fixed deposit is now governed by NBFC (RBI) Directions, 1998 which were notified on 31st January, 1998. The Company continues to comply with all the regulations applicable to it. The Company has passed the Resolution not to accept any Public Deposits except with the special permission received from Reserve Bank of India. So the company has not accepted any deposits from public within the meaning of Sec.58A & Sec.58AA of The Companies Act, 1956 and the Rules made there under during the period under report.

AUDITORS

M/s.T.K. Gupta & Associates, Chartered Accountants, auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The requisite certificate u/s 224(1B) of the Companies Act, 1956, has been received from them. The Board recommends their re-appointment. Observations made in the Auditors' Report are self- explanatory and therefore do not call for any further explanation.

CORPORATE GOVERNANCE

Your Company is in compliance with the requirement and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges. As a listed company, necessary measures are taken to comply with the Listing Agreement with the Stock exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report.

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217

As required under Section 217(2AA) of the Companies Act, 1956 your Directors state that:

That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

The Company had selected such accounting policies and applied them consistently and made judgements that are reasonable and prudent which gives true and fair view of affairs of the Company.

The Company had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud and irregularities.

The Company had prepared accounts on a going concern basis.

OTHER INFORMATION

As required U/S 217 (2A) there is no employee who is in receipt of Rs.24,00,000/- or more per annum or of Rs.2,00,000/- or more per month where employed for a part of the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUT GO

The Information required under rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 relating to the conservation of energy and technology absorption is not given, as the same is not applicable to your Company.

The particulars of foreign exchange earnings / outgo during the year are given in the Notes of Accounts appearing in Schedule 14.

EMPLOYEE DEVELOPMENT

Your Company treats its human resources as its most valuable assets. The Company has a continuous program of developing skills of employees through continuous upgradation of their skills and periodical training. The management shares a very healthy relationship with its employees.

APPRECIATION

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Bankers & Financial Institution.

The Board appreciates the efforts put in by all employees for their commitment, and dedication to fulfil their corporate duties with diligence and integrity.

Your Directors are also pleased to place on record their appreciation for the excellent support received from Dealers, Business Associates and Customers.

Your Directors also wish to place on record their gratitude towards the esteemed shareholders for reposing faith in the management of the Company.

For and on Behalf of the Board

Place: New Delhi
Dated: 28th August 2010

Sanjeev Goel
Managing Director

REPORT ON CORPORATE GOVERNANCE

We at Intec Capital Limited are committed to the concept and philosophy of Corporate Governance as a means of effective internal control, fair and transparent decision-making process and fullest support of the Board and Management for enhancing customer satisfaction and shareholders' value. Corporate Governance is a combination of voluntary practices and compliances of laws and regulations leading to effective control and management of the Organization and its valuable resources through effective and transparent business conduct, integrating communication, integrity and accountability towards its stakeholders. The Company is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance. The Company respects the inalienable rights of its members to information on the performance of the Company and considers itself a trustee of its members.

Given below is a brief report on the practices followed by Intec Capital Limited towards achievement of good Corporate Governance.

A. Composition of Board

Responsibilities of the Chairman & Managing Director

The current policy of the Company is to have an executive Chairman & Managing Director. There are clear responsibilities & duties delegated to him. The Chairman & Managing Director is responsible for corporate strategy, brand equity, planning, external contacts, board matters and for all day-to-day operations, related issues and for the achievement of annual targets in customer satisfaction, profitability, quality, productivity, recruitment, training and employee retention. The senior management makes periodic presentations to the board on their responsibilities, performance and targets.

Size of the Board

The Board has six members.

Executive and Independent Directors

The Company maintains an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. All Non-Executive Independent Directors bring a wide range of expertise and experience to the Board. The Board believes that the current size of the Board is appropriate based on the Company's present requirements. The current Board has five independent directors and one executive director.

B. Board Meetings

Scheduling and Selection of Agenda Items for Board Meetings

Normally, Board Meetings are scheduled at least 15 days in advance. Most of them are held at the Registered Office of the Company situated at 701, Manjusha Building, 57, Nehru Place, New Delhi, India. The Chairman of the Board and the Company Secretary draft the Agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, the Board meets once a quarter to review the quarterly unaudited results and other items on the agenda. The Board also meets on the occasion of the Annual General Meeting of the members of the Company. If necessary, additional meetings are held. Independent Directors are normally expected to attend at least four Board Meetings in a year.

Meetings held during the year:

During the financial year 2009-2010, Ten Board Meetings were held and the gap between two meetings did not exceed four months. The date on which the meeting were held are 10th April, 2009; 16th June, 2009; 29th July, 2009; 17th August, 2009; 7th October, 2009; 30th October, 2009; 14th December, 2009; 21st January, 2010; 29th January, 2010 and 31st March, 2010.

Availability of Information to the members of the Board

The Board has unfettered and complete access to any information within the Company, and to any employee of the Company. At the Meetings of the Board, it welcomes the presence of managers who can provide additional insights into the items being discussed.

C. Board CommitteesCommittees of the Board

Currently, the Board has four Committees – the Audit Committee, Share Transfer Committee, Remuneration Committee and the Investor Grievance Committee. All the Committees are composed of suitable and competent independent Directors.

Assignment and Terms of Service of Committee Members

The Board decides, in consultation with the Chairman, and considering the views of individual Board members, the terms of service of various Committees, and the assignment of specific Board members to various Committees.

Frequency and Duration of Committee Meetings and Committee Agenda

The Chairman of the Board, in consultation with the Company Secretary of the Company and the Committee Chairman, determines the frequency and duration of the Committee Meetings. Normally, the Committees meet depending on the issue, which needs the attention of the particular Committee. However, the meeting of Audit Committee takes place normally four times a year. The recommendations of the Committee are submitted to the Board for approval and necessary noting.

Quorum for the Meetings

The quorum is either two members or one-third of the members of the Committees, whichever is higher.

D. Board of Directors

Composition and Category of Directors, as on March 31, 2009

Category	No. of Directors	%
Executive Directors	1	16.67
Non-Executive, Independent Directors	5	83.33
Total	6	100.00

The Chairman of the Board is an Executive Director.

Details of Directors their directorship in other companies, their participation in the Board Meeting and Last Annual General Meeting and the membership in committees of the company is given below.

Director	Category	Attendance Particulars Member/Chairmanships		Number of other Directorships and Committee		
		Last AGM	Board Meetings	Other Directorship	Committee Membership	Committee Chairmanship
Sanjeev Goel	MD*	Present	9	5	-	-
S.K.Goel	NED#	Present	9	1	-	-
Subhash Jindal	NED#	Absent	2	1	-	-
Robindra Gupta	NED#	Present	9	3	-	-
Rakesh Joshi	NED#	Absent	3	-	-	-
Praveen Sethia	NED#	Absent	-	3	-	-

*Managing Director # Non-executive Director

Tenure

As per the statute two third of the total strength of the Board of Directors should be subject to retirement by rotation. Further one third of the retiring Directors are required to retire every year and if eligible, qualify for re-appointment. Accordingly, Mr. S.K. Goel and Mr. Subhash Jindal retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

No. of other Directorship held

None of the Directors holds Directorship in more than 15 listed Companies.

Brief Profile of Directors eligible for re – appointment

Mr. S. K. Goel

Bachelor in Science, ASNT Level III Certification

Mr. S.K.Goel has more than 30 year of experience in the technical field. In addition of being one of the directors of Intec he is also the Managing Director of Atlas Engineering & Inspection Services Pvt. Ltd. Mr. Goel's technical expertise has come in very handy for the company as most of the enterprises funded by Intec are technology based enterprises. He is providing the necessary consultation regarding the technical feasibility of such enterprises.

Mr. Subhash Jindal

Bachelor in Commerce

Mr. Subhash Kumar Jindal who is one of the directors of Intec is also the Proprietor of Jindal Brothers. Mr. Jindal has more than 30 years of experience in the retail sector and since Intec too forayed into the retail business some time back it could utilize Mr. Jindal's vast experience in this field. Together with the backing of Mr. Jindal's experience and the foresight of the managing director, today, Intec has been able to incorporate retail as one of its major businesses. Mr. Jindal also holds the directorship of Agile Consulting Private Limited.

Mr. Praveen Sethia**Chartered Accountant and Cost Accountant**

Mr. Praveen Sethia has held various Senior Management Positions across various Companies over the years. He has worked as Senior Vice President of SREI Infrastructure Finance Limited and as Assistant General Manager with ICICI Bank Limited. He is having vast experience in Infrastructure sector for more than 15 years and managed various new initiatives during last 15 years. This includes project developments as equity provider under BOT structure to managing the Business Infrastructure Equipment Finance as Holistic Manager and Head of Profit centre. He is also having experience of setting up Infrastructure Equipment Finance business on behalf of SREI in Russia in the year 2005 and starting an initiative of Medical Equipment leasing in UK. Mr. Sethia is also a director on the Board of Infrastructure Advisors Private Limited and Infrastructure IT Solutions Private Limited

E. Audit Committee

The Audit Committee was constituted to review various areas of Audit and Accounts. The Audit Committee comprises of three independent Directors, who have good knowledge of Corporate and Project Finance, Accounts and Company Law. The terms of reference of the Audit Committee have been framed so as to bring them in line with the amendments in the listing agreement and the Companies Act, 1956. The minutes of the Meetings of the Audit Committee are placed before the Board for their information & remedial action wherever required.

The Audit Committee met four times during the financial year. The dates on which the meeting were held are 12th June 2009, 27th July 2009, 30th October 2009, and 29th January 2010.

Name of Members	Category	Position	No. of Audit Committee Meetings Attended
Mr. S.K. Goel	Non-Executive Director	Chairman	4
Mr. Robindra Gupta	Non-Executive Director	Member	3
Mr. Rakesh Joshi	Non-Executive Director	Member	4

F. Share Transfer and Investors' Grievance Committee

The Board had delegated the authority to approve transfer of shares to a Committee of Directors. The Share Transfer Committee comprises of one executive and two independent Directors. Two meetings of the Committee are held every month to approve transfer, transmission, splitting and consolidation, Dematerialization and Re-materialization of shares issued by the Company. The minutes of the Meetings of the Share Transfer and Investors' Grievance Committee are placed before the first next meeting of the Board of Directors for its information and ratification thereof. Further no grievances are pending against the company at the end of year.

G. Remuneration Committee

The Board had delegated the authority to the Remuneration Committee to approve fixation/revision of remuneration and terms and conditions of appointment of Managing Director / Directors. The Remuneration Committee comprises of three independent Directors. This Committee meets depending on the requirements of the Company, and takes its views on fixation/revision of terms and benefits in respect of Managing Director / Directors. The minutes of the Meetings of the Remuneration Committee are placed before the first next meeting of the Board of Directors for its information and ratification thereof.

For details of remuneration paid to the managing director refer point (e) (ii) of Note to accounts.

H. Compliance

The Company has a competently staffed legal department, which ensures compliance with the legal requirements of the Company. Secretarial Department headed by the Company Secretary, is responsible for compliance in respect of Companies Act and other allied laws, rules and regulations of SEBI and stock exchange(s).

I. Management Information Systems

As a matter of transparency and good governance, key operational and financial data, and also other relevant information is furnished to the Directors in every meeting of the Board.

J. Disclosures

There was no material/significant transaction with the directors or the management and their relatives etc. that have any potential conflict with interest of the Company at large. Also there has not been any non-compliance by the Company in respect of which penalties were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last year.

K. Means of Communication

The Company communicates with the shareholders at large through its Annual Reports, Publication of financial results in newspapers and by filing of various reports and returns with the Statutory Bodies like Stock Exchange and Registrar of Companies. The quarterly financial results are published in Hindi and English daily newspapers.

L. Investor Information

1) Annual General Meeting:

Date	:	24 th September, 2010
Time	:	4:15 P.M.
Venue	:	Lok Kala Manch, Behind Sai Temple Lodhi Road, New Delhi-110 003
Book Closure	:	20 th September, 2010 to 24 th September, 2010 (Both days inclusive)

2) Registrar & Share Transfer Agent

: M/s Beetal Financial & Computer
Services (P) Limited
Beetal House, 3rd Floor,
99, Madangir,
New Delhi-110 062
Tel. No. 29961281/82
Fax No. 29961284

3 Listing on Stock Exchanges

: Bombay Stock Exchange Ltd,
The Delhi Stock Exchange Ltd.

4) Compliance Officer

: Ms. Neetu Sharma

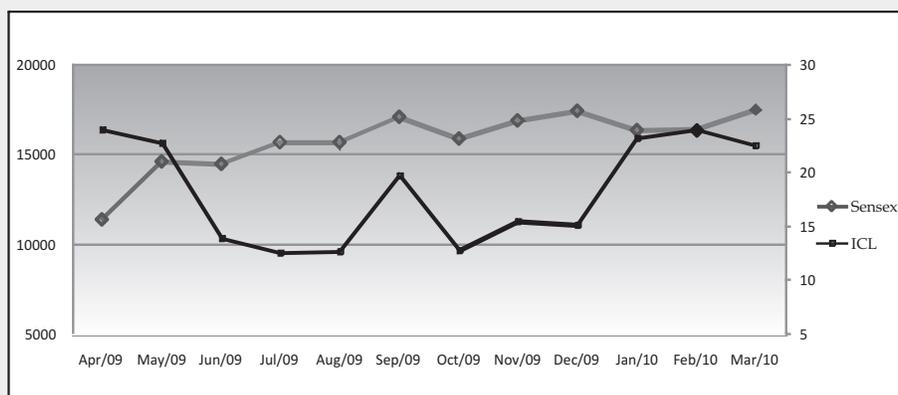
5) ISIN Number

: INE017E01018

6) Monthly Closing, Highs and Lows of share for the period April 1, 2009 to March 31, 2010 on BSE.

Period	BSE High	BSE Low	Close Price
April 2009	35.95	24.05	24.05
May 2009	22.85	22.85	22.85
June 2009	25.10	12.10	14.00
July 2009	14.70	10.90	12.65
August 2009	15.31	11.45	12.71
September 2009	19.74	12.87	19.74
October 2009	21.05	12.60	12.80
November 2009	16.65	11.00	15.50
December 2009	20.85	15.00	15.25
January 2010	28.40	15.00	23.25
February 2010	24.00	18.80	24.00
March 2010	26.85	20.85	22.55

7) Intec Capital Limited prices versus sensitivity at BSE (SENSEX) based on monthly closing share price.



8) Simultaneous dematerialization of shares sent for transfer:

The Company provides facility of simultaneous transfer and dematerialization of equity shares. Upon receipt of the share certificate(s) for transfer or splitting and upon completion of the process thereof, the investor(s) is/are intimated about the option of dematerialization of shares. The Investor may send his/her DEMAT request within a period of 15 days from the date of option letter received, failing which the share certificate(s) is/are dispatched to the investor(s). The investor(s) who wish to exercise the option to DEMAT are required to submit Dematerialization Request Form (DRF) duly filled up along with the original option letter to the Depository Participant (DP).

9) Nomination facility:

The Company offers facility of nomination. The members are requested to refer to Section 109A of the Companies Act, 1956 as amended. The facility is made available, folio-wise and for the entire shares registered

under the folio. The members holding shares in dematerialised form may contact and consult their respective Depository Participant (DP), for availing the nomination facility.

10) Date, Venue and Time for the last three Annual General Meetings:

Year	Venue	Date	Time	Special resolution Passed
2007	Lok Kala Manch, Lodhi Road New Delhi	24.09.2007	3:00 P.M.	Yes
2008	Lok Kala Manch, Lodhi Road New Delhi	24.09.2008	3:00 P.M.	Yes
2009	Lok Kala Manch, Lodhi Road New Delhi	17.09.2009	3:00 P.M.	Yes

Postal Ballot

The Company had obtained the shareholders approval by way of Postal Ballot pursuant to Section 192A of the Companies Act, 1956 on June 24, 2010 for the ordinary resolutions with respect to the following business:

- Increase in the borrowing powers of the Company under Section 293 (1)(d) of the Companies Act, 1956 upto the limit of Rs. 300 crores
- Creation of mortgage, charge or hypothecation (from time to time) on the movable and immovable properties of the Company under Section 293 (1)(a) of the Companies Act, 1956 upto the limit of Rs. 300 crores.

11) Investor Correspondence:

The shareholders may address their communication either to the Registrar and Transfer Agent at their address mentioned above or to the Compliance Officer of the Company at Registered Office of the Company situated at 701-704, Manjusha, 57, Nehru Place, New Delhi-110019; Phone(s): 46522200/300; Fax: 46522333; Website: www.inteccapital.com.

12) Distribution of Shareholding and shareholding pattern as on 30.06.2010

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHAREHOLDERS	% OF TOTAL	NO. OF SHARES	AMOUNT IN RS.	% TO TOTAL
UP TO 5000	1084	76.99	244376	2443760	4.3561
5001 TO 10000	181	12.86	133870	1338700	2.3863
10001 TO 20000	82	5.82	109118	10,91,180	1.9451
20001 TO 30000	11	0.78	28319	283190	0.5048
30001 TO 40000	11	0.78	38182	381820	0.6806
40001 TO 50000	4	0.28	18100	181000	0.3226
50001 TO 100000	10	0.71	76828	768280	1.3695
100001 AND ABOVE	23	1.78	4961207	49612070	88.4351
TOTAL	1406	100.00%	5610000	56100000	100.00%

Shareholding pattern as on 30.06.2010

Category	No. Of Shareholders	% of Shareholders	No. of Shares held	Percentage of shareholding
Promoters	8	0.57%	2412000	42.99%
Private Corporate Bodies	52	3.70%	2444685	43.57%
Mutual Fund and UTI	1	0.07%	1,00,000	1.78%
Indian Public	1336	95.02%	308532	5.50%
Non Resident Indians	9	0.64%	31,400	0.56%
Grand Total	1406	100.00%	56,10,000	100.00%

13) Auditors' Certificate on Corporate Governance

As required under clause 49 of the Listing Agreement, the Auditors' Certificate on compliance of the Corporate Governance norms is attached.

14) Declaration as required under Clause 49 of Listing Agreement of Stock Exchanges**DECLARATION**

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the respective code of conduct, for the year ended March 31, 2010.

Place: New Delhi
Dated: 28th August 2010

Sanjeev Goel
Managing Director

CERTIFICATE FROM MANAGING DIRECTOR

I, Sanjeev Goel, Managing Director of Intec Capital Limited, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed financial statements and the cash flow statements for the year ended 31st March 2010 and:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered in to by the company during the year that are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies
- (d) I have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in the internal control over financial reporting during the year;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I 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.

Place: New Delhi
Dated: August 28, 2010

Sanjeev Goel
Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To

The Members of Intec Capital Limited
(Formerly known as Intec Securities Limited)

1. We have examined the compliance of conditions of Corporate Governance by Intec Capital Ltd. (the Company) for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that in respect of Investor grievances received during the year ended 31st March, 2010, no grievances are pending against the company as on 31st March, 2010, as per the records maintained by the company and presented to the Investor's Grievance Committee.
5. We further state that such compliance 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.

For and on behalf of

T. K. Gupta & Associates
Chartered Accountants

T.K. Gupta
Partner

Place: New Delhi

Dated: May 29, 2010

AUDITOR'S REPORT

To,
The Members of
INTEC CAPITAL LTD.
(Formerly Intec Securities Limited)

1. We have audited the attached Balance Sheet of **Intec Capital Ltd.**, as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors of the company and information & explanation given to us, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 as on said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010.
 - b. In the case of the Profit and Loss account, of the Profit for the year ended on that date: and
 - c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

PLACE : NEW DELHI
DATE : May 29, 2010

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

ANNEXURE TO THE AUDITOR'S REPORT

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

(I) In respect of Fixed Assets:

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

(ii) In respect of its Inventories:

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

(iii) In respect to loans:

- a) According to information and explanation given to us, the company has not granted any Loans or Advances, secured or unsecured, to companies, firm and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4 (iii) of the order are not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of audit.

- (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance given to us, the transaction made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding the value of Rupees five lacs in respect of each party during the year, have been made at prices which appear reasonable having regard to the prevailing prices at the relevant time.

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

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

- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under the provisions of Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth-Tax, Custom Duty, Excise-Duty, Service Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education Protection Fund, Employees State Insurance, income tax, wealth tax, sales tax, customer duty and excise duty service tax and other material dues were outstanding, as at 31st March 2010 for a period of more than six months from the date they became payable.
- c) According to the information & explanation given to us, there are no dues in respect of Provident Fund, Investor Education Protection Fund, Employees State Insurance, sales tax, income-tax, customs, wealth-tax, excise duty and cess and other material dues that have not been deposited on account of any disputes.
- (x) The Company neither have accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions & banks.
- (xii) According to the information and explanation given to us, the company has not granted any loans and / or advance on the basis of security by way of pledge of shares and debentures and other securities.
- (xiii) According to the information and explanation given to us, the provisions of Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Company are not applicable to the Company.
- (xiv) According to the information and explanation given to us, as the Company is not dealing or trading in shares, debenture & and other securities, the requirement of clause 4(xiv) of the order relating to maintenance of the proper record of transaction and contracts and making of timely entries therein as not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- (xvi) According to the information and explanations given to us, the term loans raised by the company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us and the books and records examined by us, funds raised for short-term basis have not been used for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to parties & companies covered in the register 301 of the Act, so our opinion, does not arise.
- (xix) The Company has not issued any debentures. Accordingly clause (xix) of the order is not applicable.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

PLACE : NEW DELHI
DATE : May 29, 2010

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

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule No.	Rs.	As at 31.03.2010 Rs.	Rs.	As at 31.03.2009 Rs.
A. SOURCES OF FUNDS					
1. Shareholders' Funds					
a. Share Capital	1	56,100,000		56,100,000	
b. Reserves and Surplus	2	124,940,360	181,040,360	108,004,298	164,104,298
2. Loan Funds					
a. Secured Loans	3	711,064,362		221,706,067	
b. Unsecured Loans	4	91,964,259	803,028,621	34,364,319	256,070,386
3. Deffered Tax Liabilities			261,989		225,921
Refer Note No.B(k) On Sechedule 14					
TOTAL			984,330,970		420,400,605
B. APPLICATION OF FUNDS					
1. Fixed Assets	5				
a. Gross Block		8,575,657		6,455,950	
b. Less: Depreciation		3,016,977	5,558,680	3,300,588	3,155,362
2. Investments	6		58,000		265,798
3. Current Assets, Loans and Advances					
a. Current Assets	7	44,167,659		7,735,998	
b. Loans and Advances	8	973,515,448		442,885,590	
			1,017,683,107	450,621,588	
Less: Current Liabilities and Provisions	9				
a. Current Liabilities		13,249,544		14,949,220	
b. Provisions		25,719,273		18,692,923	
		38,968,817		33,642,143	
Net Current Assets			978,714,290		416,979,445
TOTAL			984,330,970		420,400,605
Significant Accounting Policies and Notes to Accounts	14				

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

For and on behalf of Board of Directors

CA. T.K.GUPTA (PARTNER)
M. No- 082235

Sanjeev Goel
MANAGING DIRECTOR

S.K. Goel
DIRECTOR

Neetu Sharma
COMPANY SECRETARY

New Delhi, Date: 29th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule No.		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
INCOME					
Income from Operations	10		149,605,653		109,369,065
Other Income	11		1,052,454		457,215
			150,658,107		109,826,280
EXPENDITURE					
Administrative & other expenses	12		49,282,764		36,108,573
Interest and Other Finance Charges	13		68,715,443		51,622,423
Depreciation			552,722		495,294
Provision for Sub Standard Assets			461,421		6,420
Loss on sale of Asset			194,215		-
			119,206,565		88,232,710
PROFIT BEFORE TAXES			31,451,542		21,593,570
Provision for Income Tax					
Current Tax		11,079,554		7,006,974	
Deferred Tax		36,068		329,893	
Fringe Benefit Tax		-	11,115,622	334,222	7,671,089
PROFIT AFTER TAXES			20,335,920		13,922,481
Balance brought forward from previous year			24,043,283		16,072,394
			44,379,203		29,994,875
Excess/ (Short) Provision for Tax written back			(118,148)		114,614
PROFIT AVAILABLE FOR APPROPRIATIONS			44,261,055		30,109,489
APPROPRIATIONS					
Proposed Dividend			2,805,000		2,805,000
Tax on Proposed Dividend			476,710		476,710
Transfer to Reserve Fund u/s 45IC of RBI Act 1934			4,067,184		2,784,496
BALANCE CARRIED TO BALANCE SHEET			36,912,161		24,043,283
			44,261,055		30,109,489
Earning Per Share					
Basic earnings per share (in Rupees)			3.62		2.49
Diluted earnings per share (in Rupees)			3.62		2.49
Significant Accounting Policies and Notes to Accounts	14				

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

For and on behalf of Board of Directors

CA. T.K.GUPTA (PARTNER)
 M. No- 082235

Sanjeev Goel
 MANAGING DIRECTOR

S.K. Goel
 DIRECTOR

Neetu Sharma
 COMPANY SECRETARY

New Delhi, Date: 29th May, 2010

SCHEDULE 1 TO 14 FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
Schedule 1				
SHARE CAPITAL				
AUTHORISED				
60,00,000 Equity Shares of Rs. 10/- each		60,000,000		60,000,000
ISSUED, SUBSCRIBED AND PAID UP				
56,10,000 Equity Shares of Rs.10/- each fully paid up		56,100,000		56,100,000
		56,100,000		56,100,000
Schedule 2				
RESERVES AND SURPLUS				
GENERAL RESERVES				
As per last Balance Sheet		453,080		453,080
SPECIAL RESERVE u/s 45-IC of RBI Act 1934				
Opening Balance	8,507,935		5,723,439	
Add :Transferred from Profit and Loss Account	4,067,184	12,575,119	2,784,496	8,507,935
SHARE PREMIUM		75,000,000		75,000,000
SURPLUS IN PROFIT AND LOSS ACCOUNT				
Transferred from Profit & Loss Account		36,912,161		24,043,283
		124,940,360		108,004,298
Schedule 3				
SECURED LOANS				
Working Capital Loan from Banks				
Bank Of Maharashtra		99,250,870		80,198,989
Indian Overseas Bank		70,797,358		59,987,962
Bank of India		149,669,446		81,106,687
Punjab National Bank		230,073,228		-
Other Loans				
Vehicle Loans		885,052		215,472
ICICI Bank		-		196,957
Term Loan from RCL		160,388,408		
		711,064,362		221,706,067
Schedule 4				
UNSECURED LOANS				
Corporate Bodies		91,964,259		34,364,319
		91,964,259		34,364,319

Schedule 5 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION					LEASE ADJUSTMENT	NET BLOCK	
	AS ON 01.04.2009	ADDITION DURING THE YEAR	SALE/ TRANSFER DURING THE YEAR	TOTAL AS ON	UP TO 01.04.2009	PROVIDED DURING THE YEAR	WRITTEN BACK DURING THE YEAR	PRIOR PERIOD	TOTAL AS ON		AS ON 31.03.2010	AS ON 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.
VEHICLES	2,399,648	1,157,500	1,217,649	2,339,499	1,278,755	219,604	783,434	-	714,925	-	1,624,574	1,120,893
OFFICE EQUIPMENT	371,098	227,747	-	598,845	143,300	19,301	-	-	162,601	-	436,244	227,798
PLANT & MACHINERY	1,530,525	-	-	1,530,525	922,332	72,700	-	-	995,032	-	535,493	608,193
DATA PROCESSING EQUIPMENTS	843,239	576,775	52,900	1,367,114	358,428	154,374	52,900	-	459,902	-	907,212	484,811
FURNITURE AND FIXTURES	825,632	949,320	-	1,774,952	383,384	56,566	-	-	439,950	-	1,335,002	442,248
ELECTRIC INSTALLATIONS	89,524	215,814	-	305,338	48,465	4,983	-	-	53,448	-	251,890	41,059
AIR CONDITIONERS	334,184	263,100	-	597,284	126,695	22,245	-	-	148,940	-	448,344	207,489
GENERATOR	62,100	-	-	62,100	39,230	2,950	-	-	42,180	-	19,920	22,870
TOTAL	6,455,950	3,390,256	1,270,549	8,575,657	3,300,589	552,722	-	-	3,016,977	-	5,558,679	3,155,361
PREVIOUS YEAR	7,015,473	188,850	748,373	6,455,950	3,553,667	495,294	748,373	-	3,300,588	-	3,155,362	3,461,806

Schedule 6 INVESTMENTS

	Qty. Nos.	As at 31.03.2010	Qty. Rs.	As at 31.03.2009 Nos.Rs.
1. Long Term Non Trade Investments				
a) EQUITY SHARES (Unquoted)				
1 Pantec Devices (P) Ltd	2,900	29,000	2,900	29,000
2 Pantec Consultants (P) Ltd	2,900	29,000	2,900	29,000
(A)	5,800	58,000	5,800	58,000
b) EQUITY SHARES (Quoted)				
A TO Z SECURITIES LTD.	-	-	900	1,800
ACCORD COTSYN LTD	-	-	500	5,000
BHARAT IMMOLOGICAL & BIO.CORP. LTD	-	-	600	6,384
BHARTIYA INTERNATIONAL LTD	-	-	100	3,170
BUBNA MAJOR BIOTECH LTD.	-	-	400	760
CENTUM ELECTRONICS LTD	-	-	100	475
BHARAT PETROLIUM CORP. LTD (Merged with Kochi Refinery)	-	-	3	33
COST PLUS CREDIT CAPITAL LTD	-	-	2,500	2,250
CRANEX LTD	-	-	6,600	14,388
ENRAI FINANCE LTD	-	-	300	360
KAILASH STRUCTURALS LTD.	-	-	34,500	120,750
KATWA UDYOG LTD.	-	-	1,800	4,140
LLOYDS FINANCE LTD	-	-	210	105
MICAM LEATHER EXPORTS LTD	-	-	200	350
MODEL FINANCIAL CORP. LTD.	-	-	3,100	3,100
MOTI ELECTRIC INDUSTRIES LTD.	-	-	100	100
OLYMPIC MANAGEMENT & FIN. SERVICE LTD.	-	-	400	1,440
PRETO LEATHER INDUSTRIES LTD	-	-	4,100	4,920
PRIYANSHU EXPORTS LTD	-	-	1,100	880
PUNJAB WOOLCOMBERS LTD	-	-	100	175
RAMS TRANSFORMERS LTD.	-	-	1,300	3,900
SAMTEX FASCHIONS LTD.	-	-	2,000	7,000
STIFIEL UNDSUCH (INDIA) LTD	-	-	100	200
TERRY GOLD INDIA LTD	-	-	3,600	990
JAMNA AUTO LTD	-	-	200	200
UNIFIED AGRO INDS. (INDIA) LTD	-	-	300	1,050
INDIA CEMENT LTD	-	-	50	10,295
INDO RAMA SYNTHICS INDIA LTD	-	-	50	3,323
KALE CONSULTANT LTD	-	-	50	3,930
WELSPUN GUJRAT STAHL ROHREN LTD	-	-	50	6,330
(B)	-	-	65,313	207,798
(A+B)	5,800	58,000	71,113	265,798

		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
Schedule 7				
CURRENT ASSETS				
1. Sundry Debtors (Unsecured and Considered Good)		6,941,473		2,500,139
2. Cash in hand		1,188,780		751,218
3. Balance with Scheduled Banks				
- In Current A/c	10,000		-	
- In Unpaid dividend A/c	653,372		492,319	
- In Fixed Deposits Accounts in IOB	242,663		223,651	
- In Fixed Deposits Accounts in BOM	4,042,656		3,768,671	
- In Fixed Deposits Accounts in KMBL	18,167,764		-	
- In Fixed Deposits Accounts in PNB	12,920,951		-	
		36,037,406		4,484,641
		44,167,659		7,735,998
Schedule 8				
LOANS AND ADVANCES				
(Unsecured and Considered Good unless otherwise stated)				
1. Loans				
- Standard	1,743,959,005		890,965,792	
- Sub Standard	1,568,089		319,100	
- Doubtful Assets	889,954		396,622	
	1,746,417,048		891,681,514	
Less : Pending amount of Disbursement	271,984,233		14,209,662	
Less : Collateral Money received from Borrowers	520,207,987	954,224,828	449,159,163	428,312,689
2. Advances Recoverable in Cash or in Kind or for Value to be received		4,589,685		4,169,147
3. Advance Tax and Tax Deducted at Source		14,700,935		10,403,754
		973,515,448		442,885,590

	As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
Schedule 9			
CURRENT LIABILITIES AND PROVISIONS			
A. CURRENT LIABILITIES			
1. Unclaimed Dividend	653,372		492,319
2. Advance from Customers	4,729,887		4,070,711
3. Expenses Payable	3,740,759		2,774,060
4. Proposed Dividend	2,805,000		2,805,000
5. TDS Payable	1,320,526		4,807,130
	13,249,544		14,949,220
B. PROVISIONS			
1. Provision for Gratuity	789,800		2,273,425
2. Provision for Substandard Debt	889,957		428,536
3. Provision for Tax	24,039,516		15,990,962
	25,719,273		18,692,923
Schedule 10			
INCOME FROM OPERATIONS			
1. Interest Income on Loan	135,321,089		105,147,480
2. Overdue Interest & Bouncing Charge	7,972,682		992,920
3. Loan Processing Charges	6,311,882		3,228,665
	149,605,653		109,369,065
Schedule 11			
OTHER INCOME			
1. Dividend Income	21		2,425
2. Miscellaneous Income	394,768		130,651
3. Interest on Fixed Deposit with Banks	657,665		324,139
	1,052,454		457,215

		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
Schedule 12				
ADMINISTRATIVE & OTHER EXPENSES				
Salaries and Other Allowances		19,238,731		13,154,721
Directors Remuneration		1,500,000		1,500,000
Food & Beverage Expenses		1,010,628		687,855
Staff Recruitment & Training Expenses		482,377		72,162
Legal and Professional Charges		3,092,709		2,222,030
Rent Expenses		1,277,560		489,280
Rates & Taxes Expenses		734,115		340,527
Research & Development-Marketing		18,150		37,370
Communication Expenses		1,348,755		860,498
Printing & Stationery Expenses		1,285,721		731,883
Brokerage ,Commission & Collection Charges		9,250,682		9,796,262
Meeting Expenses		26,090		81,752
Insurance Expenses		325,733		110,313
Travelling & Conveyance Expenses		2,460,462		1,740,808
Rebate & Discounts		534,829		282,289
Repairs and Maintenance:				
- Vehicles	1,828,509		1,115,607	
- Office	772,268		523,088	
- Computer & Other Assets	1,012,856	3,613,633	587,439	2,226,134
Auditors' Remuneration:				
- Internal Audit Fees	44,120		22,060	
- Audit Fee	44,120		49,635	
- Tax Audit Fee	22,060	110,300	16,545	88,240
Business Promotion Expenses		1,779,275		981,811
Advertisement Expenses		255,981		83,269
Electricity & Water Charges		106,460		69,250
Membership Fee & Subscription		74,941		135,293
Other Expenses		755,632		416,826
				-
		49,282,764		36,108,573
Schedule 13				
INTEREST AND OTHER FINANCE CHARGES				
Interest		65,206,988		50,585,775
Bank Charges and Commission		3,508,455		1,036,648
		68,715,443		51,622,423

SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

a) Basis for Preparation of Accounts:

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

b) Fixed Assets:

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

c) Depreciation:

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

d) Investment:

Long-term investments are stated at cost. Provision of diminution in the value of long-term investments is made only if; such a decline is other than temporary in the opinion of the management. The market value of investment is Rs NIL/- (Previous year 2,19,702/-).

e) Employee Benefits:

(i) Gratuity:

Provision for gratuity has been made as per 'Provision of Gratuity Act, 1972' calculated on the basis of last salary drawn and completed years of service of eligible employees in the absence of actuarial valuation on the basis of past behavior of employees turnover.

(ii) Leave encashment:

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

(iii) Provident Fund:

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

Other employee benefits are accounted for on accrual basis.

f) Revenue Recognition:

(i) Loan Income

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

- (ii) Loan installments received are apportioned between interest income and principal portion. The principal amount is reduced from the loan outstanding, so as to achieve the constant rate of interest on the remaining balance of the Liability.
- (iii) Dividend income on investments is accounted for as and when the right to receive the same is established.
- (iv) No income is recognized in respect of Non-Performing assets, if any, as per the prudential norms for income recognition introduced for Non Banking Financial Corporation by Reserve Bank of India vide its notification no.DFC.No.119/DG/(SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22/02/2007.

g) Expense Accounting:

- (i) The Company follows the policy of paying Interest on Collateral Money to customers on due basis.
- (ii) All other expenditures are accounted for on accrual basis.

h) Provisioning:

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

i) Taxation:

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

(B) NOTES TO ACCOUNTS

- (a) Balance standing to debit & credit of parties are subject to confirmation.
- (b) In the opinion of Board of Director, the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
- (c) The Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary.
- (d) There is no employee drawing remuneration in excess of Rs. 24,00,000/- during the year ending 31st March 2010 or Rs. 2,00,000/- per month (Previous Year Nil).
- (e) (i) Additional information pursuant to provision of paragraph 3 of Part – II of Schedule VI to the Companies Act, 1956 - Not Applicable to Finance Company
- (ii) Additional information pursuant to provision of paragraph 4 of Part – II of Schedule VI to the Companies Act, 1956 is:

Remuneration to the Managing Director:

	Year Ended 31-03-2010 (Rs.)	Year Ended 31-03-2009 (Rs.)
Salary & Allowances	15,07,261/-	15,13,095/-

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

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

Details of remuneration to Auditors:

	Year Ended 31-03-2010 (Rs.)	Year Ended 31-03-2009 (Rs.)
(a) Audit Fee	49,635/-	49,635/-
(b) Tax Audit	16,545/-	16,545/-

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

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

Earning and Outgoings in Foreign Currency: -

	Year Ended 31-03-2010 (Rs.)	Year Ended 31-03-2009 (Rs.)
Earnings	NIL	NIL
Outgoing on account of Foreign Traveling	NIL	NIL

- (g) **Secured Loan:**

- (a) Working Capital facility sanctioned from Indian Overseas Bank, Nehru Place, Delhi-110019 is secured by (a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel, and Fixed Deposit of the company.
- (b) Working Capital facility from Bank of Maharashtra, South Ext Part-1, New Delhi is secured by (a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties & Quoted share of Mr. Sanjeev Goel (MD), and Fixed Deposit of the company.

- (c) Working Capital facility from Bank of India, Cannought Place1, New Delhi is secured by a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel.
- (d) Working Capital facility from Punjab National Bank, Nehru Enclave, Opp. Nehru Place, New Delhi is secured by a) Primary Security- first pari passu charge of hypothecation of Receivable & Assets financed by the Company, and (b) Collateral Securities – Immovable properties & personal guarantees of Mr. Sanjeev Goel (MD) & Mrs. Ritika Goel.
- (e) Term Loan from Reliance Capital Ltd is secured by a) Primary Security –First pari passu charge of hypothecation of Receivable FOR THE Assets financed by the Company, and (b) Collateral Securities- FD with a lien mark to RCL in Kotak Mahindra Bank Ltd.
- (f) Vehicle Loans are secured by first charge on vehicle acquired from the proceeds of respective loans.

(h) **Segment Reporting:**

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

(i) **Related Party Disclosures**

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

List of related parties with whom transactions have taken place and relationships:

Key Management Personnel	Relative of Key Management Personnel	Enterprise in which Key Management Personnel and their relatives and company are able to exercise significant influence in the Enterprises.
Mr. Sanjeev Goel	Rajeev Goel Ritika Goel	Intec Infonet (P) Ltd. Intec Share & Stock Broker Limited

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

(In Rupees)

Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Enterprise in which key management Personnel and their relatives and company are able to exercise significant influence being partners in the Enterprises.	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Remuneration paid	15,07,261/-	15,13,095/-	-	-	-	-
Purchase of Assets	-	-	-	-	6,86,759/-	1,13,500/-
Maintenance Charges Paid	-	-	-	-	8,273/-	26,202/-

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

(j) **Earning per Share** as per “Accounting Standard 20” issued by the Institute of Chartered Accountants of India:

(k)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
(a) Profit/(Loss) after taxation as per Profit and Loss Account (in Rupees)	2,03,35,920/-	1,39,22,481/-
(b) Weighted average number of Equity Shares outstanding during the year	55,96,301/-	55,96,301/-
(c) Nominal value of Equity shares (in Rupees)	10.00/-	10.00/-
(d) Basic earnings per share (in Rupees)	3.62/-	2.49/-
(e) Diluted earning per share (in Rupees)	3.62/-	2.49/-

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

(In Rupees)

Particulars	Current Year 31-03-2010	Previous Year 31-03-2009
Timing Difference of		
(I) Depreciation	(1,06,114/-)	83,310/-
(II) Gratuity	-	(10,53,870/-)
Deferred Tax Assets/ (Liabilities)		
Opening Balance	(2,25,921/-)	1,03,972/-
Add: Created during the Year	(36,068/-)	(3,29,893/-)
Closing Balance	(2,61,989/-)	(2,25,921/-)

(l) **Micro and Medium Scale Business Entities:**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues which outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

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

(n) Schedule 1 to 14 form integral part of the Balance Sheet & Profit & Loss A/c.

Auditor’s Report

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

For and on behalf of Board of Directors

CA. T.K.GUPTA (PARTNER)
M. No- 082235

Sanjeev Goel
MANAGING DIRECTOR

S.K. Goel
DIRECTOR

Neetu Sharma
COMPANY SECRETARY

New Delhi, Date: 29th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	31,451,542	21,593,570
Adjustments for :-		
Depreciation	552,722	495,294
Loss on Sale of Assets	194,215	-
Interest Paid	65,206,988	50,585,775
Provision for Gratuity	789,800	1,219,855
Dividend income	(21)	(2,425)
Interest on fixed deposits	(657,665)	(324,139)
Profit on sale of shares and mutual funds	(101,524)	-
Provision on Substandard Assets	461,421	6,420
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	97,897,478	73,574,350
Adjustments for :-		
(Increase)/Decrease in Loans & Advances	(526,332,678)	(178,201,636)
(Increase)/Decrease in Current Assets(except cash equivalents)	(4,441,334)	(416,053)
Increase/(Decrease) in Current Liabilities	(1,699,676)	2,817,080
CASH GENERATED FROM OPERATIONS	(434,576,209)	(102,226,259)
Taxes paid	(8,423,976)	(5,430,644)
Gratuity Paid	(2,273,426)	-
Interest paid	(65,206,988)	(50,585,775)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(510,480,599)	(158,242,678)
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	(510,480,599)	(158,242,678)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest on Bank Deposit	657,665	324,139
Dividend income	21	2,425
Profit on sale of shares and mutual funds	101,524	-
Purchase of Fixed Assets	(3,390,256)	(188,850)
Sale of Assets	1,217,649	-
(Increase)/Decrease in Investments	207,798	4,950
NET CASH USED IN INVESTING ACTIVITIES (B)	(1,205,599)	142,664
CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received/(Utilised)	-	(2,500,000)
Share Capital Received	-	6,250,000
Share Premium Received	-	18,750,000
Dividend Paid including CDT	(3,281,710)	(2,916,100)
Increase/ (Decrease) in Cash Credits	328,497,264	118,127,385
Increase/(Decrease) in other Secured Loans	160,861,031	(689,214)
Increase/(Decrease) in Unsecured Loans	57,599,940	21,942,674
NET CASH USED IN FINANCING ACTIVITIES (C)	543,676,525	158,964,745
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	31,990,327	864,731
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	5,235,859	4,371,128
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	37,226,186	5,235,859

For and on behalf of Board of Directors

Sanjeev Goel

MANAGING DIRECTOR

New Delhi, Date: 29th May, 2010

S.K. Goel

DIRECTOR

Neetu Sharma

COMPANY SECRETARY

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Intec Capital Limited for the year ended 31.03.2010. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Delhi and Mumbai Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Note : All figures in brackets are outflow

As per our report attached

For and on behalf of

T.K. GUPTA & ASSOCIATES

Chartered Accountants

FR NO. : 011604N

CA. T.K. GUPTA (PARTNER)

M. No- 082235

New Delhi, Date: 29th May, 2010

Statement pursuant to part IV of Schedule VI of the Companies Act, 1956. BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code
 Balance-Sheet as on :

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue
 Bonus Issue Private Placement

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

Total Liabilities Total Assets

Source of Funds

Paid-up Capital Reserve & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liabilities

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Profit/Loss Before Tax Profit/Loss After Tax
 Earning per Share in Rs. Dividend Rate %

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

Products Description
 Item Code No.

For and on behalf of the Board

Sanjeev Goel S K Goel Neetu Sharma
 Managing Director Director Company Secretary

If undelivered, please return to:



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